Liquidnet Europe Limited

Annual Report and Financial Statements

for the year ended 31 December 2022

Registered Number: 04232799

Liquidnet Europe Limited

Annual Report and Financial Statements for the year ended 31 December 2022

Contents

Pages

Strategic report 3
Directors report 8
Independent auditor's report 14
Profit and loss account 18
Balance sheet 19
Statement of changes in equity 20
Notes to the financial statements 21-40

Liquidnet Europe Limited

Strategic report for the year ended 31 December 2022

The Directors present their Annual Report and the audited Financial Statements of Liquidnet Europe Limited ("the Company") for the year ended 31 December 2022. The Company is incorporated in the United Kingdom and domiciled in England and Wales. The Company is a private company limited by shares. The registered office is 135 Bishopsgate, London, England, EC2M 3TP.

Principal Activities

The Company is an institutional trading platform authorised by the Financial Conduct Authority ("FCA") to conduct investment business in the UK as a limited license firm, act as an agency broker and operate a "multilateral trading facility" (MTF) for equities and fixed income.

The Company's immediate parent is LN Bermuda Limited. The Company's ultimate parent company and controlling party is TP ICAP Group plc (the "Group").

Business Review and Future Developments

2022 has been a challenging year for the Company driven by lower institutional equity block trading volumes and one off losses derived from onerous lease and tangible asset write off. The directors will continue to monitor performance to improve revenue and profitability in 2023.

Results

The results of the Company are set out in the Profit or Loss Account on page 18.

The Company reported a loss after income tax for the year of £19,545,000 (2021 Loss: £1,051,000), with a year-on-year reduction driven by approximate 19% decrease in revenue.

As at 31 December 2022, the net assets of the Company are £42,259,000 (2021: £60,472,000).

Principal Risks and Uncertainties

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

Financial Risks include the following:

- Market Risk: the vulnerability of the Company to movements in foreign exchange and interest rates. There is also the risk of a client defaulting pre-settlement, which may lead to the Company incurring a loss in replacing the defaulted contract in the market if the prices have moved unfavorably.
- Credit Risk: the risk of financial loss to the Company in the event of non-performance by a client or counterparty with respect to its contractual obligations to the Company;
- Liquidity Risk: the risk that the Company, in periods of corporate or market volatility, will not have access to an appropriate level of cash or funding to enable it to finance ongoing operations or any reasonable unanticipated events on cost effective terms;

Principal Risks and Uncertainties (continued)

- Capital Management Risk: the risk of failure to maintain adequate levels of prudential capital. The Company closely monitors regulatory developments in the market and is part of the wider TP ICAP Group plc, who is actively involved in the consultation and rule-setting process so as to ensure an informed debate on all regulatory issues potentially affecting inter-dealer broking ("IDB") markets, both on an individual firm basis and through trade associations. The Company's Board undertakes an informed assessment of whether the Company holds sufficient capital in the context of the business objectives taking into account the nature of its business model, its risk profile, its risk management framework and its current capital resources.

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

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

- Risk to technology expertise whereby the Company's ability to retain its position as a leading market infrastructure provider will be dependent on its ability to develop and implement its technology strategy;
- Risk to climate change when the Company fails to address any adverse impact on its business arising from the transactions to a net zero global economy. The Group is in the process of considering how material climate-related issues affect our business strategy. During 2022, this has been carried forward by engagement with senior management, exposures across key sites and business operations, understanding the exposure of our largest suppliers to climate change. During 2023, we continue to understand the impact of climate change and assess any material impact on the Company's financial performance;
- Following the loss of the European Union ("EU") passporting rights as a result of the United Kingdom ("UK")'s withdrawal from the EU ("Brexit"), the Company continues to implement its Brexit transition plan. Despite evolving post Brexit landscape, the Company has been servicing its EU clients effectively through its wholly owned subsidiary, Liquidnet EU Limited;
- Russia's invasion of the Ukraine caused a significant market disruption and uncertainty in global markets. Since February 2022, all trading activities with sanctioned clients were ceased.
- Recent collapse of Silicon Valley Bank and Credit Suisse buyout in March 2023 has caused a significant amount of volatility and uncertainty in global markets. The Company continues to monitor relevant exposures and execute any relevant mitigating actions as necessary.

Management has the day-to-day responsibility for ensuring the Company operates in accordance with its Enterprise Risk Management Framework, which aligns to TP ICAP Group plc risk management framework. Approved policies and procedures to manage key risks are outlined in the Group's Annual Report.

Strategic report for the year ended 31 December 2022 (continued)

SECTION 172(1) STATEMENT

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

Our stakeholders

The Company believes that engagement with its stakeholder groups plays a vital role throughout the business. During 2022, we maintained our focus on engagement with our stakeholders as well as increasing our attention on environment, social and governance ("ESG") matters. During the year, the Company conducted an annual review of its risk and governance framework. The adopted framework has reinforced Section 172 oversight by further clarifying divisions of responsibilities within the Group. The structure and format of Board and Committee papers ensure that Section 172(1) considerations are considered in Director's discussion and decision making.

- **Shareholders**
  The Directors believe that engagement with our shareholders is of key importance to the business. During the year, the Directors consider, approve and pay dividends as appropriate to its shareholders, considering the impact of a distribution on the long-term prospects of the business. At Group level, a tailored engagement approach is undertaken with the Group's shareholders. Details of the approach taken with the Group's shareholders are included in the Group Annual Report which does not form part of this report.

- **Employees**
  Employees are central to the long-term success of the Company, and, as such the Directors consider their interests in its decision-making. A Group Board Non-executive Director Engagement programme with employees has been running for a number of years. These initiatives coupled with engagement surveys, have provided invaluable feedback and helped senior management understand the areas that employees wanted to prioritise and progress. Various employee networks exist across the Group, with events held, to help employees better connect, network and increase understanding across the firm. Further engagement activities are planned for 2023. The Group's new Triple A core values of accountability, adaptability and authenticity are integral to the long-term success of the business and the Directors are committed to promoting a culture which embodies the highest possible standards. The Group will also be focussing on the key priorities of making the company a place where all employees can build a career, where all can belong and succeed and to make the company a place where people are engaged and would recommend as a place to work.

- **Clients**
  The Group manages client relationships at multiple levels of seniority across the global organisational structure. This includes management level strategic relationship discussions as well as regular transactional dialogue. Strategic meetings and all client interactions driven by Client Relationship Management team in Global Broking are tracked centrally. Further details of engagement with clients are provided in the Group Annual Report which does not form part of this report.

- **Regulators**
  The Directors recognise the importance of engaging with regulatory bodies to better understand and respond to their views. During the year, the Directors engaged with the Financial Conduct Authority ("FCA") to discuss post Brexit plans and Investment Firms Prudential Regime ("IFPR"). The Directors also received updates on engagement with the Regulators through Board reporting.

- **Suppliers**
  The Directors recognise the importance of engagement with our key infrastructure suppliers to monitor performance, manage risk and receive updates on Payment Practices Reporting biannually. In 2023, the Directors will continue to receive regular updates on Payment Practices initiatives regarding suppliers which will further strengthen its oversight of and engagement with suppliers. Key supplier engagement is also carried out at Group level and is discussed in detail in the Group Annual Report which does not form part of this report.

Key decisions

The Company, through its Board of Directors, took the following key decision through the course of the year:

- To cease operations of the Company's subsidiary Liquidnet EU Limited and commence operations through a different TP ICAP Group affiliate entity. The execution of the strategy is expected to conclude during the course of the 2023 financial year.

Our approach to sustainability

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

Strategic report for the year ended 31 December 2022 (continued)

Key Performance Indicators

The Company's return on assets, calculated as net (loss)/profit divided by net assets, is (46.2)% (2021 (1.7)%).

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

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

P Redman

Director

25 April 2023

Liquidnet Europe Limited

Directors Report For The Year Ended 31 December 2022

The Directors present their Annual report and Financial Statements of the Company which comprise of the Profit or Loss Account, Balance sheet, Statement of changes in equity and related notes 1-24.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

Details of business review and future developments can be found in the Strategic Report on page 3.

PRINCIPAL RISKS AND UNCERTAINTIES

Principal risks and uncertainties are explained in the Strategic Report on pages 3 - 4.

GOING CONCERN

After consideration of the Company's business review and the risks and uncertainties; and having considered the Company's forecasts including liquidity and capital, the Directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future, being at least the twelve months from the date of approval of the financial statements. The Company has a revolving credit facility provided by TP ICAP Holdings Limited which can be used to meet its liabilities, as they fall due. Accordingly, the going concern basis continues to be used in preparing these financial statements.

DIVIDENDS

During the year, no dividends were declared or paid up to the date of signing (2021: Nil).

DIRECTORS

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

C Withey (resigned 07 March 2022)
C Bridel
P Randall
P Redman
C Rozes
S Sparke

DIRECTOR'S INDEMNITIES

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

Directors Report For The Year Ended 31 December 2022 (continued)

SECTION 172(1) STATEMENT

The Company has prepared a statement in compliance with Section 172(1) of the Companies Act 2006. Details of this statement can be found in the Strategic Report on pages 5 - 6.

OUR PURPOSE AND CORPORATE GOVERNANCE

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

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

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

POLITICAL AND CHARITABLE CONTRIBUTIONS

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

Directors Report For The Year Ended 31 December 2022 (continued)

DISABLED EMPLOYEES

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

EMPLOYEE CONSULTATION

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

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

POST BALANCE SHEET EVENTS

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Directors Report For The Year Ended 31 December 2022 (continued)

STREAMLINED ENERGY AND CARBON REPORTING

On 1 April 2019, the Streamlined Energy and Carbon Reporting was implemented through the enforcement of the Companies (Directors Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulation 2018. The below table and supporting narrative summarise the disclosure in line with the requirement for a large unquoted company.

Our carbon emissions and energy consumption

Reporting year	**Current reporting year: 1 January 2022 - 31 December 2022**	**Previous reporting year: 1 January 2021 - 31 December 2021**
Location	**UK**	**UK**
Emissions from activities for which the company own or control including combustion of fuel and operation of facilities (Scope 1) (tCO2e)	8	23
Emission from purchase of electricity, heat, steam and cooling purchased for own use (Scope 2) (location based) (tC02e)	49	44
Emission from business travel in rental cars or employee - owned vehicles where company is responsible for purchasing the fuel (Scope3) (tCO2e)	-	-
Total gross Scope 1, Scope 2 and Scope 3 emissions (location - based) (tCO2e)	57	67
Total gross energy consumption based on the above (kWh)	254,356	488,389
Intensity ratio: tCO2e (gross Scope 1, 2 + 3) per FTE	0.51	0.55

Directors Report For The Year Ended 31 December 2022 (continued)

STREAMLINED ENERGY AND CARBON REPORTING (continued)

Methodology

Independent experts at Anthesis have calculated the above greenhouse gas emissions estimates to cover all material sources of emissions for which the Company is responsible. The methodology used was that of the 'Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (revised edition, 2015)'. Responsibility for emissions sources was determined using the operational control approach. All emission sources required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 are included.

A fellow subsidiary company of the Group, TP ICAP Group Services Limited's UK energy and emissions have been apportioned between qualifying subsidiaries based on employee numbers (FTE). Energy consumption was converted to greenhouse gas estimates using the UK Government's GHG Conversion Factors for Company Reporting 2022.

Energy Efficiency Action

During 2022, at a group level, TP ICAP Group have continued to rationalise their office space in order to reduce emissions from scope 1 and 2.

INDEPENDENT AUDITOR

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

PROVISION OF INFORMATION TO THE AUDITOR

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

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

Directors Report For The Year Ended 31 December 2022 (continued)

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting standards and applicable law) FRS 102.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that year.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 102 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The report is authorised for issue by the Board of directors.

Approved by the Board and signed on its behalf by:

P Redman

Director

25 April 2023

Registered Number: 04232799

Liquidnet Europe Limited

Independent auditor's report to the members of Liquidnet Europe Limited

Report on the audit of the financial statements

Opinion
In our opinion the financial statements of Liquidnet Europe Limited (the 'Company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statements of changes in equity; and
- the related notes 1 to 24.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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

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

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent auditor's report to the members of Liquidnet Europe Limited
(continued)

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

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

We have nothing to report in this regard.

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

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

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

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

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

Independent auditor's report to the members of Liquidnet Europe Limited (continued)

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

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

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

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

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

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Independent auditor's report to the members of Liquidnet Europe Limited (continued)

Opinion on other matter prescribed by the Capital Requirements (Country-by-Country Reporting) Regulations 2013

In our opinion the information given in note 24 for the financial year ended 31 December 2022 has been properly prepared, in all material respects, in accordance with the Capital Requirements (Country-by-Country Reporting) Regulations 2013.

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Use of our report

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

Alexander Morton ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
25 April 2023

Liquidnet Europe Limited

Profit and loss account for the year ended 31 December 2022

		2022 £'000	2021 £'000
Turnover	3	71,253	88,409
Administrative expenses	4	(95,749)	(89,879)
Operating loss		**(24,496)**	**(1,470)**
Interest receivable/(payable)	6	1,052	563
Foreign exchange gain/(loss)	7	264	(823)
Loss on ordinary activities before taxation		**(23,180)**	**(1,730)**
Tax on profit on ordinary activities	8	3,635	679
Loss for the financial year		**(19,545)**	**(1,051)**

All activities are derived from continuing operations.

There were no recognised gains or losses other than the loss for the year. Accordingly, no statement of comprehensive income has been presented.

Liquidnet Europe Limited

Balance sheet as at 31 December 2022

		2022 £'000	2021 £'000
Fixed assets			
Tangible Assets	9	228	6,788
Investments in Subsidiaries	22	3,369	3,369
		3,597	**10,157**
Current assets			
Debtors - amounts falling due within one year	12	49,810	56,567
Financial assets at fair value through profit or loss	13	1,996	3,061
Other financial investments	10	22,092	-
Cash and cash equivalents	11	11,236	7,054
Total current assets		**85,133**	**66,682**
Current Liabilities			
Financial liabilities at fair value through profit or loss	16	(1,231)	(1,246)
Creditors –amounts falling due within one year	14	(45,240)	(11,026)
Total current liabilities		**(46,471)**	**(12,272)**
Net current assets		**38,662**	**54,410**
Creditors- amounts falling due after more than one year	15	-	(4,095)
Net assets		**42,259**	**60,472**
Equity			
Called up Share Capital	17	6,986	6,986
Equity compensation reserve		20,218	18,886
Profit and loss account		15,055	34,600
Total shareholders' funds		**42,259**	**60,472**

The financial statements on pages 18 to 40 were approved by the board of directors and were signed on its behalf by:

Paul Redman
Director
25 April 2023

Registered Number: 04232799

Liquidnet Europe Limited

Statement of changes in equity for the year ended 31 December 2022

	Note	Called up share capital	Equity Compensation reserve	Profit and loss account	Total
		£'000	£'000	£'000	£'000
At 1 January 2021		**6,986**	**13,628**	**35,651**	**56,265**
Restatement due to accounting policy change		-	-	-	-
Profit for the financial year		-	-	(1,051)	**(1,051)**
Equity based compensation capital contribution	20	-	5,395	-	**5,395**
Investment in subsidiary stock option		-	(137)	-	**(137)**
At 31 December 2021		**6,986**	**18,886**	**34,600**	**60,472**
Loss for the financial year		-	-	(19,545)	**(19,545)**
Equity based compensation capital contribution	20	-	1,332	-	**1,332**
Investment in subsidiary stock option		-	-	-	**-**
At 31 December 2022		**6,986**	**20,218**	**15,055**	**42,259**

Liquidnet Europe Limited

Notes to the financial statements for the year ended 31 December 2022

1 Accounting policies

General information and principle accounting policies

Liquidnet Europe Limited is a private company limited by shares incorporated in the United Kingdom and is registered in England and Wales. The registered office is 135 Bishopsgate, London, England, EC2M 3TP.

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

Going Concern

After consideration of the Company's business review and the risks and uncertainties; including the risks related to Brexit, the Russia Ukraine conflict, collapse of Silicon Valley Bank as well as Credit Suisse buyout in March 2023 as set out in the Strategic Report, and having considered the Company's forecasts including liquidity and capital, the Directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future, being at least the twelve months from the date of approval of the financial statements. The Company has a revolving credit facility provided by TP ICAP Holdings Limited which can be used to meet its liabilities, as they fall due. Accordingly, the going concern basis continues to be used in preparing these financial statements.

Basis of preparation

The financial statements of the Company have been prepared in accordance with FRS 102 and the Companies Act 2006. As permitted under FRS 102, the Company has taken advantage of disclosure exemptions including Statement of Cash Flows, equity based compensation and financial instruments. The company has taken advantage of the exemption under section 401 of the Companies Act 2006 from having to prepare group accounts, since it is a wholly owned subsidiary of TP ICAP Group plc. The results of the Company are included in the consolidated financial statements of the Company's ultimate parent company. Where relevant, equivalent disclosures have been given in the Group financial statements of TP ICAP Group plc. Items which are of a non- recurring nature and material, when considering both size and nature, are disclosed separately to give a clearer presentation of the Company's results.

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

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

1 Accounting policies (continued)

Historical Cost Convention

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102 issued by the Financial Reporting Council.

Turnover

Turnover comprises of:

- Commission on trades executed through the Company - Earned predominately from two principal product lines that result in the execution of equities orders and generation of revenue: negotiation of equity block trades and algorithm orders. Turnover is recognised upon settlement of trades and is reported net of any research payment arrangements as covered under MiFID II regulations.
- Share of commission on trades executed through the Company's subsidiary Liquidnet EU Limited ("LNEU") - Earned as a percentage of profits of LNEU for the Company's support activities related to arranging and executing trades on the Liquidnet trading platform. The revenue is recognised upon recognition of revenues and costs by LNEU.
- Platform fees received from LNEU - Earned as a percentage of LNEU revenues for the use of Liquidnet trading platform by LNEU. The revenue is recognised upon settlement of trades.

Foreign currency translation

Foreign currency monetary assets and liabilities are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions during the period expressed in foreign currencies are translated into sterling at the rate of exchange ruling at the transaction date. Any differences arising from transactions are taken to the profit and loss account.

Risk management

The nature and extent of credit risk, market risk, liquidity risk and business risk arising from financial instruments to which the Company is exposed to as at 31 December 2022 has been assessed in the Strategic report on pages 3 and 4.

Capital management

The description of managed capital, the externally imposed requirements and the Company's management of capital, is disclosed in the Strategic report on page 4.

1 Accounting policies (continued)

Fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation and impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

The carrying values of fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable, and are written down to their recoverable amount.

Depreciation

Depreciation is provided to write down cost of fixed assets to their estimated residual values on a straight-line basis over the period of their estimated useful economic lives as follows:

Leasehold improvements	10 years - or life of the lease, whichever is shorter Furniture
and fixtures	7 years
Office equipment	5 years
Computer equipment	3 years

Investment in Subsidiaries

Investments comprise equity shareholdings. These investments are recorded at historic cost less provision for any impairment in their values. A subsidiary is an entity over which the Company has control. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities.

Pensions

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. Other pension costs disclosed in Note 5 represent contributions paid by the Company to the fund. Contributions are also made to the personal plans of certain employees. The expenditure is charged to the profit and loss account in the period and forms part of the pension contributions charge disclosed in Note 5.

Severance

Severance is calculated based on an individuals' length of service, and is included under Administrative expense.

1 Accounting policies (continued)

Taxation

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

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences occur due to differences between items resulting in the Company's taxable profits and its results as stated in the financial statements. A deferred tax asset is recognised only to the extent that it is more likely than not that it will crystallise in the future.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discount basis.

Equity based compensation

The ultimate parent, TP ICAP Group plc, awards certain directors and employees' equity-based compensation, from time to time, on a discretionary basis. In accordance with Section 26 of FRS 102, 'Share-based payments', this scheme is accounted for as equity settled. Equity based compensation is measured at fair value at the date of grant and is recognised as an administrative expense with a corresponding increase in equity over the vesting period. For share options, fair value is measured using appropriate valuation models.

The fair value of the share awards is determined by management of TP ICAP Group plc at each grant date with assistance from an independent valuation specialist. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period.

Operating leases

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term. This includes the straight line amortisation of both a lease incentive and rent free period.

1 Accounting policies (continued)

Dilapidation

The Company is required to perform dilapidation repairs and in certain instances restore the property to agreed specifications prior to the property being vacated at the end of the lease. These amounts are based on estimates of repair and restoration.

Dividends

To the extent not paid, dividends to the Company's shareholder are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by those shareholders.

Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Cash and cash equivalents

Cash and cash equivalents comprises of cash in hand and short term deposits of less than 3 months.

Restricted funds

Restricted funds represent cash for which the company does not have immediate and direct access or for which regulatory requirements restrict its use.

Debtors

Debtors comprises include trade debtors, intercompany loans and receivables, corporation tax receivable, deposits with clearing agents and prepayments and accrued Income. The balances are recognised at amortised cost less expected credit loss provision. All provisions are recorded within Administrative expenses in the Statement of profit or loss.

Deposits with Clearing Agents

Deposits with clearing agents represent collateral held with the firm's clearing provider and are presented within debtors.

Creditors

Creditors are measured at amortised cost and comprise of trade creditors, amounts owed to fellow subsidiaries, employment taxes and social security, accrued liabilities and unpaid invoices.

1 Accounting policies (continued)

Financial Assets and Liabilities at Fair Value Through Profit and Loss

Financial Assets and Liabilities at Fair Value Through Profit or Loss reflect unsettled and failing, regular way, purchased and sold non-directive financial instruments. The instruments are initially recognised at transaction price, and the basis for fair value is determined using reference to quoted prices in active markets (Level 1). Any market value movement between trade date and settlement date is recognised via Administrative expenses.

Intercompany current accounts

Intercompany balances are offset and presented net where they are held between common counterparties.

Intercompany loan

Intercompany loans are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

2 Critical accounting judgements and key sources of estimation uncertainty

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

3 Turnover

Revenue represents commissions arising on Equity and Fixed Income securities traded directly with the Company, share of commission from the Company's subsidiary, LNEU and platform fees for the use of Liquidnet trading platform by LNEU.

	2022	2021
	£ ('000)	£ ('000)
Commissions on trades executed through the Company *Being trades in UK, Middle East and African Securities*	31,254	39,346
Share of Commissions on trades executed through LNEU *Being trades in EU Securities*	19,426	24,808
Platform Fees received from LNEU	20,573	24,255
	71,253	**88,409**

4 Administrative Expenses

	2022	2021
	£ ('000)	£ ('000)
Charitable Donations	19	21
Clearance & Settlement Costs	7,891	6,100
Depreciation	840	1,727
Employment Costs	23,141	26,763
Management Fee	5,980	2,009
Market Data and telecommunications	6,710	3,096
Occupancy	3,089	1,036
Other Administrative Costs	789	774
Professional Fees	1,262	1,049
Stock Exchange Fees	3,630	3,680
Systems Fee	1,254	2,838
Trade System License Fees	32,704	35,348
Travel and Entertainment	784	194
VAT	1,277	2,621

Notes to the financial statements for the year ended 31 December 2022 (continued)

4 Administrative Expenses (continued)

Consultant Fees	196	766
Operating Lease Payments	-	2,642
Fair Value Movements on Financial Positions	146	(785)
Loss on Tangible assets	6,037	-
	95,749	**89,879**

During the year 2022, the Company relocated its registered office from Broadgate Tower, London to 135 Bishopsgate, London. Loss on Tangible assets was realised due to disposal of leasehold improvements held at Broadgate Tower.

Services provided by the Company's auditor:	**2022 £'000**	**2021 £'000**
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	169	120
Fees payable to the Company's auditor for audit related assurance services	12	10

5 Employees and directors

The monthly average number of full-time employees of the Company during the year was 110 (2021: 123). In the view of the directors, there is one category of an employee, management and administration. Employee costs (including directors) comprise the following:

	2022	**2021**
Average number of employees	110	123

	2022 £'000	**2021 £'000**
Wages and salaries	16,797	15,860
Social security costs	2,330	2,201
Other pension costs	1,318	1,245
Equity based compensation	1,351	5,258
Severance costs	285	1,285
Other benefits	1,060	914
	23,141	**26,763**

5 Employees and directors (continued)

Other pension costs include only those defined benefit scheme costs included within operating costs and the defined contribution scheme charge.

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

	Year Ended 31 Dec 2022	Year Ended 31 Dec 2022	Year Ended 31 Dec 2021	Year Ended 31 Dec 2021
	Total	Highest Paid Director	Total	Highest Paid Director
	£'000	£'000	£'000	£'000
Aggregate Emoluments	765	668	2,244	1,324
Defined Contribution Pension Schemes	-	-	15	-
	765	**668**	**2,259**	**1,324**

No directors exercised their share options. In the prior period, four directors of the company exercised their share options.

Other benefits listed above include payments made in relation to cost of living allowance, staff recruiting and employee relocation expenses.

6 Interest receivable/(payable)

	2022 £'000	2021 £'000
Bank interest	(1)	1
Intercompany loan interest	1,053	562
	1,052	**563**

Notes to the financial statements for the year ended 31 December 2022 (continued)

7 Foreign Exchange gain/(loss)

	2022 £ ('000)	2021 £ ('000)
Foreign exchange gain/(loss)	264	(823)
	264	**(823)**

8 Tax on profit on ordinary activities

a) Analysis of the charge in the year

	Note	2022 £ ('000)	2021 £ ('000)
UK corporation tax on profit for the year		3,169	1,148
Adjustment in respect of previous periods		(550)	590
Adjustment recognised for prior years - deferred		181	-
Deferred tax movement	12	835	(1,059)
Tax on profit on ordinary activities		**3,635**	**679**

The standard rate of tax applied to profit is 19% (2021: 19%). In the UK, legislation to increase the corporation tax rate from 19% to 25% is enacted, effective from 1 April 2023. The effect of the increase to 25% is not expected to have a material impact on the deferred tax position of the company.

There is no expiry date on timing differences, unused tax losses or tax credits.

b) factors affecting the tax charge for the year

The differences between the total tax charge shown above, and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2022 £ ('000)	2021 £ ('000)
Profit on ordinary activities before taxation	(23,180)	(1,730)
Profit on ordinary activities multiplied by the standard effective tax rate in the UK, 19% (2021: 19%)	(4,405)	(329)
Effects of:		
Income and expenses not allowable for purposes of calculating tax provision	196	(118)
Equity based compensation charge	257	999
Settlement Date and Fair Value Adjustments	-	(141)
Capital allowances in excess of depreciation	-	(60)
Other	-	(1,499)
Deferred tax at different rates	(288)	-
UK Corporation tax on profit for the year	**(4,240)**	**(1,148)**
Adjustment in respect of previous periods	369	(590)
Deferred tax movement	236	(1,059)
Tax on profit on ordinary activities	**(3,635)**	**(679)**

Notes to the financial statements for the year ended 31 December 2022 (continued)

9 Tangible assets

	Leasehold Improvements £ ('000)	Furniture, Fixtures and Equipment £ ('000)	Computer Equipment £ ('000)	WIP £ ('000)	Total £ ('000)
Cost					
As at 1 January 2022	7,027	998	4,907	-	12,932
Additions	-	-	206	111	317
Disposals	(7,027)	(998)	(4,313)	-	(12,338)
At 31 December 2022	**-**	**-**	**800**	**111**	**911**
Accumulated					
As at 1 January 2022	1,780	473	3,891	-	6,144
Charge for the year	292	57	491	-	840
Disposals	(2,072)	(530)	(3,699)	-	(6,301)
At 31 December 2022	**-**	**-**	**683**	**-**	**683**
Net book amount					
At 31 December 2022	**-**	**-**	**117**	**111**	**228**
At 31 December 2021	5,247	525	1,016	-	6,788

10 Other financial investments

Restricted funds represent liquid instrument held with financial institutions providing the company with access to clearing services.

	2022 £ (‘000)	2021 £ (‘000)
Investment at amortised cost- Restricted funds	22,092	-
	22,092	**-**

11 Cash and cash equivalents

	2022 £ ('000)	2021 £ ('000)
Cash at bank and in hand	11,236	5,093
Short Term Bank Deposits	-	1,961
	11,236	**7,054**

12 Debtors - amounts falling due within one year

	2022 £ ('000)	2021 £ ('000)
Trade debtors	103	1,457
Intercompany loans	23,921	24,152
Amounts due from Companies over which the entity has control	-	3,686
Amounts due from Companies under common control	7,685	6,888
Deferred tax asset	1,201	185
Corporation tax	5,109	3,068
Other debtors	580	2
Deposits with clearing agents	10,026	15,001
Prepayments and accrued income	1,185	2,128
	49,810	**56,567**

Trade debtors and other debtors are measured at amortised cost.

The intercompany loans between the Company and Liquidnet Holdings Inc. represent principal sums of £12,619,350 with interest computed at a rate of three-month London Interbank Offered Rate (Libor) plus 2% per annum, and £10,000,050 with interest computed at a rate of Sterling Overnight Index Average (SONIA) plus 3.928% per annum.

Deposits with Clearing Agents represent collateral held with the Firm's clearing provider.

Deferred tax asset	2022 £ ('000)	2021 £ ('000)
At 1 January	185	1,244
Equity based compensation deferred tax	-	(1,005)
Prior year Adjustment	181	-
Movement during the year	835	(54)
At 31 December	**1,201**	**185**

12 Debtors - amounts falling due within one year (continued)

Deferred tax assets and liabilities are offset only where the Group has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the Group.

13 Financial assets at fair value through profit or loss

	2022 £ ('000)	2021 £ ('000)
Matched Principal Financial Asset	765	3,061
Fair value gains on unsettled matched principal transactions	1,231	-
	1,996	**3,061**

14 Creditors – amounts falling due within one year

	2022 £ ('000)	2021 £ ('000)
Trade creditors	114	2,679
Amounts owed to Companies over which the entity has control	566	-
Amounts owed to fellow subsidiary	37,860	2,266
Other creditors	733	232
Other taxation and social security	416	361
Accruals and deferred income	5,551	5,488
	45,240	**11,026**

15 Creditors – amounts falling due after more than one year

	2022 £ ('000)	2021 £ ('000)
Dilapidation Provision	-	589
Deferred Lease Obligation	-	3,506
	-	**4,095**

16 Financial liabilities at fair value through profit or loss

	2022	2021
	£ ('000)	£ ('000)
Matched Principal Financial Liabilities	-	1,246
Fair value losses on unsettled matched principal transactions	1,231	-
	1,231	**1,246**

17 Called up share capital

	2022	2021
	£ ('000)	£('000)
Allotted, issued and fully paid		
6,986,213 (2021: 6,986,213) ordinary shares of £1 each	**6,986**	**6,986**

18 Operating lease commitments

At 31 December the Company had annual commitments to make payments under non-cancellable operating leases for premises and office equipment.

	2022	2021
	£ ('000)	£ ('000)
Not later than one year	-	1,452
Later than one year and not later than five years	-	5,372
Later than five years	-	2,686
	-	**9,510**

19 Related party transactions

All intra group transactions were with companies that were at the end of the year fully owned by the TP ICAP Group Plc.

Receivable and Payable balances held with intercompany accounts have been disclosed under Notes 12 and 14.

Remuneration for Directors has been disclosed under Note 5.

20 Equity based compensation

The Company's expense related to these plans was £1,330,995 (2021: £5,395,000).

Prior to the acquisition of Liquidnet holdings Inc. and its subsidiaries (together the "Liquidnet Group") on 23rd March 2021, the employees and director of the Company participated in equity awards granted by Liquidnet Holdings Inc. However, on the acquisition, all outstanding equity awards became fully vested and were tendered for cash and the right to future cash flows under the terms of the acquisition agreement. As a result of accelerated vesting, the unrecognized compensation expense was realised in 2021.

Equity based compensation
In May 2012, the Company created a new omnibus equity awards plan (2012 Plan), with the ability to grant multiple types of equity-based awards to employees, officers and directors of the Company. All awards were valued at grant date and the expense was to be recognised over the vesting period, generally one to six years.

Restricted stock units
RSUs generally vest over four years following the date of grant, subject to continued employment or association with Liquidnet Holdings Inc. through the vesting date. Once vested, each RSU can be exchanged into one share of common stock. Shares become unrestricted six months after they become fully vested. RSUs are not entitled to dividends until vested.

Following the Liquidnet Group acquisition, employees and directors of the Company started participating in equity awards granted by TP ICAP Group PLC.

Long Term Incentive Plan
Long Term Incentive Plan The Long Term Incentive Plan ('LTIP') is for Executive Directors and other senior employees. Awards made to Executive Directors are up to a maximum of 2.5x base salary. Awards made to senior employees, based on the recommendation of the Chief Executive Officer and subject to approval by the Remuneration Committee, are up to a maximum of 2x base salary. All awards are subject to agreed performance conditions applicable to each 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.

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.

20 Equity based compensation (continued)

Awards will be settled by the TP ICAP plc EBT from shares purchased by it in the open market.

Save As You Earn share option plan

The Group has two Save As You Earn ('SAYE') share option plans in operation as at 31 December 2022. 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.

21 Parent undertakings

At the end of the year, the Company's immediate parent was LN Bermuda Limited.

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

Notes to the financial statements for the year ended 31 December 2022 (continued)

22 Investment in Subsidiaries

The subsidiary undertakings at 31 December 2022 were:

Subsidiary Name:	Year End	Nature of Business
Liquidnet EU Limited	31 December	Financial Services

The company above is registered in Ireland. Its registered office is Digital Office Centre, 12 Camden Row, Dublin 8, DUBLIN, D08 R9CN, Ireland.

Liquidnet Europe Limited holds 100% of the ordinary shares of the companies listed.

As at 31 December 2022, Liquidnet Europe Limited held no investments in associated undertakings (2021: nil), accounted for in accordance with FRS102 14, Investments in Associates.

The principal activities of the Company and its subsidiary and the nature of its operations are set out in the Strategic report on page 3.

The financial statements for Liquidnet EU Limited are presented in EUR because that is the currency of the primary economic environments in which the entities operate.

The investment in Subsidiary is stated at historic cost less provisions for any impairment.

23 Events after the reporting period

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

24 Country by Country Reporting

Year ended 31 December 2022

HM Treasury has adopted certain requirements of Capital Requirements Directive IV into the Capital Requirements (Country-by-Country Reporting) Regulations 2013, effective 1 January 2014. This requires the publication of information additional to that contained in the Annual Report, relating to institutions defined in Article 4(1)(3) of the capital requirements regulations, by 31 December of the following year. The information in respect of the period ended 31 December 2022 is contained in this document. This disclosure is made in respect of the entities listed below.

Jurisdiction	Turnover (£'000)	Number of employees	Profit / (loss) before tax (£'000)	Cash corporation tax paid on profit or loss (£'000)
UK	71,253	110	(23,180)	(578)
Ireland	52,689	7	163	3

Jurisdiction	List of entities	Nature of activities
UK	Liquidnet Europe Limited	Inter-dealer brokerage
Ireland	Liquidnet EU Limited	Inter-dealer brokerage

The companies have not received any public subsidies in any of the reporting jurisdictions as detailed above during the period ended 31 December 2022.

Tax paid includes tax paid in respect of profits above. Where the tax was paid in the year ended 31 December 2022 by another group company, such as under a Group Payment Arrangement (“GPA”), the amount consequently recharged by the nominee company of the relevant GPA is also included in the disclosure. Due to the fact that corporation tax payments may be due on account or in arrears in different tax jurisdictions and that taxable profits can be offset by tax losses arising in other group companies, the corporation tax paid will not usually be equivalent to the statutory tax rate multiplied by the taxable profit for the year.