Consolidated Income Statement

for the year ended 31 December 2023

	Notes	2023 £m	2022 £m
Revenue	4	**2,191**	2,115
Employment, compensation and benefits		**(1,360)**	(1,320)
General and administrative expenses		**(511)**	(506)
Depreciation of property, plant and equipment and right-of-use assets		**(45)**	(49)
Impairment of property, plant and equipment and right-of-use assets		**(11)**	(9)
Amortisation of intangible assets		**(72)**	(78)
Impairment of intangible assets		**(86)**	(20)
Total operating costs	5	**(2,085)**	(1,982)
Other operating income	6	**22**	30
Earnings before interest and tax		**128**	163
Finance income	8	**34**	8
Finance costs	9	**(66)**	(58)
Profit before tax		**96**	113
Taxation	10	**(40)**	(36)
Profit after tax		**56**	77
Share of results of associates and joint ventures	18,19	**25**	29
Impairment of associates	18	**(5)**	–
Profit for the year		**76**	106
Attributable to:			
Equity holders of the parent		**74**	103
Non-controlling interests		**2**	3
		76	106
Earnings per share:			
Basic	11	**9.5p**	13.2p
Diluted	11	**9.3p**	13.0p

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2023

	Notes	2023 £m	2022 £m
Profit for the year		**76**	106
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit pension schemes	38(a)	**46**	–
Taxation	10	**(16)**	–
		30	–
Items that may be reclassified subsequently to profit or loss:			
(Loss)/gain on translation of foreign operations		**(83)**	153
Taxation	10	**2**	(5)
		(81)	148
Other comprehensive (loss)/income for the year		**(51)**	148
Total comprehensive income for the year		**25**	254
Attributable to:			
Equity holders of the parent		**24**	250
Non-controlling interests		**1**	4
		25	254

Consolidated Balance Sheet

as at 31 December 2023

	Notes	31 December 2023 £m	31 December 2022 £m
Non-current assets			
Intangible assets arising on consolidation	13	**1,605**	1,780
Other intangible assets	14	**110**	97
Property, plant and equipment	15	**92**	110
Investment properties	16	**12**	–
Right-of-use assets	17	**136**	165
Investment in associates	18	**51**	63
Investment in joint ventures	19	**38**	34
Other investments	20	**19**	23
Deferred tax assets	22	**41**	15
Retirement benefit assets	38	**3**	1
Other long-term receivables	23	**33**	51
		2,140	2,339
Current assets			
Trade and other receivables	23	**2,279**	2,198
Financial assets at fair value through profit or loss	25	**569**	264
Financial investments	21	**189**	174
Cash and cash equivalents	36	**1,029**	888
		4,066	3,524
Total assets		**6,206**	5,863
Current liabilities			
Trade and other payables	24	**(2,372)**	(2,149)
Financial liabilities at fair value through profit or loss	25	**(541)**	(255)
Loans and borrowings	26	**(93)**	(9)
Lease liabilities	27	**(28)**	(29)
Current tax liabilities		**(35)**	(37)
Short-term provisions	28	**(14)**	(9)
		(3,083)	(2,488)
Net current assets		**983**	1,036
Non-current liabilities			
Loans and borrowings	26	**(744)**	(785)
Lease liabilities	27	**(223)**	(250)
Deferred tax liabilities	22	**(51)**	(85)
Long-term provisions	28	**(31)**	(31)
Other long-term payables	29	**(5)**	(60)
Retirement benefit obligations	38	**(4)**	(3)
		(1,058)	(1,214)
Total liabilities		**(4,141)**	(3,702)
Net assets		**2,065**	2,161
Equity			
Share capital	31,32(a)	**197**	197
Other reserves	32(b)	**(963)**	(854)
Retained earnings	32(c)	**2,814**	2,800
Equity attributable to equity holders of the parent		**2,048**	2,143
Non-controlling interests	32(c)	**17**	18
Total equity		**2,065**	2,161

The Consolidated Financial Statements of TP ICAP Group plc (registered number 130617) were approved by the Board of Directors and authorised for issue on 12 March 2024 and are signed on its behalf by

Nicolas Breteau
Chief Executive Officer

Financial statements

Consolidated Statement of Changes in Equity

for the year ended 31 December 2023

	Equity attributable to equity holders of the parent (Note 32)								Note 32(c)	
	Share capital £m	**Re-organisation reserve £m**	**Revaluation reserve £m**	**Hedging and translation £m**	**Treasury shares £m**	**Own shares £m**	**Retained earnings £m**	**Total £m**	**Non-controlling interests £m**	**Total equity £m**
2023										
Balance at 1 January 2023	**197**	**(946)**	**5**	**109**	**–**	**(22)**	**2,800**	**2,143**	**18**	**2,161**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**74**	**74**	**2**	**76**
Other comprehensive (loss)/ income for the year	**–**	**–**	**–**	**(80)**	**–**	**–**	**30**	**(50)**	**(1)**	**(51)**
Total comprehensive (loss)/ income for the year	**–**	**–**	**–**	**(80)**	**–**	**–**	**104**	**24**	**1**	**25**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**–**	**(99)**	**(99)**	**(2)**	**(101)**
Share settlement of share-based awards	**–**	**–**	**–**	**–**	**–**	**9**	**(10)**	**(1)**	**–**	**(1)**
Own shares acquired for employee trusts	**–**	**–**	**–**	**–**	**–**	**(7)**	**–**	**(7)**	**–**	**(7)**
Own shares acquired/share buyback	**–**	**–**	**–**	**–**	**(29)**	**–**	**–**	**(29)**	**–**	**(29)**
Disposal of equity instruments at FVTOCI	**–**	**–**	**(2)**	**–**	**–**	**–**	**2**	**–**	**–**	**–**
Credit arising on share-based awards	**–**	**–**	**–**	**–**	**–**	**–**	**17**	**17**	**–**	**17**
Balance at 31 December 2023	**197**	**(946)**	**3**	**29**	**(29)**	**(20)**	**2,814**	**2,048**	**17**	**2,065**

	Equity attributable to equity holders of the parent (Note 32)								Note 32(c)	
	Share capital £m	Re-organisation reserve £m	Revaluation reserve £m	Hedging and translation £m	Treasury shares £m	Own shares £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total equity £m
2022										
Balance at 1 January 2022	197	(946)	5	(38)	–	(26)	2,769	1,961	17	1,978
Profit for the year	–	–	–	–	–	–	103	103	3	106
Other comprehensive income for the year	–	–	–	147	–	–	–	147	1	148
Total comprehensive income for the year	–	–	–	147	–	–	103	250	4	254
Dividends paid	–	–	–	–	–	–	(78)	(78)	(3)	(81)
Share settlement of share-based awards	–	–	–	–	–	7	(7)	–	–	–
Own shares acquired for employee trusts	–	–	–	–	–	(3)	–	(3)	–	(3)
Credit arising on share-based awards	–	–	–	–	–	–	13	13	–	13
Balance at 31 December 2022	197	(946)	5	109	–	(22)	2,800	2,143	18	2,161

Consolidated Cash Flow Statement

for the year ended 31 December 2023

	Notes	2023 £m	2022 £m
Net cash flow from operating activities	35	**270**	324
Investing activities			
Purchase of financial investments	36	**(19)**	(50)
Interest received		**30**	7
Dividends from associates and joint ventures	18,19	**22**	15
Expenditure on intangible fixed assets	14	**(43)**	(35)
Purchase of property, plant and equipment	15	**(12)**	(18)
Sale of property, plant and equipment		**–**	12
Deferred consideration paid	34	**(1)**	(10)
Sale of other investments	20	**3**	–
Investment in associates	18	**(5)**	–
Disposal of associate and joint ventures	18,19	**10**	1
Receipt of pension scheme surplus[1]	38	**46**	–
Net cash flow from investment activities		**31**	(78)
Financing activities			
Dividends paid	12	**(99)**	(78)
Dividends paid to non-controlling interests	32(c)	**(2)**	(3)
Own shares acquired/share buyback	32(b)	**(29)**	–
Own shares acquired for employee trusts	32(b)	**(7)**	(3)
Dividend equivalent paid on equity share-based awards		**(1)**	–
Net repayment of bank loans[2]	36	**–**	–
Net (repayment)/borrowing of loans from related parties[2]	36	**–**	(47)
Funds received from issue of Sterling Notes	26	**249**	–
Repurchase of Sterling Notes	26	**(210)**	–
Bank facility arrangement fees and debt issue costs		**(2)**	(3)
Payment of lease liabilities	36	**(29)**	(29)
Net cash flow from financing activities		**(130)**	(163)
Increase in cash and overdrafts	36	**171**	83
Cash and overdrafts at the beginning of the year		**888**	767
Effect of foreign exchange rate changes	36	**(40)**	38
Cash and overdrafts at the end of the year	36	**1,019**	888
Cash and cash equivalents	36	**1,029**	888
Overdrafts	36	**(10)**	–
		1,019	888

1 Represents the cash inflow resulting from the repayment of the UK pension scheme surplus by the Trustees. This has been classified as investing activities reflecting the realisation of the underlying investments held within the scheme prior to the proceeds being transferred to the Group, rather than an operational return of historic contributions (Note 38). £16m of associated tax is included in 'income taxes paid'.

2 The Group utilises credit facilities throughout the year, entering into numerous short-term bank and other loans where maturities are less than three months. The turnover is quick and the volume is large and resultant flows are presented net. Further details are set out in Note 26.

1. General information

As at 31 December 2023 TP ICAP Group plc (the 'Company') was a public company limited by shares incorporated in Jersey under the Companies (Jersey) Law 1991. The Company's shares are listed on the London Stock Exchange with a premium listing. It is the ultimate parent undertaking of the TP ICAP group of companies (the 'Group').

The address of the registered offices of the Company is given on page 200. The nature of the Group's operations and its principal activities are set out in the Directors' report on pages 130 to 132 and in the Strategic Report on pages 12 to 75.

The Company has taken advantage of the exemption provided in Article 105 (11) of the Companies (Jersey) Law 1991 and therefore does not present its individual financial statements and related notes.

2. Basis of preparation

(a) Basis of accounting

The Group's Consolidated Financial Statements have been prepared in accordance with UK adopted International Accounting Standards in conformity with the requirements of the Companies (Jersey) Law 1991.

The Financial Statements are presented in Pounds Sterling because that is the currency of the primary economic environment in which the Group operates and are rounded to the nearest million pounds (expressed as £m), except where otherwise indicated. The significant accounting policies are set out in Note 3.

The Financial Statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments held at fair values at the end of each reporting period, as explained in the accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these Consolidated Financial Statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as value in use in IAS 36.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

> Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
> Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
> Level 3 inputs are unobservable inputs for the asset or liability.

(b) Basis of consolidation

The Group's Consolidated Financial Statements incorporate the Financial Statements of the Company and entities controlled by the Company made up to 31 December each year. Under IFRS 10 'Consolidated Financial Statements', control is achieved where the Company exercises power over an entity, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to use its power to affect the returns from the entity.

The results of subsidiaries acquired or disposed of during the year are included in the Consolidated Income Statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All inter-company transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. Other non-controlling interests are initially measured at fair value. The choice of measurement is made on an acquisition by acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interest having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any differences between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets, including goodwill, less liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control was lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

2. Basis of preparation continued

(c) Going concern

The Directors of the Company have, at the time of approving the Financial Statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the Group's Consolidated Financial Statements. Further detail is contained in the going concern section and viability statement included in the Strategic Report on page 54.

(d) Adoption of new and revised Standards

The following new and revised Standards and Interpretations have been endorsed by the UK Endorsement Board and are effective from 1 January 2023 but they do not have a material effect on the Group's Consolidated Financial Statements:

> IFRS 17 'Insurance Contracts' including Amendments to IFRS 17;
> Amendments to IAS 12 'Income Taxes', Deferred Tax related to Assets and Liabilities arising from a Single Transaction;
> Amendments to IAS 8 'Accounting policies', Changes in Accounting Estimates and Errors – Definition of Accounting Estimates;
> Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 – 'Disclosure of Accounting policies'; and
> Amendments to IAS 12 'Income Taxes', International Tax Reform—Pillar Two Model Rules. In respect of this amendment the Group has applied the mandatory exception from recognising and disclosing information about deferred tax assets and liabilities related to Pillar 2 income taxes.

At the date of authorisation of these Consolidated Financial Statements, the following new and revised Standards and Interpretations were in issue but not yet effective. The Group has not applied these Standards or Interpretations in the preparation of these Consolidated Financial Statements:

> Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures': Supplier Finance Arrangements;
> Amendments to IAS 1 'Presentation of Financial Statements', Classification of Liabilities as Current or Non-Current; and
> Amendments to IFRS 16 'Leases', Lease Liability in a Sale and Leaseback.

The following Standards and Interpretations have not been endorsed by the UK and have not been applied in the preparation of these Consolidated Financial Statements:

> Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates': Lack of Exchangeability.

The Directors do not expect the adoption of the above Standards and Interpretations will have a material impact on the Consolidated Financial Statements of the Group in future periods.

3. Summary of significant accounting policies

(a) Income recognition

Revenue, which excludes sales taxes, includes brokerage including commissions, fees earned and subscriptions for information sales. Fee income is recognised when the related services are completed and the income is considered receivable.

Each segment comprises the following types of revenue:

(i) Name Passing brokerage, where counterparties to a transaction settle directly with each other. Revenue for the service of matching buyers and sellers of financial instruments is stated net of sales taxes, rebates and discounts and is recognised in full on trade date (point in time recognition);

(ii) Matched Principal brokerage revenue, being the net proceeds from a commitment to simultaneously buy and sell financial instruments with counterparties, is recognised on settlement date;

(iii) Executing Broker brokerage, where the Group executes transactions on certain regulated exchanges and then 'gives-up' the trade to the relevant client, or its clearing member. Revenue for the service of matching buyers and sellers of financial instruments is stated net of sales taxes, rebates and discounts and is recognised in full on trade date (point in time recognition);

(iv) Introducing Broker brokerage, where the Group arranges matched transactions where the counterparties transact through a third-party clearing entity acting as principal. Revenue for the service of matching buyers and sellers of financial instruments is stated net of sales taxes, rebates and discounts and is recognised in full on trade date (point in time recognition);

(v) Fees earned from the sales of price information from financial and commodity markets to third parties are recognised on an accruals basis to match the provision of the service (recognised over time). In relation to these contracts the Group has a right to consideration in an amount that corresponds directly with the value to the customer of the Group's performance completed to date. In respect of contracts for the sale of price information from financial and commodity markets, the Group has applied the practical expedient in IFRS 15, allowing for the non-disclosure of both the amount of the transaction price allocated to the remaining performance obligations, and an explanation of when it expects to recognise that amount; and

(vi) Fees from the sales of price information from financial and commodity markets that are provided over time, but which are contingent on the validation of price information usage, are recognised once usage has been verified (point in time).

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Dividend income from investments is recognised when the Group's right to receive the payment is established.

3. Summary of significant accounting policies continued

(b) Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition costs are recognised in profit or loss as incurred.

Where applicable, deferred consideration for the acquisition includes any asset or liability resulting from a non-contingent or contingent consideration arrangement, measured at its acquisition date fair value. Subsequent changes in such fair values of contingent consideration are adjusted against the cost of the acquisition where they qualify as measurement period adjustments. The measurement period is the period from the date of acquisition to the date the Group obtains complete information about the facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year. All subsequent changes in the fair value of contingent consideration classified as an asset or a liability are accounted for in accordance with relevant IFRSs. The cash settlement of deferred consideration is reported as part of investing activities in the cash flow. Deferred consideration classified as equity is not remeasured (outside of the measurement period) with subsequent settlement accounted for within equity.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date and any resulting gain or loss is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest was disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 (2008) are recognised at their fair value at the acquisition date, except that:

> Deferred tax assets or liabilities are recognised and measured in accordance with IAS 12 'Income Taxes';
> Liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 19 'Employee Benefits';
> Acquiree share-based payment awards replaced by Group awards are measured in accordance with IFRS 2 'Share-based Payments';
> Assets or disposal groups that are classified for sale are measured in accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations'; and
> Lease liabilities are valued based on the present value of the remaining lease payments. Right-of-use-assets are measured at the same amount of the lease liability, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, provisional amounts are reported. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities recognised, to reflect the facts and circumstances that existed as at the acquisition date.

Non-controlling interests in the acquired entity are initially measured at the non-controlling interest's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

(c) Investment in associates

An associate is an entity over which the Group is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating decisions of the investee but is not control or joint control over these policies.

The results and assets and liabilities of associates are incorporated in these Financial Statements based on financial information made up to 31 December each year using the equity method of accounting, except when classified as held for sale. Investments in associates are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of the associates in excess of the Group's interest in those associates are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the fair values of the identifiable net assets of the associate at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any discount in the cost of acquisition below the Group's share of the fair value of the identifiable net assets of the associate at the date of acquisition (discount on acquisition) is credited to profit and loss in the year of acquisition.

Where a Group company transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate. Losses may provide evidence of impairment of the asset transferred in which case appropriate provision is made for impairment.

(d) Interests in joint arrangements

A joint arrangement is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control.

Joint ventures are joint arrangements which involve the establishment of a separate entity in which each party has rights to the net assets of the arrangement. The Group reports its interests in joint ventures using the equity method of accounting, based on financial information made up to 31 December each year. Investments in joint ventures are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Group's share of the net assets of the joint venture, less any impairment in the value of individual investments. Losses of the joint venture in excess of the Group's interest in those joint ventures are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments under the terms of the joint venture.

(e) Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary or associate at the date of acquisition. Goodwill is initially recognised at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous UK GAAP amounts at that date.

3. Summary of significant accounting policies continued

(e) Goodwill continued

Goodwill recognised as an asset is reviewed for impairment at least annually. Any impairment loss is recognised as an expense immediately and is not subsequently reversed. For the purpose of impairment testing goodwill is allocated to groups of individual cash-generating units ('CGUs') expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of any goodwill allocated to the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Goodwill arising on the acquisition of an associate or joint venture is included within the carrying value of the associate or the joint venture. Goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet.

On disposal of a subsidiary, associate or joint venture, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(f) Intangible assets

Software and software development costs

An internally generated intangible asset arising from the Group's software development is recognised at cost only if all of the following conditions are met:

> An asset is created that can be identified;
> It is probable that the asset created will generate future economic benefits; and
> The development costs of the asset can be measured reliably.

Where the above conditions are not met, costs are expensed as incurred.

Acquired separately or from a business combination

Intangible assets acquired separately are capitalised at cost and intangible assets acquired in a business acquisition are capitalised at fair value at the date of acquisition. The useful lives of these intangible assets are assessed to be either finite or indefinite. Amortisation charged on assets with a finite useful life is taken to the income statement through administrative expenses.

Other than software development costs, intangible assets created within the business are not capitalised and expenditure is charged to the income statement in the year in which the expenditure is incurred.

Intangible assets are amortised over their finite useful lives generally on a straight-line basis, as follows:

Software:	
Purchased or developed	– up to 5 years
Software licences	– over the period of the licence

Acquisition intangibles:	
Brand/Trademarks	– up to 5 years
Customer relationships	– 2 to 20 years
Other intangibles	– over the period of the contract

Intangible assets are subject to impairment review if there are events or changes in circumstances that indicate that the carrying amount may not be recoverable.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

(g) Property, plant and equipment

Freehold land is stated at cost. Buildings, furniture, fixtures, equipment and motor vehicles are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset on a straight-line basis over its expected useful life as follows:

Furniture, fixtures and equipment	– 3 to 10 years
Short and long leasehold land and buildings	– period of the lease
Freehold land	– infinite
Freehold buildings	– 50 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

(h) Investment property

Investment properties, principally office buildings, are held for long-term rental yields and are not occupied by the Group. When the use of a property changes from owner-occupied to unlet, or sub-let under an operating lease, it is classified as an investment property.

Where the Group is an intermediate lessor, it is required to account for its interests in the head lease and the sub-lease separately. The Group assesses the classification of each sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. Sub-leases classified as operating leases are included within investment properties and those classified as finance leases are reported as finance lease receivables.

When a right-of-use-asset is reclassified to investment property, the right-of-use-asset is first remeasured to fair value then reclassified. Any gain or loss arising on this remeasurement of the right-of-use asset is recognised in profit or loss.

Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise. Fair value is based on valuation methods, such as recent prices or discounted cash flow projections. Valuations are performed as at the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. Valuations are level 3 fair values.

3. Summary of significant accounting policies continued

(i) Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the CGU to which the asset belongs. Intangible assets with indefinite useful lives are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less any cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(j) Broker contract payments

Payments made to brokers under employment contracts which are in advance of the expected economic benefit due to the Group are accounted for as prepayments and included within trade and other receivables. Payments made in advance are subject to repayment conditions during the contract period and the prepayment is amortised over the shorter of the contract term and the period the payment remains recoverable. Amounts that are irrecoverable, or become irrecoverable, are written off immediately.

Payments made in arrears are accrued and are included within trade and other payables.

(k) Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities subsequently measured at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities that are subsequently measured at fair value through profit or loss are recognised immediately in profit or loss.

All regular way purchases or sales of financial assets are recognised and derecognised on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

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.

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income ('FVTOCI'):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss ('FVTPL').

The Group may make the following irrevocable elections or designations at initial recognition of a financial asset:

- To irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- To irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Debt instruments at FVTOCI

Debt instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognised in profit or loss.

All other changes in the carrying amount of these debt instruments are recognised in other comprehensive income and accumulated in the revaluation reserve. When such assets are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

Equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election, on an instrument-by-instrument basis, to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- It is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included as finance income in profit or loss.

The Group has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of IFRS 9.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Financial assets held for trading, having been acquired for the purpose of fulfilling a sell commitment either immediately meeting or in the very near term. Regular way purchases are recognised at fair value on settlement date, however fair value movements between trade date and settlement date are recognised in profit or loss with the associated asset or liability recorded in financial assets or financial liabilities at fair value through profit or loss until the asset is recognised;
- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition; and
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. Debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in finance income.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ('ECL') on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all reasonably possible default events over the expected life of a financial instrument. 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external or internal credit rating;
- Significant deterioration in external market indicators of credit risk for a particular financial instrument;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor; and
- Significant increases in credit risk on other financial instruments of the same debtor; an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

3. Summary of significant accounting policies continued

(k) Financial instruments continued

The Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default;
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

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

The Group monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Credit-impaired financial assets

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.

Definition of default

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

- The borrower is unlikely to pay its credit obligations to the Group 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 maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Write-off policy

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

Presentation of impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVTOCI, the loss allowance is recognised in OCI, instead of reducing the carrying amount of the asset.

Impairment losses related to trade and other receivables, including settlement balances and deposits paid for securities borrowed, are presented in general and administrative expenses due to materiality consideration. Impairment losses on other financial assets are presented under 'finance costs', and not presented separately in the statement of profit or loss and OCI owing to materiality considerations.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been acquired principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

3. Summary of significant accounting policies continued

(k) Financial instruments continued

In respect of financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of the liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (i) the carrying amount of the liability before the modification; and (ii) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

(l) Derivative financial instruments

Derivative financial instruments, such as foreign currency contracts and interest rate swaps, are entered into by the Group in order to manage its exposure to interest rate and foreign currency fluctuations or as simultaneous back-to-back transactions with counterparties. The Group does not use derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both the legal right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

Derivatives embedded in hybrid contracts with a financial asset host within the scope of IFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured as either amortised cost or fair value as appropriate.

Derivatives embedded in hybrid contracts with hosts that are not financial assets within the scope of IFRS 9 are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

If the hybrid contract is a quoted financial liability, instead of separating the embedded derivative, the Group generally designates the whole hybrid contract at FVTPL.

An embedded derivative is presented as a non-current asset or non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and is not expected to be realised or settled within 12 months.

(m) Hedge accounting

Derivatives designated as hedges are either 'fair value hedges' or 'hedges of net investments in foreign operations'.

Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss except when the hedging instrument hedges an equity instrument designated at FVTOCI in which case it is recognised in other comprehensive income.

The carrying amount of a hedged item not already measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in profit or loss. For debt instruments measured at FVTOCI, the carrying amount is not adjusted as it is already at fair value, but the hedging gain or loss is recognised in profit or loss instead of other comprehensive income. When the hedged item is an equity instrument designated at FVTOCI, the hedging gain or loss remains in other comprehensive income to match that of the hedging instrument.

Where hedging gains or losses are recognised in profit or loss, they are recognised in the same line as the hedged item.

Hedge accounting is discontinued when the hedging relationship no longer meets the risk management objective or where the hedging relationship no longer complies with the qualifying criteria or if the hedging instrument has been sold or terminated.

Net investment hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as net investment hedges is recognised in other comprehensive income and accumulated in the hedging and translation reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in financial income or financial expense respectively.

Where the Group designates the intrinsic value of purchased options as the hedging instrument in a net investment hedge, changes in the time value of the option are required to be recorded initially in other comprehensive income. Under the 'cost of hedging' approach, the initial option premium cost is recycled from other comprehensive income and recognised in the income statement on a straight-line basis over the period of the hedge.

Gains and losses deferred in the hedging and translation reserve are recognised in profit or loss on disposal of the foreign operation.

3. Summary of significant accounting policies continued

(n) Matched Principal and stock lending transactions

Certain Group companies engage in Matched Principal transactions whereby securities are bought from one counterparty and simultaneously sold to another counterparty. Settlement of such transactions is primarily on a delivery vs. payment basis ('DVP') and typically takes place within a few business days of the trade date according to the relevant market rules and conventions.

Matched Principal transactions in regular way financial assets are recognised on settlement date, classified as FVTPL, and are derecognised on settlement of the related sale. Fair value movements on unsettled Matched Principal regular way transactions between trade date and settlement are recognised in profit or loss with the associated asset or liability recorded in financial assets or liabilities held at fair value through profit or loss.

Matched Principal broking involves simultaneous back-to-back derivative transactions with counterparties which are classified as financial instruments at fair value through profit or loss ('FVTPL') and are shown gross, except where a netting agreement, which is legally enforceable at all times, exists and the asset and liability are either settled net or simultaneously.

The Group acts as an intermediary between its customers for collateralised stock lending transactions. Such trades are complete only when both the collateral and stock for each side of the transaction are returned. The gross amounts of collateral due to and receivable are disclosed in the balance sheet as deposits paid for securities borrowed and deposits received for securities loaned.

(o) Cash and cash equivalents, and term deposits

Cash comprises cash in hand and demand deposits which may be accessed without penalty. Cash equivalents comprise short-term highly liquid investments with a maturity of less than three months from the date of acquisition. For the purposes of the Consolidated Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

The Group holds money, and occasionally financial instruments, on behalf of customers (client monies) in accordance with local regulatory rules. Since the Group is not beneficially entitled to these amounts, they are excluded from the Consolidated Balance Sheet along with the corresponding liabilities to customers.

Term deposits comprise amounts held with a central counterparty clearing house ('CCP'), or a financial institution providing the Group with access to a CCP, and funds set aside for regulatory purposes, and which do not meet the definition of cash and cash equivalents. Term deposits have a maturity period of three months or more.

Where the Group holds cash and cash equivalents, or term deposits that are subject to third party obligations that restrict their use to specific purposes, such balances are reported as restricted within the relevant balance.

(p) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at fair value, being the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest bearing loans and borrowings are measured at amortised cost using the effective interest rate method. Amortised cost is calculated taking into account any issue costs and any discounts or premium on settlement. Gains and losses are recognised in the income statement when the liabilities are derecognised, as well as through the amortisation process.

(q) Provisions

Provisions are recognised when the Group has a present obligation, legal or constructive, as a result of a past event where it is probable that this will result in an outflow of economic benefits that can be reliably estimated.

Provisions for restructuring costs are recognised when the Group has a detailed formal plan for the restructuring, which has been notified to affected parties.

(r) Foreign currencies

The individual financial statements of each Group company are prepared in the currency of the primary economic environment in which it operates, its functional currency. For the purpose of the Consolidated Financial Statements, the results and financial position of each Group company are expressed in Pounds Sterling, which is the functional currency of the Company and the presentation currency for the Consolidated Financial Statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. Gains and losses arising from the settlement of these transactions, and from the retranslation of monetary assets and liabilities denominated in currencies other than the functional currency at rates prevailing at the balance sheet date, are recognised in the income statement. Non-monetary assets and liabilities denominated in currencies other than the functional currency that are measured at historical cost or fair value are translated at the exchange rate at the date of the transaction or at the date the fair value was determined.

For the purpose of presenting Consolidated Financial Statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Exchange differences arising are classified as other comprehensive income and transferred to the Group's translation reserve. Such translation differences are recognised as income or as expense in the year in which the operation is disposed of. Income and expense items are translated at average exchange rates for the year, unless exchange rates fluctuate significantly during that year, in which case the exchange rates at the date of transactions are used.

(s) Taxation

The tax expense represents the sum of current tax payable arising in the year, movements in deferred tax and movements in tax provisions. The tax expense includes any interest and penalties payable.

The current tax payable arising in the year is based on taxable profit for the year using tax rates that have been enacted or substantively enacted by the balance sheet date, and any adjustment to tax payable in respect of prior years.

3. Summary of significant accounting policies continued

(s) Taxation continued

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the carrying amount of assets and liabilities in the Financial Statements and the corresponding tax basis used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences may be utilised. Temporary differences are not recognised if they arise from goodwill or from initial recognition of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the rates that are expected to apply when the asset or liability is settled or when the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

Deferred tax assets and liabilities are only offset when there is both a legal right to set-off and an intention to settle on a net basis.

(t) Leases

Definition of a lease

On transition to IFRS 16 the Group elected to apply the practical expedient not to reassess whether a contract was or contained a lease. The Group therefore applied IFRS 16 only to contracts that had been previously identified as leases, in accordance with IAS 17 and IFRIC 4, before 1 January 2019. Thereafter the Group has applied the definition of a lease and related guidance to all lease contracts entered into or modified on or after 1 January 2019.

The Group assesses whether a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of the relative stand-alone prices. However, for leases of properties the Group has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

As a lessee

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases (up to 12 months) and leases of low value assets (less than £3,500). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, the date at which power to control the asset is obtained. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate reflecting the lease term and the country in which it resides. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in the future lease payments arising from a change in an index or a rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised. Where a lease contract is modified and the lease modification is not accounted for as a separate lease, the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Lease cash flows are split into payments of principal and interest and are presented as financing and operating cash flows respectively.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that includes termination and/or renewal options and for leases which the Group has enforceable rights that extend the lease agreement. The assessment of whether the Group is reasonably certain to exercise such options or whether the Group is able to enforce its additional rights impacts the lease term, which affects the amount of lease liabilities and right-of-use assets recognised.

As a lessor

The Group sub-leases some of its leased properties. Where the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts and classifies the sub-lease as either a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Where sub-lease agreements are assessed as finance leases, the Group derecognises the right-of-use asset and records its interest in finance lease receivables. Lease receipts are apportioned between finance income and a reduction in the finance lease receivable. As required by IFRS 9, an allowance for expected credit losses is recognised on the finance lease receivables.

Where sub-leases are classified as operating leases, operating lease receipts are recognised in the income statement on a straight-line basis over the lease term.

3. Summary of significant accounting policies continued

(u) Retirement benefit costs

Defined contributions made to employees' personal pension plans are charged to the income statement as and when incurred.

For defined benefit retirement plans, the cost of providing the benefits is determined using the projected unit credit method. Actuarial gains and losses are recognised in full in the year in which they occur. They are recognised outside the income statement and are presented in other comprehensive income.

Past service cost is recognised in profit or loss when the plan amendment or curtailment occurs, or when the Group recognises related restructuring costs or termination benefits, if earlier. Gains or losses on settlement of a defined benefit plan are recognised when the settlement occurs.

The amount recognised in the balance sheet represents the net of the present value of the defined benefit obligation as adjusted for actuarial gains and losses and past service cost, and the fair value of plan assets. The Trust Deed provides the Group with an unconditional right to a refund of surplus assets assuming the full settlement of plan liabilities. In the ordinary course of business the Trustee has no rights to unilaterally wind up, or otherwise augment the benefits due to members of, the plan. Based on these rights, any net surplus in the plan would be recognised in full. Where such rights do not exist, or are no longer enforceable, the Group applies the requirements of IFRIC 14 and restricts recognition of the net surplus by applying an asset recognition ceiling. Changes in the asset ceiling are recorded in other comprehensive income.

(v) Share-based awards

Equity-settled share-based awards issued to employees are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based awards is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

The estimated grant date fair value of awards is based on the share price at grant date, reduced where shares do not qualify for dividends during the vesting period. Market-based performance conditions for equity-settled awards are reflected in the initial fair value of the award.

The fair value of share options issued is determined using appropriate valuation models. The expected life used in the models has been adjusted, based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations.

Cash-settled share-based awards are initially measured at fair value at the date of grant. Subsequently the awards are fair valued at each reporting date and a proportionate expense for the duration of the vesting period elapsed is recognised in the Income Statement together with a liability on the Group's balance sheet.

(w) Treasury and own shares

Where share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. When treasury shares are sold or re-issued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to or from retained earnings.

Shares repurchased from the open market are recorded in 'own shares' within reserves. Own shares issued to beneficiaries under share award plans are recorded as a transfer to retained earnings.

(x) Contingent liabilities

Contingent liabilities, which include certain guarantees and letters of credit pledged as collateral security, and contingent liabilities related to legal proceedings or regulatory matters where a possible outflow of economic benefit might occur, or where that outflow cannot be reliably estimated, are not recognised in the financial statements but are disclosed.

(y) Accounting estimates and judgements

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognised in the period an estimate is revised.

The following are the critical judgements and key estimation uncertainties that the Directors have made in the process of preparing the Financial Statements.

Provisions and contingent liabilities

Provisions are established by the Group based on management's assessment of relevant information and advice available at the time of preparing the Financial Statements.

Judgements

Judgement is required when determining whether a present obligation exists. Professional advice is taken on the assessment of litigation and similar obligations.

Provisions for legal proceedings and regulatory matters typically require a higher degree of judgement than other types of provisions. When matters are at an early stage, accounting judgements can be difficult because of the high degree of uncertainty associated with determining whether a present obligation exists. As matters progress, management and legal advisers evaluate on an ongoing basis the existence of an obligation.

3. Summary of significant accounting policies continued

(y) Accounting estimates and judgements continued

Estimates

Where there is a present or possible obligation, estimation is required to determine whether an outflow may arise. Provisions for legal proceedings and regulatory matters remain very sensitive to the assumptions used in the estimate. There could be a wider range of possible outcomes for any pending legal proceedings, investigations or inquiries. As a result it is often not practicable to quantify a range of possible outcomes for individual matters. It is also not practicable to meaningfully quantify ranges of potential outcomes in aggregate for these types of provisions because of the diverse nature and circumstances of such matters and the wide range of uncertainties involved.

Notes 28(b) and 37 provide details of the Group's provisions and contingent liabilities and the key sources of estimation uncertainty.

Impairment of goodwill and intangible assets

Judgements

Forecast cash flows are subject to a high degree of uncertainty in volatile market conditions. Under such circumstances, management tests goodwill for impairment more frequently than once a year when indicators of impairment exist. This ensures that the assumptions on which the cash flow forecasts are based continue to reflect current market conditions and management's best estimate of future performance.

Estimates

The future cash flows of the CGUs are sensitive to the cash flows projected for the periods for which detailed forecasts are available and to assumptions regarding the long-term pattern of sustainable cash flows thereafter.

The rates used to discount future expected cash flows can have a significant effect on a CGU's valuation. The discount rate incorporates inputs reflecting a number of financial and economic variables, including the risk-free interest rate in the region concerned and a premium for the risk of the business being evaluated. These variables are subject to fluctuations in external market rates and economic conditions beyond management's control.

The impairment testing disclosures in Note 13 set out the key sources of estimation uncertainty, the key assumptions made and the resultant sensitivity to reasonable possible changes in those assumptions.

4. Segmental analysis

Products and services from which reportable segments derive their revenues

The Group has a matrix management structure. The Group's Chief Operating Decision Maker ('CODM') is the Executive Committee ('ExCo') which operates as a general executive management committee under the direct authority of the Board. The ExCo members regularly review operating activity on a number of bases, including by business division and by legal ownership which is structured geographically based on the region of incorporation.

The balance of the CODM review of operating activity and allocation of the Group's resources is primarily focused on business division and this is considered to represent the most appropriate view for the assessment of the nature and financial effects of the business activities in which the Group engages.

Whilst the Group's Primary Operating Segments are by business division, individual entities and the legal ownership of such entities continue to operate with discrete management teams and decision-making and governance structures. Each regional sub-group has its own independent governance structure including CEOs, board members and sub-group regional Conduct and Governance Committees with separate autonomy of decision-making and the ability to challenge the implementation of Group level strategy and initiatives within its region. For the EMEA regional sub-group there are independent non-executive directors on the regional Board that further strengthen the independence and judgement of the governance framework.

4. Segmental analysis continued

Information regarding the Group's primary operating segments is reported below:

Analysis by primary operating segment

2023	Global Broking £m	Energy & Commodities £m	Liquidnet £m	Parameta Solutions £m	Corporate £m	Total £m
Revenue						
– External	**1,236**	**455**	**315**	**185**	**–**	**2,191**
– Inter-division	**22**	**3**	**–**	**4**	**(29)**	**–**
	1,258	**458**	**315**	**189**	**(29)**	**2,191**
Total front office costs:						
– External	**(761)**	**(304)**	**(207)**	**(71)**	**–**	**(1,343)**
– Inter-division	**(4)**	**–**	**–**	**(25)**	**29**	**–**
	(765)	**(304)**	**(207)**	**(96)**	**29**	**(1,343)**
Contribution	**493**	**154**	**108**	**93**	**–**	**848**
Net management and support costs	**(259)**	**(75)**	**(87)**	**(14)**	**(54)**	**(489)**
Other operating income	**3**	**1**	**–**	**–**	**10**	**14**
Adjusted EBITDA	**237**	**80**	**21**	**79**	**(44)**	**373**
Depreciation and amortisation expense	**(31)**	**(9)**	**(11)**	**(2)**	**(20)**	**(73)**
Adjusted EBIT	**206**	**71**	**10**	**77**	**(64)**	**300**

Corporate represents the cost of Group and central functions that are not allocated to the Group's divisions.

2022	Global Broking (restated) £m	Energy & Commodities £m	Liquidnet (restated) £m	Parameta Solutions (restated) £m	Corporate £m	Total £m
Revenue						
– External[2,3]	1,240	384	316	175	–	2,115
– Inter-division	22	3	–	–	(25)	–
	1,262	387	316	175	(25)	2,115
Total front office costs:						
– External[1,2,3]	(798)	(263)	(197)	(62)	–	(1,320)
– Inter-division	–	–	–	(25)	25	–
	(798)	(263)	(197)	(87)	25	(1,320)
Contribution[4]	464	124	119	88	–	795
Net management and support costs[1,2,3,4]	(242)	(65)	(93)	(7)	(43)	(450)
Other operating income	2	–	–	–	10	12
Adjusted EBITDA[4]	224	59	26	81	(33)	357
Depreciation and amortisation expense	(36)	(10)	(25)	(2)	(9)	(82)
Adjusted EBIT[4]	188	49	1	79	(42)	275

Divisional results for 2022 have been restated to be comparable with 2023's divisional groupings and changes to management's internal financial reporting, as Liquidnet Credit is now managed and operated within the Global Broking division to leverage the credit broking experience and more effectively leverage the deep relationships and accelerate connectivity, resulting in the following restatements:

1. Liquidnet front office costs of £32m were reclassified to management and support costs to align with the classification of similar costs within the Group.
2. Subsequently Liquidnet Credit, previously reflected in Liquidnet, transferred to Global Broking:
   > Revenue for Global Broking increased by £9m, Liquidnet reduced by £9m.
   > Front office costs for Global Broking increased by £17m, Liquidnet have reduced by £17m.
   > Management and support costs for Global Broking increased by £17m. Liquidnet have reduced by £17m.
3. Parameta Solutions desks transferred to Global Broking:
   > Global Broking revenue increased by £2m, Parameta Solutions reduced by £2m.
   > Global Broking front office costs increased by £1m. Parameta Solutions reduced by £1m.
   > Management and support costs for Global Broking increased by £1m. Parameta Solutions reduced by £1m.
4. As a result of 1, 2 and 3 above,
   > Contribution for Global Broking decreased by £7m, Liquidnet increased by £40m and Parameta Solutions reduced by £1m. Total contribution increased by £32m.
   > Net management and support costs for Global Broking increased by £18m, Liquidnet increased by £15m, Parameta Solutions decreased by £1m. Total net management and support costs by increased by £32m.
   > Adjusted EBITDA for Global Broking decreased by £25m, Liquidnet increased by £25m. There is no restatement to the consolidated Group Adjusted EBITDA.
   > Adjusted EBIT for Global Broking decreased by £25m, Liquidnet increased by £25m. There is no restatement to the consolidated Group Adjusted EBIT.

4. Segmental analysis continued

Significant items, defined in the Appendix – Alternative Performance Measures, are centrally managed and controlled by the Group and are not allocated to regional or divisional segments.

Analysis of significant items

2023	Restructuring and other related costs £m	Disposals, acquisitions and investment in new businesses £m	Impairment of Intangible assets arising on consolidation £m	Legal and regulatory matters £m	Total £m
Employment, compensation and benefits costs	**4**	**2**	**–**	**–**	**6**
Premises and related costs	3	–	–	–	3
Deferred consideration	–	(3)	–	–	(3)
Charge relating to significant legal and regulatory settlements	–	–	–	19	19
Net foreign exchange gains	–	(2)	–	–	(2)
Other general and administrative costs	8	8	–	–	16
Total included within general and administrative costs	**11**	**3**	**–**	**19**	**33**
Depreciation and impairment of property, plant and equipment and right-of-use assets	**11**	**–**	**–**	**–**	**11**
Amortisation and impairment of intangible assets	**–**	**44**	**86**	**–**	**130**
Total included within operating costs	**26**	**49**	**86**	**19**	**180**
Other operating income	**–**	**–**	**–**	**(8)**	**(8)**
Included in finance expense	1	2	–	–	3
Total significant items before tax	**27**	**51**	**86**	**11**	**175**
Taxation of significant items					(27)
Total significant items after tax					**148**
Impairment of associates					5
Total significant items					**153**

2022	Restructuring and other related costs £m	Disposals, acquisitions and investment in new businesses £m	Impairment of Intangible assets arising on consolidation £m	Legal and regulatory matters £m	Total £m
Employment, compensation and benefits costs	24	–	–	–	24
Premises and related costs	1	–	–	–	1
Deferred consideration	–	8	–	–	8
Charge relating to significant legal and regulatory settlements	–	–	–	6	6
Pension scheme past service and settlement costs	–	–	–	1	1
Remeasurement of employee long-term benefits	(7)	–	–	–	(7)
Gain on disposal of property, plant and equipment	(3)	–	–	–	(3)
Gain on derecognition of right-of-use assets/lease liabilities	(3)	–	–	–	(3)
Net foreign exchange losses	–	4	–	–	4
Other general and administrative costs	20	5	–	–	25
Total included within general and administrative costs	8	17	–	7	32
Depreciation and impairment of property, plant and equipment and right-of-use assets	9	–	–	–	9
Amortisation and impairment of intangible assets	–	45	20	–	65
Total included within operating costs	41	62	20	7	130
Other operating income	–	(16)	–	(2)	(18)
Included in finance expense	–	1	–	–	1
Total significant items before tax	41	47	20	5	113
Taxation of significant items					(22)
Total significant items after tax					91

4. Segmental analysis continued

The Group's reported performance includes significant items. A reconciliation from adjusted operating profit, as considered by CODM, to Group reported performance is included below:

Adjusted profit reconciliation

	Adjusted £m	Significant items £m	Reported £m
2023			
Earnings before interest and taxation	**300**	**(172)**	**128**
Net finance costs	**(29)**	**(3)**	**(32)**
Profit before tax	**271**	**(175)**	**96**
Taxation	**(67)**	**27**	**(40)**
Profit after tax	**204**	**(148)**	**56**
Share of profit from associates and joint ventures	**25**	**(5)**	**20**
Profit for the year	**229**	**(153)**	**76**

	Adjusted £m	Significant items £m	Reported £m
2022			
Earnings before interest and taxation	275	(112)	163
Net finance costs	(49)	(1)	(50)
Profit before tax	226	(113)	113
Taxation	(58)	22	(36)
Profit after tax	168	(91)	77
Share of profit from associates and joint ventures	29	–	29
Profit for the year	197	(91)	106

Revenue by type

2023	Global Broking £m	Energy & Commodities £m	Liquidnet £m	Parameta Solutions £m	Eliminations £m	Total £m
Revenue						
Name Passing brokerage	**944**	**400**	**17**	**–**	**–**	**1,361**
Executing Broker brokerage	**18**	**50**	**80**	**–**	**–**	**148**
Matched Principal brokerage	**276**	**5**	**136**	**–**	**–**	**417**
Introducing Broker brokerage	**–**	**–**	**82**	**–**	**–**	**82**
Data & Analytics price information fees	**20**	**3**	**–**	**189**	**(29)**	**183**
	1,258	**458**	**315**	**189**	**(29)**	**2,191**

2022	Global Broking (restated) £m	Energy & Commodities £m	Liquidnet (restated) £m	Parameta Solutions (restated) £m	Eliminations £m	Total (restated) £m
Revenue						
Name Passing brokerage[1,3]	962	337	14	–	–	1,313
Executing Broker brokerage[3]	15	42	64	–	–	121
Matched Principal brokerage[1,3]	261	5	148	–	–	414
Introducing Broker brokerage	–	–	90	–	–	90
Data & Analytics price information fees[2]	24	3	–	175	(25)	177
	1,262	387	316	175	(25)	2,115

Divisional Revenue by type for 2022 has been restated to be comparable with 2023's divisional groupings. As a consequence of trading desk moves in 2023, and as Liquidnet Credit is now managed and operated within the Global Broking division to leverage the credit broking experience and more effectively leverage the deep relationships and accelerate connectivity, divisional revenue by type has been restated as follows:

1 Name Passing brokerage: Global Broking increased by £2m, Liquidnet decreased by £2m. Matched Principal brokerage: Global Broking increased by £7m, Liquidnet decreased by £7m.
2 Data & Analytics fees: Global Broking increased by £2m, Parameta Solutions decreased by £2m.
3 As a result of revenue reclassifications within Global Broking, Name Passing brokerage increased by £11m, Matched Principal brokerage increased by £14m and Executing Broker brokerage reduced by £25m.

Revenue by country

	2023 £m	2022 (restated) £m
United Kingdom and Channel Islands[1]	**807**	814
United States of America	**805**	779
Rest of the world[1]	**579**	522
	2,191	2,115

1 2022 restated to reclassify £71m relating to the Channel Islands.

5. Operating costs

	Notes	2023 £m	2022 (restated) £m
Broker compensation costs[1]		**986**	960
Other staff costs[1]		**340**	340
Share-based payment charge	33	**34**	20
Employee compensation and benefits	7	**1,360**	1,320
Technology and related costs		**220**	216
Premises and related costs		**29**	28
Gains on disposal of property, plant and equipment		**–**	(3)
Gain on derecognition of right-of-use assets/lease liabilities		**–**	(3)
Adjustments to deferred consideration	34	**(3)**	8
Charge relating to significant legal and regulatory settlements		**19**	7
Pension scheme past service and settlement costs	38	**–**	1
Remeasurement of long-term employee benefits		**–**	(7)
Acquisition costs		**–**	6
Impairment losses on trade receivables		**5**	5
Trade receivables expected credit loss adjustment		**(1)**	–
Net foreign exchange losses/(gains)		**2**	(21)
Net loss on FX derivative instruments		**4**	11
Other administrative costs		**236**	258
General and administrative expenses		**511**	506
Depreciation of property, plant and equipment	15	**22**	23
Depreciation of right-of-use assets	17	**23**	26
Depreciation of property, plant and equipment and right-of-use assets		**45**	49
Impairment of property, plant and equipment	15	**5**	5
Impairment of right-of-use assets	17	**6**	4
Impairment of property, plant and equipment and right-of-use assets		**11**	9
Amortisation of other intangible assets	14	**28**	33
Amortisation of intangible assets arising on consolidation	13	**44**	45
Amortisation of intangible assets		**72**	78
Impairment of intangible assets arising on consolidation – goodwill	13	**47**	–
Impairment of intangible assets arising on consolidation – customer relationships	13	**39**	20
Impairment of intangible assets		**86**	20
		2,085	1,982

1 Broker compensation cost and Other staff costs for 2022 have been decreased and increased by £72m respectively, reflecting a reclassification of Parameta Solutions staff cost as non-broking.

The analysis of auditor's remuneration is as follows:

	2023 £000	2022 £000
Audit of the Group's annual accounts	**1,534**	1,517
Audit of the Company's subsidiaries and associates pursuant to legislation	**6,896**	6,985
Total audit fees	**8,430**	8,502
Audit related assurance services[1]	**1,220**	1,390
Other assurance services[2]	**59**	45
Corporate finance services[3]	**127**	760
Total non-audit fees	**1,406**	2,195
Audit fees payable to the Company's auditor and its associates in respect of associated pension schemes	**23**	34

1 Audit related assurance services, such as FCA, CASS, NFA, MAS reporting, relate to services required by law or regulation, assurance on regulatory returns and review of interim financial information.
2 Other assurance services relate to non-statutory audits and other permitted assurance services.
3 Corporate finance fees relate to work undertaken in connection with the EMTN refresh and other strategic projects.

6. Other operating income

Other operating income includes:

	2023 £m	2022 £m
Acquisition-related income	–	16
Business relocation grants	2	2
Employee-related insurance receipts	2	4
Employee contractual receipts	4	–
Management fees from associates	1	1
Legal settlement receipts	8	4
Other receipts	5	3
	22	30

Other receipts include royalties, rebates, non-employee-related insurance proceeds, tax credits and refunds. Costs associated with such items are included in administrative expenses. Acquisition-related income relates to funds received following arbitration in connection with the purchase of Liquidnet. The arbitration was completed after the one year measurement period applicable to the acquisition.

7. Staff costs

The aggregate employment costs of staff and Directors of the Group were:

	2023 £m	2022 £m
Wages, salaries, bonuses and incentive payments	1,209	1,182
Social security costs	100	102
Defined contribution pension costs (Note 38(c))	17	16
Share-based compensation expense (Note 33)	34	20
	1,360	1,320

The average monthly number of full-time equivalent employees and Directors directly attributable to Business Divisions and to Corporate were:

	2023 No.	2022 (restated) No.
Global Broking[1]	1,815	1,908
Energy & Commodities	599	632
Liquidnet[1]	247	258
Parameta Solutions	196	181
Corporate[1]	2,320	2,218
	5,177	5,197

1 2022's headcount has been restated to reflect:
- 44 transfers to Global Broking from Liquidnet, relating to the transfer of Liquidnet-Credit.
- 165 transfers to Corporate from Liquidnet, relating to the reclassification of technology support staff.
- 8 transfers to Global Broking from Parameta Solutions.

The average monthly number of full-time equivalent employees and Directors by geographical region were:

	2023 No.	2022 No.
EMEA	2,465	2,477
Americas	1,576	1,614
Asia Pacific	1,136	1,106
	5,177	5,197

8. Finance income

	2023 £m	2022 £m
Interest and similar income	32	6
Interest on finance leases (Note 23)	2	2
	34	8

9. Finance costs

	2023 £m	2022 £m
Fees payable on bank and other loan facilities	**3**	2
Interest on bank and other loans	**1**	2
Interest on Sterling Notes January 2024	**5**	13
Interest on Sterling Notes May 2026	**13**	13
Interest on Sterling Notes November 2028	**7**	7
Interest on Sterling Notes April 2030	**14**	–
Interest on Liquidnet Vendor Loan Notes	**1**	1
Other interest	**3**	1
Amortisation of debt issue and bank facility costs	**3**	2
Borrowing costs	**50**	41
Interest on lease liabilities (Note 17)	**16**	17
	66	58

10. Taxation

	2023 £m	2022 £m
Current tax		
UK corporation tax	**17**	22
Overseas tax	**39**	41
Prior year UK corporation tax	**43**	(4)
	99	59
Deferred tax (Note 22)		
Current year	**(5)**	(26)
Prior year	**(54)**	3
	(59)	(23)
Tax charge for the year	**40**	36

The charge for the year can be reconciled to the profit in the income statement as follows:

	2023 £m	2022 £m
Profit before tax	**96**	113
Tax based on the UK corporation tax rate of 23.5% (2022: 19%)	**22**	21
Tax effect of items that are not deductible:		
– expenses	**15**	7
– impairment of intangible assets arising on consolidation	**12**	–
Prior year adjustments	**(11)**	(1)
Impact of overseas tax rates	**(3)**	6
Net movement in unrecognised deferred tax	**5**	3
Tax charge for the year	**40**	36

The Group has decided to carry forward UK tax losses from earlier years which were previously treated as being offset against profits in the same year. This enables those losses to be offset against profits arising in later years which would otherwise be taxable at the higher 25% rate of UK corporation tax that applies from April 2023. This decision is the primary factor giving rise to the prior year adjustments to current and deferred tax shown above.

The Group expects to be within the scope of the internationally agreed Pillar 2 income tax rules. In particular, as a UK headquartered group, the Group expects to be in scope for the UK Multinational Top-Up Tax regime which applies to the Group for the first time in respect of profits arising in 2024. This regime seeks to ensure that the Group's profits are subject to a minimum effective tax rate of 15% in each jurisdiction in which it operates. The vast majority of the Group's profits are already taxed at rates in excess of 15%. Accordingly the Group does not expect a material impact on the tax charge as a result of Pillar 2 income taxes.

In addition to the income statement charge, the following current and deferred tax items have been included in other comprehensive income and equity:

	Recognised in other comprehensive income £m	Recognised in equity £m	Total £m
2023			
Current tax	**(2)**	**–**	**(2)**
Current tax on receipt of defined benefit pension scheme surplus (Note 38(b))	**16**	**–**	**16**
Tax charge on items taken directly to other comprehensive income and equity	**14**	**–**	**14**

Financial statements

10. Taxation continued

	Recognised in other comprehensive income £m	Recognised in equity £m	Total £m
2022			
Current tax	5	–	5
Tax charge on items taken directly to other comprehensive income and equity	5	–	5

11. Earnings per share

	2023	2022
Basic	**9.5p**	13.2p
Diluted	**9.3p**	13.0p

The calculation of basic and diluted earnings per share is based on the following number of shares:

	2023 No.(m)	2022 No.(m)
Basic weighted average shares	**777.7**	779.1
Contingently issuable shares	**16.5**	11.5
Diluted weighted average shares	**794.2**	790.6

The earnings used in the calculation of basic and diluted earnings per share are set out below:

	2023 £m	2022 £m
Earnings	**76**	106
Non-controlling interests	**(2)**	(3)
Earnings attributable to equity holders of the parent	**74**	103

12. Dividends

	2023 £m	2022 £m
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 31 December 2022 of 7.9p per share	**62**	–
Interim dividend for the year ended 31 December 2023 of 4.8p per share	**37**	–
Final dividend for the year ended 31 December 2021 of 5.5p per share	**–**	43
Interim dividend for the year ended 31 December 2022 of 4.5p per share	**–**	35
	99	78

A final dividend of 10.0 pence per share will be paid on 24 May 2024 to all shareholders on the Register of Members on 12 April 2024.

During the year, the Trustees of the TP ICAP plc EBT and the TP ICAP Group plc EBT waived their rights to dividends. Dividends are not payable on shares held in Treasury on the relevant record dates.

13. Intangible assets arising on consolidation

	Goodwill £m	**Other £m**	**Total £m**
At 1 January 2023	**1,232**	**548**	**1,780**
Amortisation of acquisition-related intangibles	**–**	**(44)**	**(44)**
Impairment	**(47)**	**(39)**	**(86)**
Effect of movements in exchange rates	**(29)**	**(16)**	**(45)**
At 31 December 2023	**1,156**	**449**	**1,605**

	Goodwill £m	Other £m	Total £m
At 1 January 2022	1,180	582	1,762
Amortisation of acquisition-related intangibles	–	(45)	(45)
Impairment	–	(20)	(20)
Effect of movements in exchange rates	52	31	83
At 31 December 2022	1,232	548	1,780

As at 31 December 2023 the gross cost of goodwill and other intangible assets arising on consolidation amounted to £1,453m and £812m respectively (2022: £1,482m and £833m). Cumulative amortisation and impairment charges amounted to £297m for goodwill and £363m for other intangible assets arising on consolidation (2022: £250m and £285m).

13. Intangible assets arising on consolidation continued

Goodwill

Goodwill arising through business combinations is allocated to groups of individual cash-generating units ('CGUs'), reflecting the lowest level at which the Group monitors and tests goodwill for impairment purposes. The Group's CGUs, as at 31 December, are as follows:

CGU	2023 £m	2022 £m
Global Broking – excl. Liquidnet – Credit	**483**	489
Liquidnet – Credit[1]	**72**	–
Global Broking	**555**	489
Energy & Commodities	**150**	156
Parameta Solutions	**334**	342
Liquidnet – Agency Execution	**41**	40
Liquidnet – Equities[1]	**76**	–
Liquidnet platform (formerly Liquidnet – acquired business)[1]	**–**	205
Goodwill allocated to CGUs	**1,156**	1,232

1 Reallocated in 2023 from Liquidnet platform (formerly Liquidnet – acquired business) to Liquidnet – Credit and Liquidnet – Equities, as Liquidnet Credit is now managed and operated within the Global Broking division to leverage the credit broking experience and more effectively leverage the deep relationships and accelerate connectivity. Consequently the cash inflows of Liquidnet Credit are not considered to be independent from Global Broking and will be considered for impairment purposes as a single CGU prospectively.

In November 2023 segmental responsibility and managerial reporting for Liquidnet's credit operations were transferred from the Liquidnet platform (formerly Liquidnet – acquired business) to Global Broking. As a result, goodwill allocated to the Liquidnet platform CGU was reallocated to Liquidnet – Credit and Liquidnet – Equities CGUs, based on the relative value of those activities. Prior to the reallocation, the Liquidnet platform CGU was tested for impairment.

The Group's annual impairment testing of its CGUs is undertaken each September and consequently was completed on the same basis as in 2022, and prior to the November 2023 re-organisation of the CGUs. Between annual tests the Group reviews each CGU for impairment triggers that could adversely impact the valuation of the CGU and, if necessary, undertakes additional impairment testing.

Determining whether goodwill is impaired requires an estimation of the recoverable amount of each CGU. The recoverable amount is the higher of its value in use ('VIU') or its fair value less cost of disposal ('FVLCD'). VIU is a pre-tax valuation, using pre-tax cash flows and pre-tax discount rates which is compared with the pre-tax carrying value of the CGU, whereas FVLCD is a post-tax valuation, using post-tax cash flows, post-tax discount rates and other post-tax observable valuation inputs, which is compared with a post-tax carrying value of the CGU. The CGU's recoverable amount is compared with its carrying value to determine if an impairment is required.

The key assumptions for the VIU calculations are those regarding expected divisional cash flows arising in future years, divisional growth rates and divisional discount rates as considered by management. Future projections are based on the most recent financial projections considered by the Board which are used to project pre-tax cash flows for the next five years. After this period a steady state cash flow is used to derive a terminal value for the CGU.

The key assumptions for FVLCD, using an Income Approach, are those regarding expected revenue and terminal growth rates, and the discount rate. Future projections are based on the most recent financial projections considered by the Board which are then used to project cash flows for the next five years and for the terminal value.

Impairment testing as at 30 April 2023

In April 2023 the Liquidnet platform (formerly Liquidnet – acquired business) was tested for impairment, triggered by continued falls in equity markets, resultant downward pressure on the business and expected delay in the market's recovery. The impairment assessment was performed based on estimating the FVLCD of the CGU, using the Income Approach, and did not identify any impairment.

13 Intangible assets arising on consolidation continued

Impairment testing as at 30 September 2023

Business divisions (excluding Liquidnet platform)

For the 30 September 2023 annual impairment testing, the recoverable amounts for Global Broking, Energy & Commodities, Parameta Solutions and Liquidnet – Agency Execution were based on their VIU. Growth rates on five year projected revenues, growth rates on terminal value cash flows and discount rates used in the VIU calculations together with their respective breakeven rates were as follows:

September 2023	Valuation discount rate %	Breakeven discount rate %	Valuation revenue growth rate %	Breakeven revenue growth rate %	Valuation terminal value growth rate %	Breakeven terminal value growth rate %
Global Broking	**13.2%**	**25.2%**	**1.8%**	**(3.2%)**	**1.4%**	**(38.3%)**
Energy & Commodities	**13.3%**	**18.2%**	**1.5%**	**(0.4%)**	**1.7%**	**(8.8%)**
Parameta Solutions	**13.3%**	**30.2%**	**7.1%**	**(17.0%)**	**3.0%**	**(75.7%)**
Liquidnet – Agency Execution	**13.4%**	**26.3%**	**3.0%**	**(1.6%)**	**2.7%**	**(42.7%)**

September 2022	Valuation discount rate %	Breakeven discount rate %	Valuation revenue growth rate %	Breakeven revenue growth rate %	Valuation terminal value growth rate %	Breakeven terminal value growth rate %
Global Broking	13.4%	17.4%	1.0%	(1.4%)	1.0%	(7.0%)
Energy & Commodities	13.2%	16.4%	2.1%	0.2%	2.1%	(3.6%)
Parameta Solutions	13.8%	31.1%	6.0%	(18.1%)	3.0%	(85.0%)
Liquidnet – Agency Execution	13.6%	14.5%	3.0%	2.6%	2.0%	0.7%

No impairments were identified as a result of the annual testing of these CGUs.

As shown in the table below, with the exception of Parameta Solutions, the VIU of the CGUs is highly sensitive to reasonably possible changes of up to 3% in growth rates. The impact on future cash flows resulting from falling growth rates does not reflect any management actions that would be taken under such circumstances. These stresses assume all other assumptions including gross margins remain unchanged, as there is a degree of estimation involved in the sensitivity forecasts.

CGU	Valuation revenue growth rate %	Surplus at valuation growth rate -1% £m	Surplus/ (impairment) at valuation growth rate -3% £m
Global Broking	**1.8%**	**669**	**321**
Energy & Commodities	**1.5%**	**46**	**(52)**
Parameta Solutions	**7.1%**	**535**	**450**
Liquidnet – Agency Execution	**3.0%**	**45**	**19**

The Group does not expect climate change to have a material impact on the financial statements. Climate scenario sensitivity analysis on the potential impact to the financial forecasts used in goodwill impairment assessment and valuation concludes that the Energy & Commodities CGU will continue to have headroom (excess of the recoverable amount over the carrying amount of the CGU) in its valuation to withstand the potential changes in market demand across the Energy & Commodities asset classes with management taking appropriate actions.

Liquidnet platform

For the 30 September 2023 annual impairment testing the recoverable amount for the Liquidnet platform was based on its FVLCD. The Income Approach was used for the FVLCD valuation.

Liquidnet platform	Valuation discount rate %	Breakeven discount rate[1] %	Valuation revenue growth rate %	Breakeven revenue growth rate[1] %	Valuation terminal value growth rate %	Breakeven terminal value growth rate[1] %
Liquidnet platform	**10.7%**	**–**	**11.0%**	**–**	**2.2%**	**–**
Comprising:						
– Liquidnet – Equities	**10.7%**	**–**	**6.1%**	**–**	**2.0%**	**–**
– Liquidnet – Credit	**10.7%**	**–**	**48.3%**	**–**	**3.0%**	**–**

Liquidnet platform	Valuation discount rate %	Breakeven discount rate %	Valuation revenue growth rate %	Breakeven revenue growth rate %	Valuation terminal value growth rate %	Breakeven terminal value growth rate %
September 2022	10.9%	12.3%	14.7%	13.1%	2.4%	0.5%
December 2021	10.8%	11.4%	3.0%	1.7%	1.0%	0.3%

1 As the CGU valuation equates to its carrying value, breakeven percentages are not relevant.

13 Intangible assets arising on consolidation continued

Impairment testing as at 30 September 2023 continued

The valuation revenue growth rate for Liquidnet platform has decreased from 14.7% in September 2022 to 11.0% as at September 2023. This reflects the challenging market conditions for Liquidnet – Equities delaying the return of revenue to pre-Covid levels and in Liquidnet – Credit the development of the Dealer-to-Client platform proposition taking longer than planned, as a result the recoverable amount for the Liquidnet platform was lower than its carrying value resulting in a goodwill impairment of £47m.

The valuation remains sensitive to reasonably possible changes in the growth rates and the discount rate. The most sensitive valuation assumption relates to the growth in cash flows arising on new Credit business lines. The impact on future cash flows resulting from falling growth rates does not reflect any management actions that would be taken under such circumstances. The Income Approach valuation is based on management forecasts which are unobservable and is therefore a Level 3 fair value. Sensitivities to a reasonably possible change of up to 3% in growth rate assumptions and a 1% increase in discount rate are below. These stresses assume all other assumptions including gross margins remain unchanged as there is a degree of estimation involved in the sensitivity forecasts.

Liquidnet platform	Valuation discount rate %	Incremental impairment at valuation discount rate +1% £m	Valuation revenue growth rate %	Valuation revenue growth rate resulting in full impairment %	Incremental impairment at valuation growth rate -1% £m	Incremental impairment at valuation growth rate -3% £m
Liquidnet – Equities	**10.7%**	**(21)**	**6.1%**	**3.2%**	**(27)**	**(76)**
Liquidnet – Credit	**10.7%**	**(14)**	**48.3%**	**36.7%**	**(7)**	**(21)**

Liquidnet – Equities

A combination of growth in the existing business of 3.7% and new initiatives is forecast to result in an overall compound annual revenue growth rate in the Equities business of 6.1%. Given the higher estimation uncertainty in forecasting for new business lines, there is an increased risk that the expected levels of income from the new initiatives may not be achieved and as a result the recoverable amount of the CGU may reduce. A 3% reduction in revenue growth rate from 6.1% to 3.1% would result in a full impairment of £76m, restricted to the carrying value of goodwill. A scenario of no growth in the existing business, but where new initiatives are achieved in full, would result in an impairment of £76m. A scenario of expected growth in the existing business but a 50% success rate in achieving new initiatives would result in an impairment of £31m.

The Liquidnet – Equities valuation continues to be closely tied to the performance of the equities volumes traded in the manner in which they are serviced by the Liquidnet platform. The market share of Liquidnet – Equities continues to increase.

Liquidnet – Credit

Liquidnet – Credit valuation is premised upon the expectation of future events including the number of participants actively trading on the platform to create sufficient scale to effectively match trades. It is uncertain as to when sufficient participation is reached or the mix of how this is met through new entrants or more active participation of existing users. The onboarding of counterparties to increase the volume flows is not certain and it is binary to a significant degree as to what level achieves the scale for efficient and effective operation. The valuation revenue growth rate has been adjusted downwards to reflect this uncertainty.

For the Credit platform, the valuation is based on revenue growth from the development of the platform, at a compound annual growth rate of 48.3% (2022: 47%) over five years. This growth rate has been risk adjusted downwards to reflect the increased risk of growing revenues from the currently low levels. A 3% reduction in the growth rate to 45.3% would result in £21m reduction to the carrying value of the CGU. A 11% reduction in the growth rate to 37% would eliminate goodwill in Liquidnet – Credit.

Impairment assessment as at 31 December 2023

As at 31 December 2023, following the change to the CGUs, to Global Broking, Energy & Commodities, Parameta Solutions, Liquidnet – Agency Execution and Liquidnet – Equities, the review of the indicators of impairment did not require any further testing.

Other intangible assets

Other intangible assets at 31 December 2023 represent customer relationships, business brands and trademarks that arise through business combinations. Customer relationships are amortised over a period of up to 20 years. Other intangible assets, along with other finite life assets, are subject to impairment trigger assessment at least annually. As at 30 September 2023, the Liquidnet platform customer relationships were subject to a full impairment review, resulting in an impairment of £39m.

The valuation of customer lists is based on the 'Multi-period Excess Earnings Methodology' or 'MEEM'. MEEM is a version of the Income Approach which seeks to estimate the value by determining the net present value of the forecast post-tax profits generated by the asset as of the valuation date, and reflects assumptions regarding customer churn, operating profits and margins, contributory asset charges, tax rates and discount rates. As these inputs are unobservable, this is a Level 3 valuation.

Following the adjustment to the Liquidnet platform customer relationships' carrying value, the asset will continue to be amortised over its remaining useful life, but remains sensitive to reasonably possible changes in the assumptions. As at the date of testing, a reduction in annual operating profits of £3m from 2024 would impair the asset by £19m, and a 1% increase in the discount rate to 11.7% would impair the asset by £5m.

14. Other intangible assets

	Purchased software £m	**Developed software £m**	**Total £m**
Cost			
At 1 January 2023	**63**	**217**	**280**
Additions	**12**	**31**	**43**
Amounts derecognised	**(7)**	**(40)**	**(47)**
Effect of movements in exchange rates	**(2)**	**(2)**	**(4)**
At 31 December 2023	**66**	**206**	**272**
Accumulated amortisation			
At 1 January 2023	**(54)**	**(129)**	**(183)**
Charge for the year	**(10)**	**(18)**	**(28)**
Amounts derecognised	**7**	**40**	**47**
Effect of movements in exchange rates	**1**	**1**	**2**
At 31 December 2023	**(56)**	**(106)**	**(162)**
Carrying amount			
At 31 December 2023	**10**	**100**	**110**

	Purchased software £m	Developed software £m	Total £m
Cost			
At 1 January 2022	52	190	242
Additions	8	27	35
Amounts derecognised	(1)	(5)	(6)
Effect of movements in exchange rates	4	5	9
At 31 December 2022	63	217	280
Accumulated amortisation			
At 1 January 2022	(41)	(110)	(151)
Charge for the year	(12)	(21)	(33)
Amounts derecognised	1	5	6
Effect of movements in exchange rates	(2)	(3)	(5)
At 31 December 2022	(54)	(129)	(183)
Carrying amount			
At 31 December 2022	9	88	97

15. Property, plant and equipment

	Land, buildings and leasehold improvements £m	Furniture, fixtures and equipment[1] £m	Total £m
Cost			
At 1 January 2023	**130**	**117**	**247**
Reclassification of work-in-progress brought into use	**1**	**(1)**	**–**
Additions	**2**	**10**	**12**
Disposals	**(17)**	**(20)**	**(37)**
Effect of movements in exchange rates	**(4)**	**(4)**	**(8)**
At 31 December 2023	**112**	**102**	**214**
Accumulated depreciation			
At 1 January 2023	**(60)**	**(77)**	**(137)**
Charge for the year	**(9)**	**(13)**	**(22)**
Impairment	**(5)**	**–**	**(5)**
Disposals	**17**	**20**	**37**
Effect of movements in exchange rates	**2**	**3**	**5**
At 31 December 2023	**(55)**	**(67)**	**(122)**
Carrying amount			
At 31 December 2023	**57**	**35**	**92**

	Land, buildings and leasehold improvements £m	Furniture, fixtures and equipment[1] £m	Total £m
Cost			
At 1 January 2022	127	100	227
Reclassification of work-in-progress brought into use	1	(1)	–
Additions	2	16	18
Disposals	(3)	(15)	(18)
Effect of movements in exchange rates	3	17	20
At 31 December 2022	130	117	247
Accumulated depreciation			
At 1 January 2022	(41)	(63)	(104)
Charge for the year	(20)	(3)	(23)
Impairment	–	(5)	(5)
Disposals	1	8	9
Effect of movements in exchange rates	–	(14)	(14)
At 31 December 2022	(60)	(77)	(137)
Carrying amount			
At 31 December 2022	70	40	110

1 Includes work-in-progress until brought into use.

16. Investment properties

	2023 £m	2022 £m
At 1 January	**–**	–
Transfer from right-of-use assets	**6**	–
Transfer from finance lease receivables	**6**	–
Effect of movements in exchange rates	**–**	–
At 31 December	**12**	–

The fair value of the Group's investment property at 31 December 2023 has been arrived at on the basis of a valuation carried out at that date by Jones Lang LaSalle Inc., an independent valuer not connected with the Group. Their valuation conforms to international valuation standards. The fair value was determined based on the present value of the estimated future cash flows related to the property.

In estimating the fair value of the properties, the present value of the estimated future cash flows was used. The inputs used for each lease were the rent commencement date, the expected sublease term, the starting annual rent per square foot and expected annual increase, which were provided by the valuer, and discounted at the discount rate.

Details of the Group's investment properties analysed by fair value hierarchy level are as follows:

	Level 3 £m	Total £m
Office units located in New York City, NY, USA	**12**	**12**

16. Investment properties continued

Sensitivity analysis

Property	Valuation method	Significant unobservable inputs	Sensitivity
Office units located in New York City, NY, USA	Present value of future cash flows	Future rent	A decrease of 10% in the expected rent would result in a decrease of £2m in the fair value.
		Discount rate	An increase of 100 basis points in the discount rate would result in a decrease of £1m in the fair value.

The Group's investment properties are subject to finance lease obligations (Note 27).

The Group had no property rental income in 2023 (2022: £nil). Direct operating expenses are covered by a provision (Note 28) the utilisation of which amounted to less than £1m (2022: £nil).

17. Right-of-use assets

Land and buildings	2023 £m	2022 £m
At 1 January	**165**	187
Additions	**10**	22
Amounts derecognised	**–**	(9)
Depreciation	**(23)**	(26)
Impairment	**(6)**	(4)
Transfer to investment properties	**(6)**	–
Transfer to finance lease receivables	**–**	(15)
Effect of movements in exchange rates	**(4)**	10
At 31 December	**136**	165

Where the Group vacates a property, which then becomes available to be sub-let, the right-of-use asset is written down to its fair value and that value is transferred to investment properties (Note 16).

Where the Group sub-lets a property, and that sub-let qualifies as a finance lease, the right-of-use asset is written down to the net investment value of the sub-lease, and that value is transferred to finance lease receivables (Note 23).

The Group's finance leases have an average term of 9.4 years (2022: 10.4 years). The maturity analysis of lease liabilities is presented in Note 27.

Amounts recognised in profit and loss

	2023 £m	2022 £m
Depreciation expense on right-of-use assets	**23**	26
Impairment of right-of-use assets	**6**	4
Interest on lease liabilities	**16**	17
Expense relating to short-term leases	**1**	1
Interest income from sub-letting under finance leases	**(2)**	(2)

The total cash outflow for leases amounts to £45m (2022: £46m) (representing principal repayment of £29m (2022: £29m) and interest of £16m (2022: £17m).

18. Investment in associates

	2023 £m	2022 £m
At 1 January	**63**	51
Additions	**5**	–
Disposals	**(10)**	–
Impairments[1]	**(5)**	–
Share of profit for the year	**18**	23
Dividends received	**(16)**	(13)
Effect of movements in exchange rates	**(4)**	2
At 31 December	**51**	63
Summary financial information for associates		
Aggregated amounts (for associates at the year end):		
Total assets	**267**	404
Total liabilities	**(104)**	(182)
Net assets	**163**	222
Proportion of Group's ownership interest	**47**	63
Goodwill	**4**	–
Carrying amount of Group's ownership interest	**51**	63
Aggregated amounts (for associates during the year):		
Revenue	**248**	268
Profit for the year	**56**	67
Group's share of profit for the year	**18**	23
Impairment	**(5)**	–
Dividends received from associates during the year	**(16)**	(13)

1 The investment in Corretaje e Informacion Monetaria y de Divisas SA was written down to its realisable value prior to its disposal.

Interests in associates are measured using the equity method. All associates are involved in broking activities and have either a 31 December or 31 March year end. The results and assets and liabilities of associates are incorporated in these Financial Statements based on financial information made up to 31 December each year.

Country of incorporation and operation	Associated undertakings	Percentage held
Bahrain	ICAP (Middle East) W.L.L.	49%
China	Tullett Prebon SITICO (China) Limited	33%
	Enmore Commodity Brokers (Shanghai) Limited	49%
India	ICAP IL India Private Limited[1]	40%
Japan	Totan ICAP Co., Ltd[1]	40%
	Central Totan Securities Co. Ltd[1]	20%
Spain	Corretaje e Informacion Monetaria y de Divisas SA (sold December 2023)	21.5%
United Kingdom	PushPull Technology Limited (acquired March 2023)	29.4%
United States	First Brokers Securities LLC[1]	40%

1 31 March year end.

Financial statements

19. Investment in joint ventures

	2023 £m	2022 £m
At 1 January	**34**	28
Disposals	**–**	(1)
Share of result for the year	**7**	6
Dividends received	**(6)**	(2)
Effect of movements in exchange rates	**3**	3
At 31 December	**38**	34
Summary financial information for joint ventures		
Aggregated amounts (for joint ventures at the year end):		
Total assets	**34**	30
Total liabilities	**(5)**	(4)
Net assets	**29**	26
Proportion of Group's ownership interest	**14**	13
Goodwill	**24**	21
Carrying amount of Group's ownership interest	**38**	34
Aggregated amounts (for joint ventures during the year):		
Revenue	**19**	16
Result for the year	**14**	12
Group's share of result for the year	**7**	6
Dividends received from joint ventures during the year	**(6)**	(2)

Interests in joint ventures are measured using the equity method. All joint ventures are involved in broking activities and have a 31 December year end. No individual joint venture is material to the Group.

Country of incorporation and operation	Joint ventures	Percentage held
Colombia	SET-ICAP FX SA	47.9%
	SET-ICAP Securities S.A.	47.4%
Indonesia	PT Electronic IDR Exchange (liquidated September 2023)	49%
Mexico	SIF ICAP, S.A. de C.V.	50%

20. Other investments

	2023 £m	2022 £m
At 1 January	**23**	21
Disposals	**(3)**	–
Effect of movements in exchange rates	**(1)**	2
At 31 December	**19**	23
Categorisation of other investments:		
Debt instruments at FVTOCI – corporate debt securities	**2**	2
Equity instruments at FVTOCI	**17**	21
	19	23

The fair values are based on valuations as disclosed in Note 30(h). Equity instruments comprise securities that do not qualify as associates or joint ventures.

21. Financial investments

	2023 £m	2022 £m
Debt instruments at FVTOCI – Government debt securities	**92**	81
Investments at amortised cost – Term deposits	**97**	93
	189	174

Debt instruments and term deposits are liquid instruments held with financial institutions and central counterparty clearing houses providing the Group with access to clearing services.

22. Deferred tax

	2023 £m	2022 £m
Deferred tax assets	**41**	15
Deferred tax liabilities	**(51)**	(85)
	(10)	(70)

The movement for the year in the Group's net deferred tax position was as follows:

	2023 £m	2022 £m
At 1 January	**(70)**	(90)
Credit to income for the year:		
– Arising on impairment of intangible assets arising on consolidation	**10**	–
– Other movements	**49**	23
Effect of movements in exchange rates	**1**	(3)
At 31 December	**(10)**	(70)

Deferred tax balances and movements thereon are analysed as:

	At 1 January £m	Recognised in profit or loss £m	Effect of movements in exchange rates £m	At 31 December £m
2023				
Share-based payment awards	**4**	**–**	**–**	**4**
Tax losses	**23**	**36**	**(1)**	**58**
Bonuses	**11**	**–**	**(1)**	**10**
Intangible assets arising on consolidation	**(138)**	**21**	**4**	**(113)**
Other timing differences	**30**	**2**	**(1)**	**31**
	(70)	**59**	**1**	**(10)**

	At 1 January £m	Recognised in profit or loss £m	Effect of movements in exchange rates £m	At 31 December £m
2022				
Share-based payment awards	4	–	–	4
Tax losses	12	10	1	23
Bonuses	9	–	2	11
Intangible assets arising on consolidation	(145)	15	(8)	(138)
Other timing differences	30	(2)	2	30
	(90)	23	(3)	(70)

At the balance sheet date, the Group has gross unrecognised temporary differences of £149m with the unrecognised net tax amount being £33m (2022: gross £153m and net tax £33m respectively). This includes gross tax losses of £130m with the net tax amount being £28m (2022: gross £141m and net tax £30m respectively), which are potentially available for offset against future profits. Of the unrecognised gross losses £10m (2022: £24m) are expected to expire within 5 to 7 years, £16m (2022: £14m) are expected to expire between 8 to 12 years and £104m (2022: £103m) have no expiry date. Deferred tax assets have not been recognised in respect of these items since it is not probable that future taxable profits will arise against which the temporary differences may be utilised.

A deferred tax asset of £58m (2022: £23m) in respect of losses has been recognised at 31 December 2023 as it was considered probable that future taxable profits will arise.

No deferred tax has been recognised on temporary differences associated with unremitted earnings of subsidiaries as the Group is able to control the timing of distributions and overseas dividends are largely exempt from UK tax. As at the balance sheet date, the Group had unrecognised deferred tax liabilities of £2m (2022: £3m) in respect of unremitted earnings of subsidiaries of £19m (2022: £22m).

23. Trade and other receivables

	2023 £m	2022 (restated) £m
Non-current receivables		
Finance lease receivables[1]	**27**	38
Other receivables	**6**	13
	33	51
Current receivables		
Trade receivables	**304**	382
Amounts due from clearing organisations	**37**	77
Deposits paid for securities borrowed	**1,776**	1,575
Finance lease receivables	**3**	2
Other debtors[2]	**41**	45
Accrued income	**11**	15
Owed by associates and joint ventures	**4**	4
Prepayments[2]	**98**	94
Corporation tax	**5**	4
	2,279	2,198

1 In 2023 £6m of finance lease receivables were transferred to Investment Properties (Note 16).
2 Prepayments have been reduced by £15m and other debtors increased by £15m from that reported in 2022 following a reclassification of certain balances.

The Directors consider that the carrying amount of trade and other receivables which are not held at fair value through profit or loss approximates to their fair values as they are short term in nature. No interest is charged on outstanding trade receivables.

The Group measures the loss allowance for trade receivables at an amount equal to the lifetime expected credit loss. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The following table details the risk profile of trade receivables based on the Group's provision matrix by region. As the Group's historical credit loss experience does not show significantly different loss patterns for different regional customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer bases.

Trade receivables	**Total £m**	**Not past due £m**	**Less than 30 days past due £m**	**31–60 days past due £m**	**61–90 days past due £m**	**Greater than 91 days past due £m**
2023						
EMEA	**158**	**58**	**29**	**12**	**7**	**52**
Americas	**118**	**50**	**22**	**12**	**6**	**28**
Asia Pacific	**33**	**17**	**8**	**3**	**1**	**4**
Gross balances outstanding	**309**	**125**	**59**	**27**	**14**	**84**
Effective expected credit loss rate		**%**	**%**	**%**	**%**	**%**
Lifetime ECL	**(5)**	**0.31%**	**0.21%**	**0.43%**	**0.92%**	**4.85%**
	304					

Trade receivables	Total £m	Not past due £m	Less than 30 days past due £m	31–60 days past due £m	61–90 days past due £m	Greater than 91 days past due £m
2022						
EMEA	221	56	36	25	15	89
Americas	125	48	26	15	8	28
Asia Pacific	42	16	11	4	3	8
Gross balances outstanding	388	120	73	44	26	125
Effective expected credit loss rate		%	%	%	%	%
Lifetime ECL	(6)	0.15%	0.25%	0.42%	0.65%	4.56%
	382					

During 2023 the amounts outstanding 'greater than 91 days past due' reduced by £41m or 33%.

23. Trade and other receivables continued

Amounts due from clearing organisations represent balances owed to the Group as a result of client transactions undertaken through the clearer. The Group measures loss allowances for these balances under the general approach reflecting the probability of default based on the credit rating of the counterparty together with an assessment of the loss, after the sale of collateral, that could arise as a result of default. As at 31 December 2023, the provision for expected credit losses amounted to less than £1m (2022: less than £1m).

Deposits paid for securities borrowed arise on collateralised stock lending transactions. Such trades are complete only when both the collateral and stock for each side of the transaction are returned. The above analysis reflects the receivable side of such transactions. Corresponding deposits received for securities loaned are shown in Note 24 'Trade and other payables'. The Group measures loss allowances for these balances under the general approach reflecting the probability of default based on the credit rating of the counterparty together with an assessment of the loss, after the sale of collateral, that could arise as a result of default. As at 31 December 2023, the provision for expected credit losses amounted to less than £1m (2022: less than £1m).

Amounts receivable under finance leases:

	2023 £m	2022 £m
Year 1	**5**	4
Year 2	**5**	3
Year 3	**5**	5
Year 4	**3**	6
Year 5	**3**	4
Onwards	**17**	29
Undiscounted lease payments	**38**	51
Less: unearned finance income	**(8)**	(11)
Present value of lease payments receivable	**30**	40
Net investment in the lease	**30**	40

Undiscounted lease payments analysed as:

	2023 £m	2022 £m
Recoverable after 12 months	**33**	47
Recoverable within 12 months	**5**	4

Net investment in the lease analysed as:

	2023 £m	2022 £m
Recoverable after 12 months	**27**	38
Recoverable within 12 months	**3**	2

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of the recording entities.

The following table presents the amounts included in profit or loss.

	2023 £m	2022 £m
Interest on the net investment in finance leases	**2**	2

The Group's finance lease arrangements do not include variable payments.

The average effective interest rate on finance lease receivables approximates to 5.11% (2022: 5.06%) per annum.

The Directors estimated the loss allowance on finance lease receivables at the end of the reporting year at an amount equal to the lifetime ECL. None of the finance lease receivables at the end of the reporting year is past due, and taking into account the historical default experience and the future prospects of the industries in which the lessees operate, the Directors consider that no finance lease receivable is impaired.

24. Trade and other payables

	2023 £m	2022 £m
Trade payables	**40**	24
Amounts due to clearing organisations	**6**	46
Deposits received for securities loaned	**1,773**	1,573
Deferred consideration (Note 34)	**51**	1
Other creditors	**85**	108
Accruals	**384**	369
Owed to associates and joint ventures	**3**	3
Tax and social security	**28**	22
Deferred income	**2**	3
	2,372	2,149

The Directors consider that the carrying amount of trade and other payables which are not held at fair value through profit or loss approximate to their fair values.

25. Financial assets and financial liabilities at fair value through profit or loss

	2023 £m	2022 £m
Financial assets at fair value through profit or loss		
Matched Principal financial assets	**24**	9
Fair value gains on unsettled Matched Principal transactions	**545**	255
	569	264
Financial liabilities at fair value through profit or loss		
Matched Principal financial liabilities	**–**	–
Fair value losses on unsettled Matched Principal transactions	**(541)**	(255)
	(541)	(255)
Notional contract amounts of unsettled Matched Principal transactions		
Unsettled Matched Principal Sales	**125,673**	104,886
Unsettled Matched Principal Purchases	**125,645**	104,876

Fair value gains and losses on unsettled Matched Principal transactions represent the price movement between the trade date and the reporting date on regular way transactions prior to settlement. Matched Principal transactions arise where securities are bought from one counterparty and simultaneously sold to another counterparty. Settlement of such transactions is primarily on a delivery vs payment basis and typically take place within a few business days of the transaction date according to the relevant market rules and conventions.

The notional contract amounts of unsettled Matched Principal transactions indicate the aggregate value of buy and sell transactions outstanding at the balance sheet date. They do not represent amounts at risk.

26. Loans and borrowings

	Less than one year £m	Greater than one year £m	Total £m
2023			
Overdrafts	**10**	**–**	**10**
Sterling Notes January 2024	**37**	**–**	**37**
Sterling Notes May 2026	**1**	**249**	**250**
Sterling Notes November 2028	**1**	**248**	**249**
Sterling Notes April 2030	**4**	**247**	**251**
Liquidnet Vendor Loan Notes March 2024	**40**	**–**	**40**
	93	**744**	**837**

	Less than one year £m	Greater than one year £m	Total £m
2022			
Sterling Notes January 2024	6	247	253
Sterling Notes May 2026	1	249	250
Sterling Notes November 2028	1	247	248
Liquidnet Vendor Loan Notes March 2024	1	42	43
	9	785	794

All amounts are stated after unamortised transaction costs. An analysis of borrowings by maturity has been disclosed in Note 30(e).

The cash flows in respect of loans and borrowings are set out in Note 36.

26. Loans and borrowings continued

Settlement facilities and overdrafts

Where the Group purchases securities under Matched Principal trades but is unable to complete the sale immediately, the Group's settlement agent finances the purchase through the provision of an overdraft secured against the securities and any collateral placed at the settlement agent. As at 31 December 2023, overdrafts for the provision of settlement finance amounted to £10m (December 2022: £nil).

Bank credit facilities and bank loans

The Group has a £350m committed revolving facility that matures in May 2026. Facility commitment fees of 0.7% on the undrawn balance are payable on the facility. Arrangement fees of £3m were paid in 2022 and are being amortised over the maturity of the facility.

As at 31 December 2023, the revolving credit facility was undrawn. During the year, the maximum amount drawn was £40m (2022: £140m), and the average amount drawn was £18m (2022: £30m). The Group utilises the credit facility throughout the year, entering into numerous short-term bank loans where maturities are less than three months. The turnover is quick and the volume is large and resultant flows are presented net in the Group's cash flow statement in accordance with IAS 7 'Cash Flow'.

Interest and facility fees of £2m were incurred in 2023 (2022: £3m).

Credit facility and loans

The Group has a Yen 10bn committed facility with The Tokyo Tanshi Co., Ltd, a connected party, that matures in August 2025. Facility commitment fees of 0.64% on the undrawn balance are payable on the facility. Arrangement fees of less than £1m are being amortised over the maturity of the facility.

As at 31 December 2023, the Yen 10bn committed facility equated to £56m and was undrawn (2022: Yen nil). The Directors consider that the carrying amount of the loan which is not held at fair value through profit or loss approximates to its fair value. During the year, the maximum amount drawn was Yen 8bn, £45m at year end rates (2022: Yen 10bn, £63m at 2022 year end rates), and the average amount drawn was Yen 4bn, £24m at year end rates (2022: Yen 9bn, £57m at 2022 year end rates). The Group utilises the credit facility throughout the year, entering into numerous short-term bank loans where maturities are less than three months. The turnover is quick and the volume is large and resultant flows are presented net in the Group's cash flow statement in accordance with IAS 7 'Cash Flow'.

Interest and facility fees of £1m were incurred in 2023 (2022: £1m).

Sterling Notes: Due January 2024

In January 2017 the Group issued £500m unsecured Sterling Notes due January 2024. The Notes have a fixed coupon of 5.25% payable semi-annually, subject to compliance with the terms of the Notes. In May 2019, the Group repurchased £69m of the Notes, in November 2021 the Group repurchased £184m of the Notes and in April 2023 a further £210m of the Notes were repurchased.

Interest of £5m was incurred in 2023 (2022: £13m). The amortisation expense of issue costs in 2023 and 2022 was less than £1m.

Accrued interest at 31 December 2023 amounted to £1m (2022:£6m). Issue costs of less than £1m were written off following the repurchase in April 2023. No unamortised issue costs remain.

At 31 December 2023 the fair value of the Notes (Level 1) was £38m (2022: £241m).

Sterling Notes: Due May 2026

In May 2019 the Group issued £250m unsecured Sterling Notes due May 2026. The Notes have a fixed coupon of 5.25% paid semi-annually, subject to compliance with the terms of the Notes.

Interest of £13m was incurred in 2023 (2022: £13m). The amortisation expense of issue costs in 2023 and 2022 was less than £1m.

Accrued interest at 31 December 2023 amounted to £1m (2022: £1m). Unamortised issue costs were £1m as at 31 December 2023 (2022: £1m).

At 31 December 2023 the fair value of the Notes (Level 1) was £242m (2022: £232m).

Sterling Notes: Due November 2028

In November 2021 the Group issued £250m unsecured Sterling Notes due November 2028. The Notes were issued at a discount of £1m, raising £249m before issue costs. The Notes have a fixed coupon of 2.625% paid semi-annually, subject to compliance with the terms of the Notes.

Interest of £7m was incurred in 2023 (2022: £7m). The amortisation expense of discount and issue costs in 2023 and 2022 was less than £1m.

Accrued interest at 31 December 2023 amounted to £1m (2022:£1m). Unamortised discount and issue costs were £2m (2022: £3m).

At 31 December 2023 the fair value of the Notes (Level 1) was £210m (2022: £184m).

26. Loans and borrowings continued

Sterling Notes: Due April 2030

In April 2023 the Group issued £250m unsecured Sterling Notes due April 2030. The Notes were issued at a discount of £1m, raising £249m before issue costs. The Notes have a fixed coupon of 7.875% paid semi-annually, subject to compliance with the terms of the Notes.

Interest of £14m was incurred in 2023. The amortisation expense of discount and issue costs in 2023 was £1m.

Accrued interest at 31 December 2023 amounted to £4m. Unamortised discount and issue costs were £3m.

At 31 December 2023 the fair value of the Notes (Level 1) was £269m.

Liquidnet Vendor Loan Notes Due March 2024

In March 2021, as part of the purchase consideration of Liquidnet, the Group issued $50m (£39m at year end exchange rates (2022:£42m)) unsecured Loan Notes due March 2024. The Notes have a fixed coupon of 3.2% paid annually.

Interest of £1m was incurred in 2023 (2022: £1m).

Accrued interest at 31 December 2023 amounted to £1m (2022:£1m).

At 31 December 2023 the fair value of the Notes (Level 2) was $45m (£41m) (2022: $44m (£37m)).

27. Lease liabilities

Maturity analysis

	2023 £m	2022 £m
Year 1	**44**	46
Year 2	**42**	40
Year 3	**40**	37
Year 4	**32**	35
Year 5	**29**	30
Onwards	**142**	172
	329	360
Less: future interest expense	**(78)**	(81)
	251	279

Analysed as:

	2023 £m	2022 £m
Included in current liabilities	**28**	29
Included in non-current liabilities	**223**	250
	251	279

The average effective interest rate on finance leases approximates to 6.23% (2022: 6.44%) per annum.

The cash flows in respect of finance leases are set out in Note 36.

At 31 December 2023, the Group is committed to £1m (2022: £1m) for short-term leases.

28. Provisions

(a) Provision movements during the year

	Property £m	**Restructuring £m**	**Legal and other £m**	**Total £m**
2023				
At 1 January 2023	**13**	**7**	**20**	**40**
Charge to income statement	**–**	**6**	**12**	**18**
Utilisation of provision	**–**	**(8)**	**(4)**	**(12)**
Effect of movements in exchange rates	**(1)**	**–**	**–**	**(1)**
At 31 December 2023	**12**	**5**	**28**	**45**

	Property £m	Restructuring £m	Legal and other £m	Total £m
2022				
At 1 January 2022	16	5	22	43
Charge to income statement	–	3	2	5
Utilisation of provision	(3)	(1)	(5)	(9)
Effect of movements in exchange rates	–	–	1	1
At 31 December 2022	13	7	20	40

28. Provisions continued

(a) Provision movements during the year continued

	2023 £m	2022 £m
Included in current liabilities	**14**	9
Included in non-current liabilities	**31**	31
	45	40

Property provisions outstanding as at 31 December 2023 relate to provisions in respect of building dilapidations, representing the estimated cost of making good dilapidations and disrepair on various leasehold buildings, and are expected to be utilised over the next 12 years.

Restructuring provisions outstanding as at 31 December 2023 relate to termination and other employee related costs. It is expected that the remaining obligations will be discharged during 2024.

Legal and other provisions include provisions for legal claims brought against subsidiaries of the Group together with provisions against obligations for certain long-term employee benefits and non-property related onerous contracts. At present the timing and amount of any payments are uncertain and provisions are subject to regular review. It is expected that the obligations will be discharged over the next 17 years.

(b) Critical judgements and key estimation uncertainties

Swiss LIBOR Class Action

On 4 December 2017, a class of plaintiffs filed a Second Amended Class Action Complaint in the matter of Sonterra Capital Master Fund Ltd. et al. v. Credit Suisse Group AG et al. naming as defendants, among others, TP ICAP plc, Tullett Prebon Americas Corp., Tullett Prebon (USA) Inc., Tullett Prebon Financial Services LLC, Tullett Prebon (Europe) Limited, Cosmorex AG, ICAP Europe Limited, and ICAP Securities USA LLC (together, the 'Companies'). The Second Amended Complaint generally alleges that the Companies conspired with certain bank customers to manipulate Swiss Franc LIBOR and prices of Swiss Franc LIBOR based derivatives by disseminating false pricing information in false run-throughs and false prices published on screens viewed by customers in violation of the Sherman Act (anti-trust) and the Racketeer Influenced and Corrupt Organizations Act ('RICO'). The Group has entered into settlement agreements to resolve this matter. On 16 May, 2023, the United States District Court granted preliminary approval of those settlements. On 27 September 2023, the Court signed an order granting final class approval of the settlement. Pursuant to the settlement, the legacy 'Tullett' defendants have paid US$2.1m (£1.7m) into escrow having provided for this amount for onward distribution. Separately and consistent with its indemnity obligations, NEX International Limited (formerly known as ICAP plc) has, in order to resolve claims against the four 'ICAP' broker defendants (ICAP Europe Limited, ICAP Securities USA LLC, NEX Group plc and Intercapital Capital Markets LLC) paid US$2.1m (£1.7m) into escrow for onward distribution. This has been recorded as a provision and settlement, together with the receipt of an indemnification asset from NEX. This matter is now closed.

Commodities and Futures Trading Commission – Bond issuances investigation

ICAP Global Derivatives Limited ('IGDL'), ICAP Energy LLC ('Energy'), ICAP Europe Limited ('IEL'), Tullett Prebon Americas Corp. ('TPAC'), tpSEF Inc. ('tpSEF'), TP ICAP E&C Limited (formerly Tullett Prebon Europe Limited) ('TPE&C') Tullett Prebon (Japan) Limited ('TPJL') and Tullett Prebon (Australia) Limited ('TPAL') are currently responding to an investigation by the CFTC in relation to the pricing of issuances utilising certain of TP ICAP's indicative broker pricing screens and certain recordkeeping matters including in relation to employee use of personal devices for business communications and other books and records matters. The investigation remains open and the Group is co-operating with the CFTC in its enquiries. Whilst it is not possible to predict the ultimate outcome of the investigation, the Group has made a provision reflecting management's best estimate as at this date of the cost of settling the investigation. The actual outcome may differ significantly from management's current estimate. As the relevant matters occurred prior to the Group's acquisition of ICAP's Global Broking Business ('IGBB'), the Group issued proceedings against ICAP's successor company, NEX Group Limited ('NEX'), in respect of breach of warranties under the sale and purchase agreement in connection with the IGBB acquisition insofar as these matters relate to the ICAP entities. Those proceedings against NEX have been settled on confidential terms.

Supplier contractual dispute

The Group is party to numerous contractual arrangements with its suppliers some of which, in the normal course of business, may become subject to dispute over a party's compliance with the terms of the arrangement. In respect of one such matter the Group has resolved a dispute for an amount within the previously disclosed provision of £5m (US$6.8m). As the settlement is commercially sensitive further disclosure is considered to be prejudicial.

29. Other long-term payables

	2023 £m	2022 £m
Accruals and deferred income	**5**	5
Deferred consideration (Note 34)	**–**	55
	5	60

30. Financial instruments

(a) Financial and liquidity risk

The Group does not take trading risk and does not seek to hold proprietary trading positions. Consequently, the Group is exposed to trading book market risk only in relation to incidental positions in financial instruments arising as a result of the Group's failure to match clients' orders precisely. The Group has limited exposure to non-trading book market risk, specifically to interest rate risk and currency risk. Thus the overall approach to the planning and management of the Group's capital and liquidity is to ensure the Group's solvency, i.e. its continued ability to conduct business, deliver returns to shareholders, and support growth and strategic initiatives. The Group is not subject to consolidated capital adequacy requirements.

The Group seeks to ensure that it has access to an appropriate level of cash, other forms of marketable securities and liquidity facilities to enable it to finance its ongoing operations 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 are monitored by the Group's Finance and Treasury functions.

As a normal part of its operations, the Group faces liquidity risk through the risk of being required to fund transactions that do not settle on the due date. From a risk perspective, the most problematic scenario concerns 'fail to deliver' transactions, where the business has received, and recognised, a security from the selling counterparty (and has paid cash in settlement of the same) but is unable to effect onward delivery of the security to the buying counterparty. Such settlement delays give rise to a funding requirement, reflecting the value of the security which the Group has been unable to deliver until such time as the delivery leg is finally settled, or the security sold, and the business has received the associated cash. The Group has addressed this funding risk by arranging overdraft facilities to cover 'failed to deliver' trades, either with the relevant settlement agent/depository or with a clearing bank. Under such arrangements, the facility provider will fund the value of any 'failed to deliver' trades until delivery of the security is effected. Certain facility providers require collateral (such as a cash deposit or parent company guarantee) to protect them from any adverse mark-to-market movement and some also charge a funding fee for providing the facility.

The Group is also exposed to potential margin calls. Margin calls can be made by central counterparties under the Matched Principal broking model when not all legs of a matched principal trade are settled at the central counterparty or when there is a residual balance or confirmation error. Margin calls can be made by the Group's clearers or correspondent clearers under the Executing Broker broking model or the Introducing Broker broking model when there is a trade error or a counterparty is slow to confirm their trade. These margin calls occur mainly in the United States and the United Kingdom.

In the event of a short-term liquidity requirement, the firm has recourse to existing global cash resources, after which it could draw down on its £350m committed revolving credit facility and Yen 10bn (£56m at year end rates) committed facility with The Tokyo Tanshi Co., Ltd as additional contingency funding, less any amounts earmarked to fund acquisitions.

Derivative financial instruments, such as foreign currency contracts and interest rate swaps, are entered into by the Group in order to manage its exposure to interest rate and foreign currency fluctuations or as simultaneous back-to-back transactions with counterparties. The Group does not use derivative financial instruments for speculative purposes. As at 31 December 2023, the fair value of outstanding derivatives used to manage the Group's exposure to interest rate and foreign currency fluctuations was less than £1m (2022: less than £1m).

The value of simultaneous back-to-back derivatives, and the amounts netted in the statement of financial position are set out below:

Back-to-back derivatives netted in the statement of financial position	**Gross amounts of recognised financial instruments £m**	**Amounts that are offset in the statement of financial position £m**	**Net amounts of financial instruments presented in the statement of financial position £m**
2023			
Derivative asset	**199**	**(199)**	**–**
Derivative liability	**(199)**	**199**	**–**

Back-to-back derivatives netted in the statement of financial position	Gross amounts of recognised financial instruments £m	Amounts that are offset in the statement of financial position £m	Net amounts of financial instruments presented in the statement of financial position £m
2022			
Derivative asset	157	(157)	–
Derivative liability	(157)	157	–

(b) Capital management

The Group's policy is to maintain a capital base and funding structure that maintains creditor, regulator and market confidence and provides flexibility for business development while also optimising returns to shareholders. The capital structure of the Group consists of debt, as set out in Note 26, cash and cash equivalents, other current financial assets and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Notes 31 and 32. Dividends paid during the year are disclosed in Note 12 and the dividend policy is discussed in the Strategic Report.

A number of the Company's subsidiaries and sub-groups are individually or collectively regulated and are required to maintain capital that is appropriate to the risks entailed in their businesses according to definitions that vary according to each jurisdiction. In addition to subsidiaries and sub-groups fulfilling their regulatory obligations, the Group undertakes periodic reviews of the current and projected regulatory requirements of each of these entities and sub-groups.

30. Financial instruments continued

(c) Categorisation of financial assets and liabilities

Financial assets	FVTPL trading instruments £m	FVTOCI debt instruments £m	FVTOCI equity instruments £m	Amortised cost £m	Total carrying amount £m
2023					
Non-current financial assets measured at fair value					
Equity securities	–	–	17	–	17
Corporate debt securities	–	2	–	–	2
Non-current financial assets not measured at fair value					
Other receivables	–	–	–	6	6
Finance lease receivables	–	–	–	27	27
	–	2	17	33	52
Current financial assets measured at fair value					
Matched Principal financial assets	24	–	–	–	24
Fair value gains on unsettled Matched Principal transactions	545	–	–	–	545
Government debt securities	–	92	–	–	92
Current financial assets not measured at fair value[1]					
Term deposits	–	–	–	97	97
Other debtors	–	–	–	41	41
Accrued income	–	–	–	11	11
Owed by associates and joint ventures	–	–	–	4	4
Trade receivables	–	–	–	304	304
Amounts due from clearing organisations	–	–	–	37	37
Deposits paid for securities borrowed	–	–	–	1,776	1,776
Finance lease receivables	–	–	–	3	3
Cash and cash equivalents	–	–	–	1,029	1,029
	569	92	–	3,302	3,963
Total financial assets	569	94	17	3,335	4,015

1 Financial assets are initially measured at fair value.

Financial assets	FVTPL trading instruments £m	FVTOCI debt instruments £m	FVTOCI equity instruments £m	Amortised cost (restated) £m	Total carrying amount (restated) £m
2022					
Non-current financial assets measured at fair value					
Equity securities	–	–	21	–	21
Corporate debt securities	–	2	–	–	2
Non-current financial assets not measured at fair value					
Other receivables	–	–	–	13	13
Finance lease receivables	–	–	–	38	38
	–	2	21	51	74
Current financial assets measured at fair value					
Matched Principal financial assets	9	–	–	–	9
Fair value gains on unsettled Matched Principal transactions	255	–	–	–	255
Government debt securities	–	81	–	–	81
Current financial assets not measured at fair value[1]					
Term deposits	–	–	–	93	93
Other debtors[2]	–	–	–	45	45
Accrued income	–	–	–	15	15
Owed by associates and joint ventures	–	–	–	4	4
Trade receivables	–	–	–	382	382
Amounts due from clearing organisations	–	–	–	77	77
Deposits paid for securities borrowed	–	–	–	1,575	1,575
Finance lease receivables	–	–	–	2	2
Cash and cash equivalents	–	–	–	888	888
	264	81	–	3,081	3,426
Total financial assets	264	83	21	3,132	3,500

1 Financial assets are initially measured at fair value.
2 Restated to include £15m previously reported within prepayments.

30. Financial instruments continued

(c) Categorisation of financial assets and liabilities continued

Financial liabilities	Mandatorily at FVTPL		Other financial liabilities		Total carrying amount £m
	Non-current £m	Current £m	Non-current £m	Current £m	
2023					
Financial liabilities measured at fair value					
Fair value losses on unsettled Matched Principal transactions	**–**	**541**	**–**	**–**	**541**
Deferred consideration	**–**	**51**	**–**	**–**	**51**
	–	**592**	**–**	**–**	**592**
Financial liabilities not measured at fair value[1]					
Overdraft	**–**	**–**	**–**	**10**	**10**
Sterling Notes January 2024	**–**	**–**	**–**	**37**	**37**
Sterling Notes May 2026	**–**	**–**	**249**	**1**	**250**
Sterling Notes November 2028	**–**	**–**	**248**	**1**	**249**
Sterling Notes April 2030	**–**	**–**	**247**	**4**	**251**
Liquidnet Vendor Loan Notes March 2024	**–**	**–**	**–**	**40**	**40**
Other creditors	**–**	**–**	**–**	**85**	**85**
Accruals[2]	**–**	**–**	**–**	**97**	**97**
Owed to associates and joint ventures	**–**	**–**	**–**	**3**	**3**
Trade payables	**–**	**–**	**–**	**40**	**40**
Amounts due to clearing organisations	**–**	**–**	**–**	**6**	**6**
Deposits received for securities loaned	**–**	**–**	**–**	**1,773**	**1,773**
Lease liabilities	**–**	**–**	**223**	**28**	**251**
	–	**–**	**967**	**2,125**	**3,092**
Total financial liabilities	**–**	**592**	**967**	**2,125**	**3,684**

Financial liabilities	Mandatorily at FVTPL		Other financial liabilities		Total carrying amount £m
	Non-current £m	Current £m	Non-current £m	Current £m	
2022					
Financial liabilities measured at fair value					
Fair value losses on unsettled Matched Principal transactions	–	255	–	–	255
Deferred consideration	55	1	–	–	56
	55	256	–	–	311
Financial liabilities not measured at fair value[1]					
Sterling Notes January 2024	–	–	247	6	253
Sterling Notes May 2026	–	–	249	1	250
Sterling Notes November 2028	–	–	247	1	248
Liquidnet Vendor Loan Notes March 2024	–	–	42	1	43
Other creditors	–	–	–	108	108
Accruals[2]	–	–	–	113	113
Owed to associates and joint ventures	–	–	–	3	3
Trade payables	–	–	–	24	24
Amounts due to clearing organisations	–	–	–	46	46
Deposits received for securities loaned	–	–	–	1,573	1,573
Lease liabilities	–	–	250	29	279
	–	–	1,035	1,905	2,940
Total financial liabilities	55	256	1,035	1,905	3,251

1 Financial liabilities are measured at fair value on initial recognition.
2 Accruals of £287m (2022: £256m) are not recorded as financial liabilities.

(d) Credit and market risk

The Group is exposed to credit risk in the event of default by counterparties in respect of its Name Passing, Executing Broker, Introducing Broker, Matched Principal, Information Sales and corporate treasury operations. Whilst the Group does bear concentration risk to counterparties, countries and sectors these concentrations are typically with major US and European global banks. The credit risk in respect of the Name Passing and Information Sales businesses are limited to the collection of outstanding commission and transaction fees, 'Receivables Risk'. The Executing Broker, Introducing Broker and invoiced Matched Principal businesses are also exposed to this risk. Receivables Risk is managed proactively by the Group's accounts receivable function. As at the year end, 53% (2022: 56%) of the Group's trade receivables are with investment grade counterparts (equivalent to credit ratings BBB-/Baa3 or above).

Deposits paid for securities borrowed arise on collateralised stock lending transactions. Such trades are complete only when both the collateral and stock for each side of the transaction are returned. As at the year end, 94% (2022: 84%) of the Group's counterparty exposure is to investment grade counterparts.

The credit risk on cash, cash equivalents, and financial assets at amortised cost, FVTOCI or FVTPL, is subject to frequent monitoring. All financial institutions that are transacted with are approved and internal limits are assigned to each one based on a combination of factors including external credit ratings. As at the year end, 98% (2022: 97%) of cash and cash equivalents and 95% (2022: 95%) of financial assets are held with investment grade rated financial institutions.

(d) Credit and market risk continued

Pre-settlement credit risk arises in the Matched Principal broking business in which the Group interposes itself as principal to two (or more) contracting parties to a Matched Principal transaction and as a result the Group is at risk of loss should one of the parties to a transaction default on its obligations prior to settlement date (typically 2 to 3 business days). In the event of default, the Group would have to replace the defaulted contract in the market. This is a contingent risk in that the Group will only suffer loss if the market price of the securities has moved adversely to the original trade price.

The Introducing Broker business also gives rise to pre-settlement credit risk. Under this model the Group facilitates anonymous trading for its clients which are subsequently settled through a third party settlement provider with the Group retaining the associated pre-settlement credit risk exposure through an indemnity granted under its agreement with the settlement provider. The pre-settlement credit risk exposure is similar in nature to that under the matched principal broking business described above.

The Executing Broker business gives rise to short term pre-settlement credit risk during the period between the execution of the trade and the client claiming the trade. This exposure is minimal as under the terms of the 'give-up' agreements the Group has in place with its clients, trades must be claimed by the end of trade day. Once the trade has been claimed, the Group's only exposure to the client is for the invoiced receivables as described above.

The 'maximum exposure to credit risk' is the maximum exposure before taking account of any securities or collateral held, or other credit enhancements, unless such enhancements meet accounting offsetting requirements. For financial assets recognised on the balance sheet, excluding equity instruments as they are not subject to credit risk, the maximum exposure to credit risk equals their carrying amount.

(e) Maturity profile of financial liabilities, lease liabilities and off-balance sheet items

The table below reflects the contractual maturities, including future interest obligations, of the Group's financial and lease liabilities as at 31 December. Matched Principal financial liabilities are included in the 'Due within 3 months' time bucket, and not by contractual maturity because such balances are typically held for short periods of time. The settlement amounts of open Matched Principal purchases as at the reporting date are included in the 'Due within 3 months' time bucket reflecting their expected settlement amount and date.

	Due within 3 months £m	**Due between 3 months and 12 months £m**	**Due between 1 year and 5 years £m**	**Due after 5 years £m**	**Total £m**
2023					
Settlement of open Matched Principal purchases[1]	**125,645**	**–**	**–**	**–**	**125,645**
Deposits received for securities loaned	**1,773**	**–**	**–**	**–**	**1,773**
Trade payables	**40**	**–**	**–**	**–**	**40**
Amounts due to clearing organisations	**6**	**–**	**–**	**–**	**6**
Other creditors	**85**	**–**	**–**	**–**	**85**
Accruals	**97**	**–**	**–**	**–**	**97**
Owed to associates and joint ventures	**3**	**–**	**–**	**–**	**3**
Lease liabilities	**7**	**37**	**143**	**142**	**329**
Overdrafts	**10**	**–**	**–**	**–**	**10**
Sterling Notes January 2024	**37**	**–**	**–**	**–**	**37**
Sterling Notes May 2026	**–**	**13**	**270**	**–**	**283**
Sterling Notes November 2028	**–**	**7**	**276**	**–**	**283**
Sterling Notes April 2030	**–**	**20**	**79**	**279**	**378**
Liquidnet Vendor Loan Notes March 2024	**40**	**–**	**–**	**–**	**40**
Deferred consideration	**51**	**–**	**–**	**–**	**51**
	127,794	**77**	**768**	**421**	**129,060**

	Due within 3 months £m	Due between 3 months and 12 months £m	Due between 1 year and 5 years £m	Due after 5 years £m	Total £m
2022					
Settlement of open Matched Principal purchases[1]	104,876	–	–	–	104,876
Deposits received for securities loaned	1,573	–	–	–	1,573
Trade payables	24	–	–	–	24
Amounts due to clearing organisations	46	–	–	–	46
Other creditors	108	–	–	–	108
Accruals	113	–	–	–	113
Owed to associate and joint ventures	3	–	–	–	3
Lease liabilities	11	35	142	172	360
Sterling Notes January 2024	6	6	253	–	265
Sterling Notes May 2026	–	13	283	–	296
Sterling Notes November 2028	–	7	26	257	290
Liquidnet Vendor Loan Notes March 2024	1	–	43	–	44
Deferred consideration	1	–	55	–	56
	106,762	61	802	429	108,054

1 Settlement of open Matched Principal purchases represents payment in exchange for Matched Principal financial assets pending their onward sale. The onward sale results in inflows from the settlement of related open Matched principal sales.

30. Financial instruments continued

(f) Foreign currency sensitivity analysis

The table below illustrates the sensitivity of the profit for the year with regard to currency movements on financial assets and liabilities denominated in foreign currencies as at the year end. The sensitivity of the Group's equity with regard to its net foreign currency investments at the year end is also shown below.

Based on a 10% weakening in the following exchange rates against Sterling, the effects would be as follows:

	Change in foreign currency financial assets and liabilities – profit or loss		Change in translation of foreign operations – equity	
	2023 £m	2022 £m	**2023 £m**	2022 £m
Currency:				
– USD	**(9)**	(7)	**(93)**	(112)
– EUR	**(6)**	(7)	**(11)**	(10)
– SGD	**–**	–	**(9)**	(10)
– HKD	**–**	–	**(8)**	(10)
– JPY	**–**	–	**(5)**	(8)
– AUD	**–**	–	**(3)**	(4)

Unless specifically hedged, the Group would experience equal and opposite foreign exchange movements should the currencies strengthen against Sterling.

(g) Interest rate sensitivity analysis

Interest on floating rate financial instruments is reset at intervals of less than one year. The Group's exposure to interest rates arises on cash and cash equivalents and money market instruments, including drawdowns on the revolving credit and Tokyo Tanshi committed facilities. The Sterling Notes are fixed rate financial instruments.

A 100 basis point change in interest rates, applied to average floating rate financial instrument assets and liabilities during the year, would result in the following impact on profit or loss:

	2023		2022	
	+100bps £m	**-100bps £m**	+100bps £m	-100bps £m
Income/(expense) arising on:				
– floating rate assets	**5**	**(5)**	4	(4)
– floating rate liabilities	**–**	**–**	(1)	–
Net income/(expense) for the year	**5**	**(5)**	3	(4)

(h) Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
2023				
Non-financial assets measured at fair value				
Investment properties	**–**	**–**	**12**	**12**
Financial assets measured at fair value				
Matched Principal financial assets	**24**	**–**	**–**	**24**
Fair value gain on unsettled Matched Principal transactions	**545**	**–**	**–**	**545**
Equity instruments	**–**	**8**	**9**	**17**
Corporate debt securities	**–**	**–**	**2**	**2**
Government debt securities	**92**	**–**	**–**	**92**
Financial liabilities measured at fair value				
Fair value losses on unsettled Matched Principal transactions	**(541)**	**–**	**–**	**(541)**
Deferred consideration	**–**	**(51)**	**–**	**(51)**
	120	**(43)**	**23**	**100**

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
2022				
Financial assets measured at fair value				
Matched Principal financial assets	9	–	–	9
Fair value gain on unsettled Matched Principal transactions	255	–	–	255
Equity instruments	–	11	10	21
Corporate debt securities	–	–	2	2
Government debt securities	81	–	–	81
Financial liabilities measured at fair value				
Fair value losses on unsettled Matched Principal transactions	(255)	–	–	(255)
Deferred consideration	–	–	(56)	(56)
	90	11	(44)	57

In deriving the fair value of equity and derivative instruments valuation models were used which incorporated observable market data. There were no significant inputs used in these models that were unobservable. There is no material sensitivity to unobservable inputs used in these models.

The fair value of deferred consideration is based on valuation models incorporating unobservable inputs reflecting the estimated performance conditions specific to each acquisition. Inputs are based on management's financial forecasts for the relevant performance condition and relevant duration. As inputs are acquisition specific outcomes can vary from that used to estimate fair values at a reporting date. Where deferred consideration is non-contingent, or where conditions have been met but unsettled at the year end, such amounts are included as Level 2.

There were no transfers between Level 1 and 2 during the year.

Reconciliation of Level 3 fair value measurements of assets and liabilities:

2023	Investment properties (at FVTPL) £m	Equity instruments (at FVTOCI) £m	Debt securities (at FVTOCI) £m	Deferred consideration (at FVTPL) £m	Total £m
Balance as at 1 January	**–**	**10**	**2**	**(56)**	**(44)**
Net change in fair value – charged to the income statement	**–**	**–**	**–**	**4**	**4**
Additions during the year	**12**	**–**	**–**	**–**	**12**
Amounts settled during the year	**–**	**–**	**–**	**1**	**1**
Transfer of liabilities to Level 2	**–**	**–**	**–**	**51**	**51**
Effect of movements in exchange rates	**–**	**(1)**	**–**	**–**	**(1)**
Balance as at 31 December	**12**	**9**	**2**	**–**	**23**

2022	Equity instruments (at FVTOCI) £m	Debt securities (at FVTOCI) £m	Deferred consideration (at FVTPL) £m	Total £m
Balance as at 1 January	9	2	(53)	(42)
Net change in fair value – credited to the income statement	–	–	(8)	(8)
Acquisitions during the year	–	–	–	–
Amounts settled during the year	–	–	5	5
Effect of movements in exchange rates	1	–	–	1
Balance as at 31 December	10	2	(56)	(44)

31. Share capital

	2023 No.	2022 No.
Allotted, issued and fully paid		
Ordinary shares of 25p		
As at 31 December 2023 and 2022	**788,670,932**	788,670,932

32. Reconciliation of shareholders' funds

(a) Share capital

	Share capital £m
As at 31 December 2023 and 2022	**197**

(b) Other reserves

	Reorgan-isation reserve £m	Revaluation reserve £m	Hedging and translation £m	Treasury shares £m	Own shares £m	Other reserves £m
2023						
As at 1 January 2023	**(946)**	**5**	**109**	**–**	**(22)**	**(854)**
Exchange differences on translation of foreign operations	**–**	**–**	**(82)**	**–**	**–**	**(82)**
Taxation on components of other comprehensive income	**–**	**–**	**2**	**–**	**–**	**2**
Total comprehensive income	**–**	**–**	**(80)**	**–**	**–**	**(80)**
Share settlement of share-based payment awards	**–**	**–**	**–**	**–**	**9**	**9**
Own shares acquired for employee trusts	**–**	**–**	**–**	**–**	**(7)**	**(7)**
Own shares acquired/share buyback	**–**	**–**	**–**	**(29)**	**–**	**(29)**
Gain on disposal of equity instruments at FVTOCI	**–**	**(2)**	**–**	**–**	**–**	**(2)**
As at 31 December 2023	**(946)**	**3**	**29**	**(29)**	**(20)**	**(963)**

	Reorgan-isation reserve £m	Revaluation reserve £m	Hedging and translation £m	Treasury shares £m	Own shares £m	Other reserves £m
2022						
As at 1 January 2022	(946)	5	(38)	–	(26)	(1,005)
Exchange differences on translation of foreign operations	–	–	152	–	–	152
Taxation on components of other comprehensive income	–	–	(5)	–	–	(5)
Total comprehensive income	–	–	147	–	–	147
Share settlement of share-based payment awards	–	–	–	–	7	7
Own shares acquired for employee trusts	–	–	–	–	(3)	(3)
As at 31 December 2022	(946)	5	109	–	(22)	(854)

Reorganisation reserve
On 26 February 2021 the Group adjusted its corporate structure. TP ICAP Group plc was incorporated in Jersey on 23 December 2019 and became the new listed holding company of the Group on 26 February 2021 via a court-approved scheme of arrangement under Part 26 of the UK Companies Act 2006, with the former holding company, TP ICAP plc subsequently being renamed TP ICAP Finance plc. Under the scheme of arrangement, shares in the former holding company of the Group were cancelled and the same number of new ordinary shares were issued to the new holding company in consideration for the allotment to shareholders of one ordinary share of 25 pence in the new holding company for each ordinary share of 25 pence they held in the former holding company. The share for share exchange between TP ICAP plc and TP ICAP Group plc was a common control transaction has been accounted for using merger accounting principles. Under these principles the results and cash flows of all the combining entities are brought into the consolidated financial statements from the beginning of the financial year in which the combination occurs and comparative figures also reflect the combination of the entities. The Group's equity is adjusted to reflect that of the new holding company, but in all other aspects the Group results and financial position are unaffected by the change and reflect the continuation of the Group. In adjusting the Group's equity to reflect that of the new holding company, the sum of share capital, share premium, merger reserve and reverse acquisition reserves under the former holding company are replaced by the share capital and share premium of the new holding company together with a reorganisation reserve.

Revaluation reserve
The revaluation reserve represents the remeasurement of assets in accordance with IFRS that have been recorded in other comprehensive income.

Hedging and translation
The hedging and translation reserve records revaluation gains and losses arising on net investment hedges and the effect of changes in exchange rates on translation of foreign operations recorded in other comprehensive income. As at 31 December 2023, £11m relates to amounts arising on previous net investment hedges (2022: £11m).

32. Reconciliation of shareholders' funds continued

(b) Other reserves continued

Treasury shares

During the year, as part of the Group's share buyback programme announced in August 2023, the Group repurchased 16,634,112 ordinary shares, representing 2.1% of the shares in issue, at a cost of £29m. At 31 December 2023 these shares had not been cancelled and had a fair value of £32m.

Own shares

At 31 December 2023, the TP ICAP plc EBT held 6,549,166 ordinary shares (2022: 8,803,320 ordinary shares) with a fair value of £13m (2022: £15m). During the year the Trust delivered 3,672,154 shares in satisfaction of vesting share-based awards, and purchased 1,418,000 ordinary shares in the open market at a cost of £2m. In 2022 the Trust delivered 2,454,633 shares in satisfaction of vesting share-based awards, and purchased 2,157,328 ordinary shares in the open market at a cost of £3m.

In July 2023 the TP ICAP Group plc EBT was created. It purchased 2,836,000 ordinary shares on the open market during the year at a cost of £5m. At 31 December 2023 the shares had a fair value of £6m.

(c) Total equity

	Equity attributable to equity holders of the parent					
	Share capital Note 32(a) £m	**Other reserves Note 32(b) £m**	**Retained earnings £m**	**Total £m**	**Non-controlling interests £m**	**Total equity £m**
2023						
As at 1 January 2023	**197**	**(854)**	**2,800**	**2,143**	**18**	**2,161**
Profit for the year	**–**	**–**	**74**	**74**	**2**	**76**
Remeasurement of defined benefit pension schemes	**–**	**–**	**46**	**46**	**–**	**46**
Exchange differences on translation of foreign operations	**–**	**(82)**	**–**	**(82)**	**(1)**	**(83)**
Taxation on components of other comprehensive income	**–**	**2**	**(16)**	**(14)**	**–**	**(14)**
Total comprehensive income	**–**	**(80)**	**104**	**24**	**1**	**25**
Dividends paid	**–**	**–**	**(99)**	**(99)**	**(2)**	**(101)**
Share settlement of share-based payment awards	**–**	**9**	**(10)**	**(1)**	**–**	**(1)**
Own shares acquired for employee trusts	**–**	**(7)**	**–**	**(7)**	**–**	**(7)**
Own shares acquired/share buyback	**–**	**(29)**	**–**	**(29)**	**–**	**(29)**
Gain on disposal of equity instruments at FVTOCI	**–**	**(2)**	**2**	**–**	**–**	**–**
Credit arising on share-based payment awards (Note 33)	**–**	**–**	**17**	**17**	**–**	**17**
As at 31 December 2023	**197**	**(963)**	**2,814**	**2,048**	**17**	**2,065**

	Equity attributable to equity holders of the parent					
	Share capital Note 32(a) £m	Other reserves Note 32(b) £m	Retained earnings £m	Total £m	Non-controlling interests £m	Total equity £m
2022						
As at 1 January 2022	197	(1,005)	2,769	1,961	17	1,978
Profit for the year	–	–	103	103	3	106
Exchange differences on translation of foreign operations	–	152	–	152	1	153
Taxation on components of other comprehensive income	–	(5)	–	(5)	–	(5)
Total comprehensive income	–	147	103	250	4	254
Dividends paid	–	–	(78)	(78)	(3)	(81)
Share settlement of share-based payment awards	–	7	(7)	–	–	–
Own shares acquired for employee trusts	–	(3)	–	(3)	–	(3)
Credit arising on share-based payment awards (Note 33)	–	–	13	13	–	13
As at 31 December 2022	197	(854)	2,800	2,143	18	2,161

33. Share-based awards

Deferred Bonus Plan

Annual awards are made to Executive Directors and the Group's Senior Managers under the Group's Deferred Bonus Plan.

Under this Plan, the Group's Executive Directors have 50% of their annual discretionary bonus awarded in deferred shares, and employees identified as senior managers have up to 60% (2022: 50%) of their annual discretionary bonus awarded in deferred shares. These awards will be settled with TP ICAP Group plc shares and are subject to the completion of service conditions and the fulfilment of other conduct requirements. The number of shares in respect of a bonus year is determined after the close period for that year at the then market price, and the awards vest over three years from the grant. The fair value of the shares equates to the monetary value of the awards at grant date and includes the value of expected dividends that will accrue to the beneficiaries.

Awards will be settled from shares purchased in the open market.

2023	**Executive Directors No.**	**Senior Managers No.**	**Total No.**
Outstanding as at 1 January	**1,654,960**	**4,682,442**	**6,337,402**
Granted	**629,692**	**5,060,756**	**5,690,448**
Forfeited	**–**	**(182,979)**	**(182,979)**
Settled	**(710,706)**	**(2,031,766)**	**(2,742,472)**
Outstanding as at 31 December	**1,573,946**	**7,528,453**	**9,102,399**

2022	Executive Directors No.	Senior Managers No.	Total No.
Outstanding as at 1 January	1,180,363	5,056,460	6,236,823
Granted	630,005	1,913,555	2,543,560
Forfeited	–	(408,051)	(408,051)
Settled	(155,408)	(1,879,522)	(2,034,930)
Outstanding as at 31 December	1,654,960	4,682,442	6,337,402

At the year end closing share price of 195.3p the estimated total number of deferred shares for the 2023 bonus year was 6,691,261.

Long Term Incentive Plan

The Long Term Incentive Plan ('LTIP') was for Executive Directors and other senior employees. Awards are no longer being granted under this Plan. Awards made to Executive Directors were up to a maximum of 2.5x base salary. Awards made to senior employees were based on the recommendation of the Chief Executive Officer, approved by the Remuneration Committee, and were up to a maximum of 2x base salary. Awards are subject to agreed performance conditions applicable to each grant.

	2023 No.	2022 No.
Outstanding as at 1 January	**6,124,972**	7,929,908
Forfeited	**(3,217,397)**	(1,804,936)
Outstanding as at 31 December	**2,907,575**	6,124,972

At the end of each performance period, the number of shares vesting will be determined based on the application of the relevant performance conditions and, where applicable, will be subject to a two-year holding period. During the holding period, the shares cannot be sold (other than to cover the cost of any applicable taxes) and will be eligible for dividend equivalence.

Awards may be settled through the issue of new shares, release of treasury shares or using shares purchased in the market.

Restricted Share Plan

The Restricted Share Plan ('RSP') is for Executive Directors and other senior employees. Awards made to Executive Directors are up to a maximum of 1.25x base salary. Awards made to senior employees are based on the recommendation of the Chief Executive Officer and subject to approval by the Remuneration Committee. All awards are subject to agreed performance conditions applicable to each grant.

	2023 No.	2022 No.
Outstanding as at 1 January	**3,400,957**	–
Granted	**1,713,786**	3,400,957
Outstanding as at 31 December	**5,114,743**	3,400,957

In 2023, shares to a maximum of 1,201,252 (2022: 1,688,467) were awarded to the Executive Directors. These awards are subject to performance conditions measured over a three-year period the details of which are set out in the Report of the Remuneration Committee on page 125. Separate awards amounting to 512,534 (2022: 1,712,490) shares were made to senior employees which are subject to the completion of performance conditions and the fulfilment of other conduct requirements, vesting three years from the date of grant.

Under the Scheme Rules awards may be settled through the issue of new shares, release of treasury shares or using shares purchased in the market.

33. Share-based awards continued

Special Equity Award Plan

The Special Equity Award Plan ('SEAP') is for eligible employees. The Executive Directors are not eligible for awards under this plan. Awards are made to eligible employees based on the recommendation of the Chief Executive Officer and subject to approval by the Remuneration Committee. Awards are subject to the completion of service conditions and the fulfilment of other conduct requirements and vest three years from the date of grant. The fair value of the shares equates to the monetary value of the awards at grant date and includes the value of expected dividends that will accrue to the beneficiaries.

	2023 No.	2022 No.
Outstanding as at 1 January	**7,446,203**	2,251,932
Granted	**1,207,008**	6,268,163
Forfeited	**(205,133)**	(649,134)
Settled	**(881,683)**	(424,758)
Outstanding as at 31 December	**7,566,395**	7,446,203

Awards will be settled from shares purchased in the open market.

Save As You Earn share option plan

The Group has three Save As You Earn ('SAYE') share option plans in operation as at 31 December 2023. Eligible employees can save up to £500 per month with the option to use the savings to acquire shares. Options are exercisable within six months following the third anniversary of the commencement of a three-year savings contract, or in the case of redundancy, injury, disability or retirement, a reduced number of options are exercisable within six months of ceasing employment.

The exercise price of the award granted in 2023 was 169.3p and was set at a 20% discount to the market value immediately preceding the date of invitation. The exercise price of the awards granted in 2022 was 119.97p and for 2021 was 192.94p and were set at a 20% discount to the market value immediately preceding the date of invitation.

The fair values of share options are calculated using a Black-Scholes model. The 2023 grant has a 45.0p fair value, based on the share price at the date of the grant of 169.3p, estimated volatility of 39%, estimated dividend yield of 5.51% and a risk free rate of 3.70%.

2023	**No. of options**	**WAEP[1] £**
Outstanding as at 1 January	**7,803,650**	**1.2752**
Granted	**1,360,340**	**1.6930**
Forfeited	**(291,456)**	**1.3729**
Cancelled	**(1,196,085)**	**1.3980**
Expired	**(54,625)**	**1.2495**
Exercised	**(73,185)**	**1.1997**
Outstanding as at 31 December	**7,548,639**	**1.3282**
Exercisable options as at 31 December	**93,672**	**1.3450**

2022	No. of options	WAEP[1] £
Outstanding as at 1 January	5,425,567	1.9294
Granted	7,673,726	1.1997
Forfeited	(187,356)	1.7120
Cancelled	(5,091,497)	1.8403
Expired	(16,790)	1.9294
Outstanding as at 31 December	7,803,650	1.2752

1 Weighted average exercise price.

Under the Scheme Rules awards may be settled through the issue of new shares, release of treasury shares or using shares purchased in the market.

33. Share-based awards continued

Global Equity Linked Plan

The Global Equity Linked Plan is for eligible brokers. Under this Plan, eligible brokers with performance bonuses and initial contract payments in excess of agreed financial values receive a proportion of their payment in deferred shares. The deferred shares will be settled in cash by reference to the TP ICAP Group plc share price at vesting and are subject to the completion of service conditions of between three to five years, and the fulfilment of other conduct requirements. The fair value of the shares equates to the monetary value of the awards at grant date and includes the value of dividends that will accrue to the beneficiaries.

	2023 No.	2022 No.
Outstanding at the beginning of the year	**8,567,641**	2,595,853
Granted during the year	**9,378,457**	6,905,424
Forfeited during the year	**(95,227)**	(2,617)
Settled during the year	**(2,363,295)**	(931,019)
Outstanding at the end of the year	**15,487,576**	8,567,641

Under the Scheme Rules awards are cash settled on vesting.

Share-based payment expense

	2023 £m	2022 £m
Charge arising from the Deferred Bonus Plan	**8**	5
Charge arising from the Long Term Incentive Plan	**1**	1
Charge arising from the Special Equity Award Plan	**4**	3
Charge arising from the Restricted Share Plan	**3**	1
Charge arising from the SAYE Plan	**1**	3
Total for equity settled awards	**17**	13
Charge arising from the Global Equity Linked Plan	**17**	7
	34	20

34. Acquisitions

Analysis of deferred consideration in respect of acquisitions

Certain acquisitions made by the Group are satisfied in part by deferred consideration, comprising contingent and non-contingent amounts, depending on the terms of each acquisition. The amount of contingent consideration payable is dependent upon the performance of each acquisition relative to the performance conditions applicable to that acquisition. The Group has re-estimated the amounts due where necessary, with any corresponding adjustments being made to profit or loss. The actual outcome may differ from these estimates. As at 31 December 2023 the relevant performance outcomes were known and there is no estimation uncertainty.

	2023 £m	2022 £m
At 1 January	**56**	58
Adjustments to deferred consideration charged to administrative expenses	**(3)**	8
Adjustments to deferred consideration charged to finance costs	**(1)**	–
Cash-settled	**(1)**	(10)
At 31 December	**51**	56
Amounts falling due within one year	**51**	1
Amounts falling due after one year	**–**	55
At 31 December	**51**	56

35. Reconciliation of operating result to net cash flow from operating activities

	2023 £m	2022 £m
Earnings before interest and tax	**128**	163
Adjustments for:		
– Share-based payment charge	**17**	13
– Pension scheme administration costs[1]	**–**	1
– Pension scheme past service and settlement costs	**–**	1
– Depreciation of property, plant and equipment	**22**	23
– Gain on disposal of property, plant and equipment	**–**	(3)
– Impairment of property, plant and equipment	**5**	5
– Gain on derecognition of right-of-use asset/lease liability	**–**	(3)
– Depreciation of right-of-use assets	**23**	26
– Impairment of right-of-use assets	**6**	4
– Amortisation of intangible assets	**28**	33
– Amortisation of intangible assets arising on consolidation	**44**	45
– Impairment of intangible assets arising on consolidation	**39**	20
– Impairment of goodwill	**47**	–
– Remeasurement of deferred consideration	**(3)**	8
– Unrealised foreign exchange (gain)/loss on Vendor Loan Notes	**(2)**	5
Net operating cash flow before movement in working capital	**354**	341
Decrease/(increase) in trade and other receivables	**69**	(24)
(Increase)/decrease in net Matched Principal related balances[1]	**(20)**	27
Increase in net balances with Clearing Organisations	**–**	(1)
(Increase)/decrease in net stock lending balances	**(4)**	12
Increase in trade and other payables	**33**	76
Increase/(decrease) in provisions	**6**	(4)
Increase in non-current liabilities	**–**	3
Net cash generated from operations	**438**	430
Income taxes paid	**(89)**	(51)
Income taxes paid on receipt of pension scheme surplus	**(16)**	–
Fees paid on bank and other loan facilities	**(1)**	(2)
Interest paid	**(46)**	(36)
Interest paid – finance leases	**(16)**	(17)
Net cash flow from operating activities	**270**	324

1 Included within Other administrative costs (Note 5).

Financial statements

36. Analysis of net funds/(debt) including lease liabilities

	At 1 January £m	Cash flow £m	Non-cash items £m	Exchange rate movements £m	At 31 December £m
2023					
Cash and cash equivalents	**888**	**181**	**–**	**(40)**	**1,029**
Overdrafts	**–**	**(10)**	**–**	**–**	**(10)**
	888	**171**	**–**	**(40)**	**1,019**
Financial investments	**174**	**19**	**–**	**(4)**	**189**
Sterling Notes January 2024	**(253)**	**220[1]**	**(4)**	**–**	**(37)**
Sterling Notes May 2026	**(250)**	**13[2]**	**(13)**	**–**	**(250)**
Sterling Notes November 2028	**(248)**	**7[2]**	**(8)**	**–**	**(249)**
Sterling Notes April 2030	**–**	**(237)[3]**	**(14)**	**–**	**(251)**
Liquidnet Vendor Loan Notes	**(43)**	**1[2]**	**–**	**2**	**(40)**
Total debt excluding lease liabilities	**(794)**	**4**	**(39)**	**2**	**(827)**
Lease liabilities	**(279)**	**45[4]**	**(27)**	**10**	**(251)**
Total financing liabilities	**(1,073)**	**49**	**(66)**	**12**	**(1,078)**
Net (debt)/funds	**(11)**	**239**	**(66)**	**(32)**	**130**

	At 1 January £m	Cash flow £m	Non-cash items £m	Exchange rate movements £m	At 31 December £m
2022					
Cash and cash equivalents	784	66	–	38	888
Overdrafts	(17)	17	–	–	–
	767	83	–	38	888
Financial investments	115	50	–	9	174
Bank loan due within one year	–	–	–	–	–
Loans from related parties	(51)	47[5]	–	4	–
Sterling Notes January 2024	(252)	13[2]	(14)	–	(253)
Sterling Notes May 2026	(250)	13[2]	(13)	–	(250)
Sterling Notes November 2028	(248)	7[2]	(7)	–	(248)
Liquidnet Vendor Loan Notes	(38)	1[2]	(1)	(5)	(43)
Total debt excluding lease liabilities	(839)	81	(35)	(1)	(794)
Lease liabilities	(286)	46[4]	(18)	(21)	(279)
Total financing liabilities	(1,125)	127	(53)	(22)	(1,073)
Net debt	(243)	260	(53)	25	(11)

1 Relates to principal repurchased of £210m reported as cash flow from financing activities plus £10m of interest paid reported as a cash outflow from operating activities.
2 Relates to interest paid reported as a cash outflow from operating activities.
3 Relates to principal received of £249m, less £10m of interest reported as cash outflow from operating activities and £2m debt issue costs reported as a cash outflow from financing activities.
4 Relates to interest paid of £16m (2022: £17m) reported as cash outflow from operating activities and principal paid of £49m (2022: £29m) reported as a cash outflow from financing activities.
5 Relates to Totan loan repayment.

Cash and cash equivalents comprise cash at bank and other short-term highly liquid investments with an original maturity of three months or less. As at 31 December 2023 cash and cash equivalents, net of overdrafts, amounted to £1,019m (2022: £888m) of which £105m (2022: £104m) represents amounts subject to restrictions and are not readily available to be used for other purposes within the Group. Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Financial investments comprise liquid short-term government securities and term deposits held with banks and clearing organisations.

Non-cash items represent interest expense, the amortisation of debt issue costs and recognition/derecognition of lease liabilities.

37. Contingent liabilities

Labour claims – ICAP Brazil

ICAP do Brasil Corretora De Títulos e Valores Mobiliários Ltda ('ICAP Brazil') is a defendant in 7 (31 December 2022: 7) pending lawsuits filed in the Brazilian Labour Court by persons formerly associated with ICAP Brazil seeking damages under various statutory labour rights accorded to employees and in relation to various other claims including wrongful termination, breach of contract and harassment (together the 'Labour Claims'). The Group estimates the maximum potential aggregate exposure in relation to the Labour Claims, including any potential social security tax liability, to be BRL 39.0m (£6.4m) (31 December 2022: BRL 31.7m (£5.3m)). The Group is the beneficiary of an indemnity from NEX in relation to any liabilities in respect of two of the 7 Labour Claims insofar as they relate to periods prior to completion of the Group's acquisition of ICAP Global Broking Business. This includes a claim that is indemnified by a predecessor to ICAP Brazil by way of escrowed funds in the amount of BRL 28.0m (£4.6m). Apart from an estimated loss of £0.1m which has been provided for, the Labour Claims are at various stages of their respective proceedings and are pending an initial witness hearing, the court's decision on appeal or a ruling on a motion for clarification. The Group intends to contest liability in each of these matters and to vigorously defend itself. Unless otherwise noted, it is not possible to predict the ultimate outcome of these actions. Subsequent to the year end, a provisional settlement, subject to judicial approval, of BRL 25.0m (£4.0m) was reached in respect of the indemnified claim covered by escrowed funds.

Flow case – Tullett Prebon Brazil

In December 2012, Flow Participações Ltda and Brasil Plural Corretora de Câmbio, Títulos e Valores ('Flow') initiated a lawsuit against Tullett Prebon Brasil S.A. Corretora de Valores e Câmbio and Tullett Prebon Holdings do Brasil Ltda alleging that the defendants have committed a series of unfair competition misconducts, such as the recruitment of Flow's former employees, the illegal obtainment and use of systems and software developed by the plaintiffs, as well as the transfer of technology and confidential information from Flow and the collusion to do so in order to increase profits from economic activities. The amount currently claimed is BRL 400m (£64.1m) (31 December 2022: BRL 354m (£59.1m)). The Group intends to vigorously defend itself but there is no certainty as to the outcome of these claims. Currently, the case is in an early evidentiary phase and awaiting the commencement of expert testimony.

LIBOR Class actions

The Group is currently defending the following LIBOR related actions:

(i) Stichting LIBOR Class Action

On 15 December 2017, the Stichting Elco Foundation, a Netherlands-based claim foundation, filed a writ initiating litigation in the Dutch court in Amsterdam on behalf of institutional investors against ICAP Europe Limited ('IEL'), ICAP plc, Cooperative Rabobank U.A., UBS AG, UBS Securities Japan Co. Ltd, Lloyds Banking Group plc, and Lloyds Bank plc. The litigation alleges manipulation by the defendants of the JPY LIBOR, GBP LIBOR, CHF LIBOR, USD LIBOR, EURIBOR, TIBOR, SOR, BBSW and HIBOR benchmark rates, and seeks a declaratory judgment that the defendants acted unlawfully and conspired to engage in improper manipulation of benchmarks. If the plaintiffs succeed in the action, the defendants would be responsible for paying costs of the litigation, but each allegedly impacted investor would need to prove its own actual damages. It is not possible at this time to determine the final outcome of this litigation, but IEL has factual and legal defences to the claims and intends to defend the lawsuit vigorously. A hearing took place on 18 June 2019 on the Defendants' motions to dismiss the proceedings. On 14 August 2019 the Dutch Court issued a ruling dismissing ICAP plc from the case entirely but keeping certain claims against IEL relating solely to JPY LIBOR. On 9 December 2020, the Dutch Court issued a final judgement dismissing the Foundation's claims in their entirety. In March 2021, the Foundation filed a writ to appeal this final judgment which remains pending. The Group is covered by an indemnity from NEX in relation to any outflow in respect of the ICAP entities with regard to these matters. It is not possible to estimate any potential financial impact in respect of this matter at this time.

(ii) Euribor Class Action

On 13 August 2015, ICAP Europe Limited, along with ICAP plc, was named as a defendant in a Fourth Amended Class Action Complaint filed in the United States District Court by lead plaintiff Stephen Sullivan asserting claims of Euribor manipulation. Defendants briefed motions to dismiss for failure to state a claim and lack of jurisdiction, which were fully submitted as of 23 December 2015. On 21 February 2017, the Court issued a decision dismissing a number of foreign defendants, including the ICAP Europe Limited and NEX International plc (previously ICAP plc now NEX International Limited), out of the lawsuit on the grounds of lack of personal jurisdiction. Because the action continued as to other defendants, the dismissal decision for lack of personal jurisdiction has not yet been appealed. However, the plaintiffs announced on 21 November 2017 that they had reached a settlement with the two remaining defendants in the case. As a part of their settlement, the two bank defendants have agreed to turn over materials to the plaintiffs that may be probative of personal jurisdiction over the previously dismissed foreign defendants. The remaining claims in the litigation were resolved by a settlement which the Court gave final approval to on 17 May 2019. Plaintiffs filed a notice of appeal on 14 June 2019, appealing the prior decisions on the motion to dismiss and the denial of leave to amend. Defendants filed a cross-notice of appeal on 28 June 2019 appealing aspects of the Court's prior rulings on the motion to dismiss that were decided in the Plaintiffs' favour. These appeals have been stayed since August 2019 pending a ruling in an unrelated appellate matter involving similar issues. In December 2021, the unrelated appeal was decided and the stay of the appeal and cross appeal was lifted and commencing in May 2022 a briefing schedule was implemented. The motions have been fully briefed but the appeal and cross appeal are not anticipated to be ruled upon until sometime in 2024. It is not possible to predict the ultimate outcome of this action or to provide an estimate of any potential financial impact. The Group is covered by an indemnity from NEX in relation to any outflow in respect of the ICAP entities with regard to these matters.

37. Contingent liabilities continued

ICAP Securities Limited, Frankfurt branch – Frankfurt Attorney General administrative proceedings

On 19 December 2018, ICAP Securities Limited, Frankfurt branch ('ISL') (now TP ICAP Markets Limited) was notified by the Attorney General's office in Frankfurt notifying ISL that it had commenced administrative proceedings against ISL and criminal proceedings against former employees and a former director of ISL, in respect of aiding and abetting tax evasion by Rafael Roth Financial Enterprises GmbH ('RRFE'). It is possible that a corporate administrative fine may be imposed on ISL and earnings allegedly derived from the alleged underlying criminal conduct confiscated. ISL has appointed external counsel and is in the process of investigating the activities of the relevant desk from 2006-2009. The Group issued proceedings against NEX in respect of breach of warranties under the sale and purchase agreement in connection with the IGBB acquisition in relation to these matters. Those proceedings against NEX have been settled on confidential terms. The Group has retained its rights against NEX under a tax deed entered into in connection with the IGBB acquisition relating to these matters. Since the Frankfurt proceedings are at an early stage, details of the alleged wrongdoing or case against ISL are not yet available, and it is not possible at present to provide a reliable estimate of any potential financial impact on the Group.

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') (now TP ICAP Markets Limited) 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 issued proceedings against NEX in respect of breach of warranties under the sale and purchase agreement in connection with the IGBB acquisition in relation to these matters. Those proceedings against NEX have been settled on confidential terms. The Group has retained its rights against NEX under a tax deed entered into in connection with the IGBB acquisition relating to these matters. Since the Cologne 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.

Portigon AG and others v. TP ICAP Markets Limited and others

TP ICAP plc (now TP ICAP Finance plc) is a defendant in an action filed by Portigon AG in July 2021 in the Supreme Court of the State of New York County of Nassau alleging losses relating to certain so called 'cum-ex' transactions allegedly arranged by the Group between 2005 and 2007. In June 2022, the Court dismissed the action for lack of personal jurisdiction. In July 2022, the plaintiffs filed a motion with the Court for reconsideration as well as a notice of appeal. The plaintiff's motion for reconsideration was denied and the plaintiffs have appealed the dismissal of its claims. Portigon's appeal has been fully briefed and the parties are awaiting a date from the court in mid-to-late 2024. The Group intends 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. The Group issued proceedings against NEX in respect of breach of warranties under the sale and purchase agreement in connection with the IGBB acquisition in relation to these matters. Those proceedings against NEX have been settled on confidential terms.

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 ('TPIM') and Link are defendants in a claim filed in Hamburg by Warburg on 31 December 2020, but which only reached TPIM 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 refunded EUR 185 million to the German tax authorities 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 primarily on joint and several liability (Warburg having now dropped claims initially advanced in tort and most of the claims initially advanced in contract). TPIM and Link filed their defence in April 2022 and received Warburg's reply to the defence in September 2022. TPIM and Link filed their rejoinder in response to Warburg's reply to TPIM and Link's defence on 6 December 2023. The court has recently scheduled a hearing date for 13 May 2024. TPIM and Link are contesting liability in the matter and the Group considers it is able to vigorously defend itself. Whilst it is not possible to predict the ultimate outcome of this action, the Group does not expect a material adverse financial impact on the Group's results or net assets as a result of this case. The Group issued proceedings against NEX in respect of breach of warranties under the sale and purchase agreement in connection with the IGBB acquisition in relation to these matters. Those proceedings against NEX have been settled on confidential terms.

37. Contingent liabilities continued

Securities Exchange Commission Information Request

In October 2022, Liquidnet Inc. ('Liquidnet') received an inquiry from the Securities and Exchange Commission relating to, among other things, compliance with SEC Rule 15c3-5 and audit trail and access permissions to its ATS platforms. Liquidnet is still in the fact-finding phase and the Group is co-operating with the SEC in its enquiries. It is not possible to predict the ultimate outcome of the enquiry or to provide an estimate of any potential financial impact at this time.

General note

The Group operates in a wide variety of jurisdictions around the world and uncertainties therefore exist with respect to the interpretation of complex regulatory, corporate and tax laws and practices of those territories. Accordingly, and as part of its normal course of business, the Group is required to provide information to various authorities as part of informal and formal enquiries, investigations or market reviews. From time to time the Group's subsidiaries are engaged in litigation in relation to a variety of matters. The Group's reputation may also be damaged by any involvement or the involvement of any of its employees or former employees in any regulatory investigation and by any allegations or findings, even where the associated fine or penalty is not material.

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

The Group establishes provisions for taxes other than current and deferred income taxes, based upon various factors which are continually evaluated, if there is a present obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

In the normal course of business, certain of the Group's subsidiaries enter into guarantees and indemnities to cover trading arrangements and/or the use of third-party services or software.

Supplier contractual disputes

The Group is party to numerous contractual arrangements with its suppliers some of which, in the normal course of business, may become subject to dispute over a party's compliance with the terms of the arrangement. Such disputes tend to be resolved through commercial negotiations but may ultimately result in legal action by either or both parties.

38. Retirement benefits

(a) Defined benefit schemes

The Group operates a small number of non-UK defined benefit schemes which are not significant in the context of the Group. The Group's UK defined benefit pension scheme was wound up during 2023.

Balance sheet	**2023 £m**	2022 £m
Overseas schemes – retirement benefit assets	**3**	1
Overseas schemes – retirement benefit obligations	**(4)**	(3)

Other comprehensive income	**2023 £m**	2022 £m
UK Scheme	**46**	1
Overseas schemes	**–**	(1)

(b) UK defined benefit scheme

The Group's UK defined benefit pension scheme was the Tullett Prebon Pension Scheme (the 'Scheme') and the Principal Employer was TP ICAP Group Services Limited.

During 2022 the Trustee completed the buy-out of the Scheme's principal pension liabilities, a process that transferred each pension obligation from the Scheme to Rothesay Life, and the remaining Scheme obligations (less than £1m) were discharged during 2023. Following the settlement of the Scheme's liabilities, the Trustee repaid a net £30m to the Group, representing £46m of remaining Scheme assets less applicable taxes at 35%, amounting to £16m. The wind-up of the Scheme was completed in 2023.

Under UK legislation, once a Scheme commences wind-up, the assets of the Scheme pass unconditionally to the Trustee to enable it to settle the Scheme's liabilities. As a result, the Group applied the requirements of IFRIC 14, restricting the Group's recognition of the net surplus by applying an asset recognition ceiling. The Trustee's settlement of the Scheme's liabilities and agreement to repay the surplus removed the requirement to apply the asset recognition ceiling. Changes as a result of the removal of the asset ceiling have been recorded in Other Comprehensive Income.

The amounts included in the balance sheet arising from the Group's obligations in respect of the Scheme are as follows:

	2023 £m	2022 £m
Fair value of Scheme assets	**–**	45
Present value of Scheme liabilities	**–**	–
Defined benefit scheme surplus – UK	**–**	45
Impact of asset ceiling on UK scheme surplus:		
At 1 January	**(45)**	(46)
Offset against deemed interest income in the Income Statement	**(1)**	(1)
Credit to Other Comprehensive Income (application of asset ceiling – see below)	**46**	2
At 31 December	**–**	(45)
Recognised in the Consolidated Balance Sheet	**–**	–
Application of asset ceiling of defined benefit pension schemes	**46**	1
Remeasurement of the defined benefit pension scheme	**–**	–
Recognised in Other Comprehensive Income	**46**	1

During the wind-up period benefits that were augmented represented a past service cost and were recorded as a significant item in the Income Statement. Costs associated with the settlement of the Scheme's liabilities were also recorded as a significant item in the Income Statement as and when incurred. Settlement costs incurred in 2023 were less than £1m (2022: £1m).

Following the full settlement of the Scheme's liabilities the Scheme's Sponsor received the remaining assets subject to applicable taxes at 35% following which the Scheme was wound up. The repayment of the UK pension scheme surplus by the Trustees has been classified as a cash inflow from investing activities as, in accordance with IAS 7, the Group consider this to be the disposal of a long-term asset that was not included in cash equivalents. As part of this analysis, the Group recognised that it had not made cash contributions since the Scheme had been in surplus, with actuarial gains instead giving rise to the surplus recognised as an asset. Additionally, whilst cash was received directly from the Trustee following the buy-out, the Group considers the classification should be consistent with that were the Group to have received the remaining underlying investments and disposed of them.

38. Retirement benefits continued

(b) UK defined benefit scheme continued

The amounts recognised in the income statement in respect of the Scheme were as follows:

	2023 £m	2022 £m
Deemed interest arising on the defined benefit pension scheme surplus	**1**	1
Impact of asset ceiling on UK scheme surplus	**(1)**	(1)
Recognised in the Consolidated Income Statement	**–**	–
Past service and settlement costs	**–**	(1)
Scheme administrative costs	**–**	(1)
	–	(2)

The amounts recognised in other comprehensive income in respect of the Scheme were as follows:

	2023 £m	2022 £m
Return on Scheme assets (excluding deemed interest income) – Trustee administered funds	**–**	1
Return on Scheme assets (excluding deemed interest income) – revaluation of insurance policies	**–**	(1)
Remeasurement of the defined benefit pension scheme	**–**	–

Movements in the present value of the Scheme liabilities were as follows:

	2023 £m	2022 £m
At 1 January	**–**	(211)
Deemed interest cost	**–**	(3)
Liabilities derecognised on buy-out	**–**	209
Benefits paid/transfers	**–**	5
At 31 December	**–**	–

Movements in the fair value of the Scheme assets were as follows:

	2023 £m	2022 £m
At 1 January	**45**	257
Deemed interest income	**1**	4
Assets derecognised on buy-out	**–**	(209)
Return on Scheme assets (excluding deemed interest income) – Trustee administered funds	**–**	1
Return on Scheme assets (excluding deemed interest income) – revaluation of insurance policies	**–**	(1)
Benefits paid/transfers	**–**	(5)
Past service and settlements costs	**–**	(1)
Scheme's administrative costs	**–**	(1)
Repayment of Scheme surplus	**(46)**	–
At 31 December	**–**	45

The major categories and fair values of the Scheme assets as at 31 December were as follows:

	2023 £m	2022 £m
Cash and cash equivalents	**–**	45

(c) Defined contribution pensions

The Group operates a number of defined contribution schemes for qualifying employees. The assets of these schemes are held separately from those of the Group.

The defined contribution pension cost for the Group charged to administrative expenses was £17m (2022: £16m), of which £9m (2022: £9m) related to overseas schemes.

As at 31 December 2023, there was less than £1m outstanding in respect of the current reporting year that had not been paid over to the schemes (2022: £1m).

39. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this Note.

The total amounts owed to and from associates and joint ventures at 31 December 2023 also represent the value of transactions during the year. The total amounts owed to and from related parties at 31 December 2023 are set out below:

	Amounts owed by related parties		Amounts owed to related parties	
	2023 £m	2022 £m	**2023 £m**	2022 £m
Associates	**4**	4	**–**	–
Joint ventures	**–**	–	**(3)**	(3)

The Group has a Yen 10bn committed facility with the Tokyo Tanshi Co., Ltd, the parent of Totan ICAP Co., Ltd a related party, that matures in August 2025. Borrowing is conducted on an arm's length basis. At 31 December 2023, the facility was undrawn. During the year, £1m (2022: £1m) of interest and fees were incurred (Note 26).

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

Directors

Costs in respect of the Directors who were the key management personnel of the Group during the year are set out below in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures'. Further information about the individual Directors is provided in the audited part of the Report on Directors' Remuneration on pages 110 to 129.

	2023 £m	2022 £m
Short-term benefits	**6**	5
Social security costs	**1**	1
	7	6

40. Principal subsidiaries

At 31 December 2023, the following companies were the Group's principal subsidiary undertakings. A full list of the Group's undertakings, the country of incorporation and the Group's effective percentage of equity owned is set out in the listing on pages 201 to 205. All subsidiaries are involved in broking or information sales activities and have a 31 December year end.

Country of incorporation and operation	Principal subsidiary undertakings	Issued ordinary shares, all voting
Australia	Tullett Prebon (Australia) Pty Ltd	100%
Brazil	ICAP do Brasil Corretora de Títulos e Valores Mobiliários Ltda	100%
	Tullett Prebon Brasil Corretora de Valores e Cambio Ltda	100%
England	ICAP Energy Limited	100%
	ICAP Global Derivatives Limited	100%
	ICAP Information Services Limited	100%
	TP ICAP Broking Limited	100%
	TP ICAP Markets Limited	100%
	TP ICAP E&C Limited (formerly Tullett Prebon (Europe) Limited)	100%
	TP ICAP Group Services Limited	100%
	Liquidnet Europe Limited	100%
France	TP ICAP (Europe) S.A.	100%
Guernsey (operating in England)	Tullett Prebon Information Limited	100%
Hong Kong	Tullett Prebon (Hong Kong) Limited	100%
	Liquidnet Asia Limited	100%
Japan	Tullett Prebon (Japan) Limited	80%
Singapore	ICAP (Singapore) Pte Limited	100%
	TP ICAP Management Services (Singapore) Pte. Ltd.	100%
	Tullett Prebon (Singapore) Limited	100%
United States	TP ICAP Global Markets Americas LLC (formerly ICAP Corporates LLC)	100%
	ICAP Energy LLC	100%
	ICAP Information Services Inc.	100%
	Tullett Prebon Information Inc	100%
	Liquidnet Holdings Inc.	100%
	Liquidnet Inc.	100%

As at 31 December 2023, £17m (2022: £18m) is due to non-controlling interests relating to those subsidiaries that are not wholly owned. Movements in non-controlling interests are set out in Note 32(c). No individual non-controlling interest is material to the Group. There are no significant restrictions on the ability of the Group to access or use assets and settle liabilities relating to these subsidiaries.