COMPANY REGISTRATION NUMBER: 02011009

IPGL LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS	M A Spencer - Chairman D Gelber D J Courtenay-Stamp M P Spencer M W L Richards (appointed 4 July 2016)
SECRETARY	B R Ally
REGISTERED OFFICE	Citypoint Level 28 One Ropemaker Street London EC2Y 9AW
BANKERS	Barclays Bank 1 Churchill Place London E14 5HP
AUDITORS	Nexia Smith & Williamson Chartered Accountants and Statutory Auditors Portwall Place Portwall Lane Bristol BS1 6NA
SOLICITORS	Macfarlanes LLP 20 Cursitor Street London EC4A 1LT

STRATEGIC REPORT

PRINCIPAL ACTIVITY

The Principal activity of the Company itself is that of the intermediary holding Company of a trading Group, and that of its subsidiary and associated undertakings is primarily broking of international capital market instruments and the provision and trading of other financial based services including the making of investments in ventures to enhance overall trading profitability. The ultimate parent Company is IPGL (Holdings) Limited, the ultimate parent Company prepares consolidated accounts.

REVIEW OF BUSINESS

IPGL Limited has minority/majority holdings in a number of businesses. The strategy remains to match businesses with good operating cash flows that are cyclical with others that are countercyclical such that the overall sub-group provides a stable growth platform over the long term. This has broadly continued to be a successful strategy and it is the Directors' view that the results of this approach are in line with expectations.

KEY PERFORMANCE INDICATORS ("KPIs")

For internal performance reporting, the Directors use the non-standard financial measures of proportionate revenue and proportionate EBITDA to monitor progress.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is exposed to financial risk through its financial assets and liabilities, including credit risk, liquidity risk, interest rate risk and currency risk from its foreign currency balances. The Company attempts to mitigate its risk by the use of limits, controls and hedging where appropriate. The responsibility for monitoring financial risk management is attributable to the Board of Directors.

By order of the Board of Directors and signed on behalf of the Board.

M W L Richards

M W L Richards
Director
Citypoint Level 28
One Ropemaker Street
London
EC2Y 9AW
Date: 9 December 2016

REPORT OF THE DIRECTORS

The Directors submit their report and financial statements for the year ended 31 March 2016.

DIVIDENDS

The Directors do not recommend the payment of a dividend (2015: £nil).

DONATIONS

During the year the Company made political donations of £208,336 (2015: £214,000). This includes £109,936 (2015: £120,000) donated to the Conservative Party of which the Company considers £101,500 (2015: £116,000) to have been direct political donations and £8,436 (2015: £4,000) indirect political donations. £98,400 (2015: £94,000) was donated for other political purposes.

Charitable donations of £414,518 (2015: £75,000) were also made during the year.

DIRECTORS

The Directors who served the Company during the year were:

M A Spencer
M P Spencer
C G Clothier (resigned 15 July 2015)
T M Kilmister-Blue (resigned 4 July 2016)
D Gelber
D J Courtenay-Stamp

EMPLOYEES

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on various factors affecting the performance of the Company. This is achieved through formal and informal meetings.

Applications for employment by disabled persons are always considered fully, bearing in mind the aptitudes 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 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.

AUDITORS

A resolution to reappoint Nexia Smith & Williamson as auditors will be proposed at the forthcoming Annual General Meeting.

REPORT OF THE DIRECTORS (continued)

STATEMENT OF DISCLOSURE TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- So far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This information is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

By order of the Board of Directors and signed on behalf of the Board.

Mark Richards.

M W L Richards
Director
Citypoint Level 28
One Ropemaker Street
London
EC2Y 9AW
Date: 9 December 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

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

Nexia Smith & Williamson

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IPGL LIMITED

We have audited the financial statements of IPGL Limited for the year ended 31 March 2016, which comprise the Statement of Comprehensive Income, Balance Sheet, the Statement 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 (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Nexia Smith & Williamson

Carl Deane
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

Portwall Place
Portwall Lane
Bristol
BS1 6NA

Date:

18 December 2016

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £'000	2015 £'000
Turnover	3	1,080	340
Administrative expenses		(6,792)	(11,077)
Profit/(Loss) on investments held at fair value through profit or loss		8,472	(1,693)
Operating profit/(loss)	5	2,760	(12,430)
Interest receivable and similar income	6	877	2,416
Interest payable and similar charges	7	(4,546)	(3,761)
Loss before taxation		(909)	(13,775)
Taxation	8	901	2,959
Loss for the financial year		(8)	(10,816)
Total comprehensive income for the financial year		(8)	(10,816)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2016 and 2015 other than those included in the Statement of Comprehensive Income.

The notes on pages 10 to 32 form part of these financial statements.

BALANCE SHEET AS AT 31 MARCH 2016

	Notes	2016 £'000	2016 £'000	2015 £'000	2015 £'000
Fixed Assets					
Tangible assets	9	102		85	
Investment in parent company	10	2,360		2,360	
Investments in subsidiaries and associates	11	157,428		174,034	
			159,890		176,479
Current Assets					
Debtors	13	108,162		82,522	
Investments held at fair value through profit or loss	14	17,619		24,643	
Cash at bank and in hand	12	2,563		4,475	
		128,344		111,640	
Creditors – Amounts falling due within one year	15	(146,246)		(141,424)	
Net Current Liabilities			(17,902)		(29,784)
Total Assets less Current Liabilities			141,988		146,695
Creditors – Amounts falling due after one year	16		(89,509)		(94,208)
Net Assets			52,479		52,487
Capital and Reserves					
Called up share capital	17		351		351
Share premium account			58		58
Capital redemption reserve			182		182
Profit and loss account			51,888		51,896
Shareholders' Funds			52,479		52,487

The financial statements were approved by the Board of Directors on 9 December 2016
Signed on behalf of the Board of Directors

Mike Richards.

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M W L Richards
Director

Company Registration Number: 02011009
The notes on pages 10 to 32 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

	Own shares £'000	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2014	(2,290)	351	-	182	62,712	60,955
Loss for the year	-	-	-	-	(10,816)	(10,816)
Total comprehensive income for the year	-	-	-	-	(10,816)	(10,816)
Issue of shares	-	-	58	-	-	58
Reclassification of EBT shares	2,290	-	-	-	-	2,290
Balance at 31 March 2015	-	351	58	182	51,896	52,487
Loss for the year	-	-	-	-	(8)	(8)
Total comprehensive income for the year	-	-	-	-	(8)	(8)
Balance at 31 March 2016	-	351	58	182	51,888	52,479

The notes on pages 10 to 32 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES

These financial statements have been prepared in accordance with applicable accounting standards. The principal accounting policies which the Directors have adopted are set out below.

a) Basis of preparation of financial statements

IPGL Limited is a private limited Company incorporated in England and Wales. The address of the registered office is Citypoint Level 28, One Ropemaker Street, London, EC2Y 9AW.

These financial statements are the first annual financial statements of the Company prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The first date at which FRS 102 was applied was 1 April 2015. In accordance with FRS 102 the Company has:

- provided comparative information;
- applied the same accounting policies throughout all periods presented;
- retrospectively applied FRS 102 as required; and
- applied certain optional exemptions and mandatory exceptions as applicable for first time adopters of FRS 102.

Further information about the transition to FRS 102 can be found in note 24.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets in accordance with the Company's accounting policies.

b) Exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted under FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of IPGL (Holdings) Limited as at 31 March 2016 and these financial statements may be obtained from its registered address: Citypoint Level 28, One Ropemaker Street, London, EC2Y 9AW.

c) Going concern

The Company's business activities, together with the key factors likely to affect its future development, profitability, cash flows, liquidity position, borrowing facilities and financial position are outlined within the Directors' Report.

After making due enquiries, the Directors believe they have a reasonable basis to conclude that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

d) Turnover

Income is recognised when it is probable that economic benefits associated with the transaction will accrue to the Company and can be reliably measured. Significant income, analysed in note 3, is recognised on the following bases:

Recharges to related companies

Recharges are in relation to legal and accountancy services provided to related entities.

Other revenue

Other revenue comprises the sale of fine wine revenue derived from external sources and profit share from investments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. **ACCOUNTING POLICIES (continued)**

e) **Foreign currency translation**
Transactions in foreign currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each Balance Sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the Balance Sheet date. Exchange gains and losses on short-term foreign currency borrowings and deposits are included within net interest payable. Exchange differences on all other transactions are taken to operating profit.

f) **Interest receivable and finance costs**
Interest receivable and finance costs, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the profit and loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

g) **Taxation**
The tax expense represents the sum of the tax currently payable and any deferred tax.

The current tax charge is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax is recognised in respect of all timing differences between taxable profits and total comprehensive income 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.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for timing differences arising on investments in subsidiaries, 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 tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the group intends to settle on a net basis.

h) **Fixed asset investments**
Fixed asset investments include investments in subsidiaries and in associates. Investments in subsidiaries are held at cost less provision for impairment. Investments in associates are held at fair value through profit or loss.

i) **Fixed assets and depreciation**
Tangible assets comprise plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. **ACCOUNTING POLICIES (continued)**

i) **Fixed assets and depreciation (continued)**

Depreciation is charged so as to write off the cost of assets to their residual values, over their estimated useful lives, using the straight-line method, on the following bases:

Motor vehicles	–	33% on cost
Office furniture & equipment	–	25% - 33% on cost

j) **Employee share ownership trust**

Investments in own shares held in connection with the Group's employee share schemes are deducted from the shareholders' funds in accordance with accounting guidelines, until such time as they vest unconditionally to the participating employees.

Following a share for share exchange in the prior year the Company holds shares in its parent IPGL (Holdings) Limited which are included as an investment on the Balance Sheet.

The Company balances also include the assets and liabilities of the employee share ownership trust in accordance with accounting guidelines.

k) **Dividends**

Final dividends are recognised as a liability in the period in which they are approved by the Company's shareholders.

l) **Offsetting and netting**

Financial assets and financial liabilities are only offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to set off the recognised amounts and where the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

m) **Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event which it is probable will result in an outflow of economic benefits that can be reasonably estimated.

n) **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. At the Balance Sheet date all leases are classified as operating leases.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term.

o) **Debtors**

Short term debtors are measured at transaction prices, less any impairment. Loans received are measured initially at fair value, net of transaction costs, and are measured subsequently at fair value.

p) **Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

q) **Cash and cash equivalents**

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank and deposits repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES (continued)

r) **Financial instruments**
Financial assets and financial liabilities are recognised in the Balance Sheet when the group becomes a party to the contractual provisions of the instrument.

Investments in listed shares are classified as basic financial instruments. They are initially measured at transaction price and subsequently measured at fair value, with changes in fair value being recognised in profit or loss. Fair value is determined using the quoted bid price at the Balance Sheet date.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at fair value. A provision is established when there is objective evidence that the group will not be able to collect all amounts due.

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

s) **Valuation of investments**
Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in associates are held as part of an investment portfolio and are measured at fair value through profit and loss.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are valued by the Directors at fair value.

Investments in listed Company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

t) **Financial liabilities**
Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Financial liabilities within the scope of IAS 39 are initially classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Subsequently, the measurement of financial liabilities depends on their classification as follows:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES (continued)

t) Financial liabilities (continued)

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance revenue and finance cost.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

u) Employee benefits

Short term employee benefits including holiday pay and annual bonuses are accrued as services are rendered. Contributions to defined contribution pension schemes are charged to profit or loss as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and those actually paid are shown as either accruals or prepayments in the Balance Sheet.

2. KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the Balance Sheet date and the reported amounts of revenues and expenses during the reporting period.

Valuation of unlisted investments

The valuation of unlisted investments requires judgement as to the fair value of the investment held by the Company. Various valuation techniques are considered by management for each investment with consideration made of the type, maturity and circumstances of the investment and its return.

Financial instruments classification

The classification of financial instruments as "basic" or "other" requires judgement as to whether all the applicable conditions for classification as basic are met. This includes consideration of the form of the instrument and its return.

3. TURNOVER

An analysis of the Company's turnover has been provided below:

	2016 £'000	2015 £'000
Recharges to related companies	1,080	252
Other	-	88
	1,080	340

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

4. DIRECTORS AND EMPLOYEES

	2016	2015
Directors:	**£'000**	**£'000**
Aggregate emoluments	4,517	2,587
Pension contributions	14	16
	4,531	2,603
Highest paid Director:		
Aggregate emoluments	4,049	2,129
	4,049	2,129

One Director has benefits accruing under defined contribution pension schemes (2015: two).

Employees	**Number of Employees**	
	2016	**2015**
The average number of persons employed by the Company (including Directors) was:		
Management, operations and administration	12	11

Staff costs	**2016**	**2015**
	£'000	**£'000**
Wages and salaries	2,291	2,560
Social security costs	739	421
Pension costs	62	60
Other costs	120	47
	3,212	3,088

The Company operates externally funded retirement defined contribution pension schemes. There were no outstanding contributions at the year end.

The Company maintains a compensation policy for its Directors and employees to facilitate pay-for-performance and to retain key employees. The benefits accruing under the policy are based upon Director or employee achievements and the financial performance of the Company.

5. OPERATING PROFIT/(LOSS)

	2016	2015
	£'000	**£'000**
Operating profit/(loss) is stated after charging/(crediting):		
Depreciation	56	44
Fees payable to the Company's auditor for the audit of the Company's annual accounts	25	35
Fees payable to the Company's auditor for non-audit services provided	16	-
Operating leases - plant and machinery	287	287
Operating leases - buildings	105	100

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2016 £'000	2015 £'000
Fund distribution income	-	63
Interest receivable on loans and intercompany	227	1,977
Dividends from investments	650	376
	877	2,416

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2016 £'000	2015 £'000
Bank interest	3,277	2,481
Interest payable on intercompany loans	1,269	1,280
	4,546	3,761

8. TAX ON LOSS ON ORDINARY ACTIVITIES

Analysis of tax charge

	2016 £'000	2015 £'000
Current tax		
In respect of the current year	(922)	(192)
Adjustment in respect of prior years	21	(2,767)
	(901)	(2,959)

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

	2016 £'000	2015 £'000
Loss on ordinary activities before tax	(909)	(13,775)
Tax on loss on ordinary activities at standard rate of 20% (2015: 21%)	(182)	(2,893)
Effects of:		
Expenses not allowable for taxation	1,046	1,291
Income not taxable	(412)	(79)
Capital allowances for period in excess of depreciation	4	3
Tax losses	(1,542)	1,377
Prior year	21	(2,767)
LLP adjustment	164	109
	(901)	(2,959)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

9. TANGIBLE FIXED ASSETS

	Motor vehicles	Office furniture & equipment	Total
	£'000	£'000	£'000
Cost			
At 1 April 2015	102	200	302
Additions	-	74	74
Disposals	-	-	-
At 31 March 2016	102	274	376
Depreciation			
At 1 April 2015	65	152	217
Charge for the year	34	23	57
Disposals	-	-	-
At 31 March 2016	99	175	274
Net book value			
At 31 March 2016	3	99	102
At 31 March 2015	37	48	85

10. INVESTMENT IN PARENT COMPANY

	Total
	£'000
Cost	
At 1 April 2015	2,360
At 31 March 2016	2,360
Provisions	
At 1 April 2015 and 31 March 2016	-
Net book value	
At 31 March 2016	2,360
At 31 March 2015	2,360

The investment is held by Intercapital Private Group Limited Employee Benefit Trust.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

11. FIXED ASSET INVESTMENTS

	Shares in associates	Shares and long term loans in subsidiaries	Total
	£'000	£'000	£'000
Cost			
At 1 April 2015	1,817	185,173	186,990
Revaluations	44	-	44
Disposals	-	(6,801)	(6,801)
Return of capital	-	(12,983)	(12,983)
At 31 March 2016	1,861	165,389	167,250
Provisions			
At 1 April 2015	-	12,956	12,956
Disposals	-	(3,477)	(3,477)
Charge for year	-	343	343
At 31 March 2016	-	9,822	9,822
Carrying value			
At 31 March 2016	1,861	155,567	157,428
At 31 March 2015	1,817	172,217	174,034

Disposals in the year wholly relate to the disposal of Finsbury Sailing LLP which was wound up in the year. Transfers include the return of capital from Finsbury Fine Art LLP following the sale at profit of fine art.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

11. FIXED ASSET INVESTMENTS (continued)

SUBSIDIARY UNDERTAKINGS

The names of the subsidiaries of the Company, together with interests in equity shares are given below. The country of operation is the same as the country of incorporation.

Company and Country of Operation	Activity	Holding %	Share Holding
England and Wales			
Finsbury Fine Art LLP	Fine Art trading	99.68%	Membership Interests
Intercapital Brokerage Services Limited	Holding Company	100.0%	Ordinary shares
Sirai LLP	Semi-dormant Partnership (formerly property development and operation)	99.6%	Membership Interests
IPGL Property Funds Limited	Investment Company	100.0%	Ordinary shares
Intercapital Bonds Limited	Dormant Company	100.0%	Ordinary shares
European Derivative Clearing House Limited	Semi-dormant company	100.0%	Ordinary shares
IPGL Ventures Limited	Investment Company	100.0%	Ordinary shares
Alresford Racing Limited (formerly Chiswell Trading Limited)	Dormant Company	100.0%	Ordinary shares
Intercapital Clearing Limited	Dormant Company	100.0%	Ordinary shares
IPGL Fund Investments Limited	Investment Company	100.0%	Ordinary shares
Spreadbet Limited	Dormant Company	60.0%	Ordinary shares
IFX Competitions Limited	Dormant Company	100.0%	Ordinary shares
IFX Investment Company Limited	Dormant Company	100.0%	Ordinary shares
Intercapital Debt Trading Limited	Semi-dormant Company	100.0%	Ordinary shares
Ropemakerone Ltd	Dormant Company	100.0%	Ordinary shares
Netherlands			
Incap Netherlands (Holdings) BV *	Holding Company	34.30%	Ordinary shares
Hong Kong			
Intercapital Group (Hong Kong) Limited	Holding Company	100.0%	Ordinary shares
USA			
IPGL Investment USA Inc	Investment Company	100.0%	Ordinary shares
Bermuda			
IPGL Aviation Services Limited	Aviation Company	100.0%	Ordinary shares

* The remaining holding (65.70%) is held by Intercapital Brokerage Services Limited a 100% subsidiary undertaking.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

12. CASH AT BANK

	2016 £'000	2015 £'000
Cash at bank and in hand	2,563	4,475
	2,563	4,475

13. DEBTORS

	2016 £'000	2015 £'000
Amounts due from Group undertakings	31,931	32,413
Other debtors	75,167	50,019
Corporation tax repayable	929	-
Prepayments and accrued income	135	90
	108,162	82,522

Other debtors
Included within other debtors is £51.2 million owed by M A Spencer which, consists of £40.6 million owed to the Company and £10.6 million owed to the EBT.

14. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

Fair value	2016 £'000	2015 £'000
At 1 April 2015	24,643	22,976
Additions	2,622	9,312
Disposals	(6,010)	(5,522)
Foreign exchange	797	-
Market value movements	(4,433)	(2,123)
At 31 March 2016	17,619	24,643

At 31 March 2016 Company listed investments are valued at £4.8 million (2015: £6 million) and originally cost £7.3 million (2015: £6.2 million).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

15. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £'000	2015 £'000
Trade creditors	2,410	1,778
Loans due to Group undertakings	126,490	118,947
Amounts owed to Group undertakings	10,447	14,583
Corporation tax	-	3,599
Other tax and social security	108	448
Other creditors	5,510	292
Accruals and deferred income	1,281	1,777
	146,246	141,424

The Directors consider that the carrying amount of trade and other creditors approximates to their fair value.

Loans due to Group undertakings
As at 31 March 2016, short term intercompany loans of £110.1 million (2015 - £109.6 million) were due from the Company to Incap Finance BV. These are repayable at various dates as agreed by the parties at interest rates ranging from 1 month LIBOR + 0.32% to 6 month LIBOR + 0.32%. The total liability has been included within amounts due in less than one year.

As at 31 March 2016, short term intercompany loans of £7 million (2015 - £7.6 million) were due from the Company to Incap Overseas BV. These are repayable at 31 December 2016 at an interest rate of 3 month LIBOR + 0.32% pa. The total liability has been included within amounts due in less than one year.

As at 31 March 2016, short term intercompany loan of £5.6 million (2015 - £nil) was due from the Company to Incap Holdings USA Inc. Interest was charged at a rate of 6 month USD LIBOR + 0.32% pa. The loan was repaid in full on the 30th September 2016. The total liability has been included within amounts due in less than one year.

As at 31 March 2016, short term intercompany loan of £4.1 million (2015 - £nil) was due from the Company to Fox & Trot Limited. This is repayable within 14 days of a demand in writing made by the lender at an interest rate of 3 month LIBOR + 0.32% pa. The total liability has been included within amounts due in less than one year.

The transfer pricing policy follows a report prepared by Transfer Pricing Associates in The Netherlands.

Details of other loans and securities have been provided in note 16.

16. CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016 £'000	2015 £'000
Bank loans	89,509	94,208
	89,509	94,208

The Directors consider that the carrying amount of creditors due after more than one year approximates to their fair value as they attract interest at a variable market rate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

16. CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (Continued)

Facilities and terms

At 31 March 2016, the Company has drawn upon £90.0 million (2015 - £95 million) on its main term facility with Barclays payable by 19 November 2017. These loans are secured on shares held by the subsidiary companies.

The total market value of quoted assets pledged as collateral for the loan facility with Barclays as at 31 March 2016 is £501.2 million (2015 - £556.4 million).

The year end liability of £89.5 million (2015: £94.2 million) has been classified as £nil (2015: £nil) falling due within one year and £89.5 million (2015: £94.2 million) falling due after more than one year. The year end liability is held at amortised cost using the effective interest rate method in accordance with section 11 of FRS 102, which takes into account any loan fees paid.

17. CALLED UP SHARE CAPITAL

	2016 £'000	2015 £'000
Authorised		
1,000,000 ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
351,103 (2015: 351,103) ordinary shares of £1 each	351	351

18. RESERVES

A description of each reserve is set out below.

Share premium

The share premium account is used to record the aggregate amount or value of premiums paid when the Company's shares are issued at an amount in excess of nominal value.

Capital redemption reserve

This reserve is a statutory reserve which is established when the shares of the Company are redeemed or purchased wholly or partly out of the Company's profits.

Own shares

The own shares reserve represents the cost of the Company's shares acquired by the Employee Benefit Trust (note 20).

Profit and loss account

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

19. FINANCIAL COMMITMENTS

At 31 March 2016 the Company had annual commitments under non-cancellable operating leases as set out below.

	2016	2015
Other commitments under operating lease:	£'000	£'000
Expiring within 1 year	406	386
Expiring within 2 - 5 years	243	514
	649	900

20. EMPLOYEE BENEFIT TRUST

The financial statements of the Intercapital Private Group Limited Employee Benefit Trust ("EBT") have been incorporated in the Company statements in accordance with FRS 102. This has been done because, although the Trust is controlled by independent trustees and its assets are held separately from those of the Company, the Directors have taken the view that there is sufficient basis to recognise the assets and liabilities of the trust in the Company's accounts. Contributions to the Trust are determined by the board from time to time.

At 31 March 2016 the net assets of the Trust amounted to £13.5 million (2015: £13.8 million). These assets include 9,711 shares (2015: 9,711) in the parent company carried at cost. Other assets were primarily loans due from potential beneficiaries.

At the year end the EBT held 3.1% (2015: 2.8%) of the parent Company's ordinary issued share capital.

21. FINANCIAL INSTRUMENTS

Financial Reporting Standard 102 Section 11 "Basic Financial Instruments", Financial Reporting Standard 102 Section 12 "Other Financial Instruments Issues" and Financial Reporting Standard Section 34 "Specialised Activities" require disclosure of information on the significance of financial instruments for an entity's financial position and performance, information about exposure to risks arising from financial instruments and the Company's objectives, policies and processes for managing capital.

The Company's financial instruments comprise listed and unlisted equity securities, cash and cash equivalents, bank borrowings and items such as trade creditors and trade debtors which arise directly from its operations. The main purpose of these financial instruments is to provide finance for the Company's operations.

The Company attempts to mitigate its risk by the use of limits and controls and hedging where appropriate. The responsibility of monitoring financial risk management is attributable to the Company's Board of Directors.

Classification

The Company's financial instruments have been classified as follows:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

21. FINANCIAL INSTRUMENTS (Continued)

	As at 31 March 2016				
	Financial assets and liabilities at fair value through profit or loss	Available-for-sale	Loans and receivables-amortised cost	Financial assets/liabilities at amortised cost	Total
	£'000	£'000	£'000	£'000	£'000
Financial Assets					
Investments at fair value through profit or loss	19,480	-	-	-	19,480
Other debtors and accrued income	-	-	86,485	16,794	103,279
Cash at bank and in hand	-	-	-	2,563	2,563
Total financial assets	19,480	-	86,485	19,357	125,322
Financial Liabilities					
Trade creditors	-	-	-	2,410	2,410
Other creditors and accruals	-	-	-	17,346	17,346
Loans payable	-	-	-	215,999	215,999
Total financial liabilities	-	-	-	235,755	235,755

	As at 31 March 2015				
	Financial assets and liabilities at fair value through profit or loss	Available-for-sale	Loans and receivables-amortised cost	Financial liabilities at amortised cost	Total
	£'000	£'000	£'000	£'000	£'000
Financial Assets					
Investments at fair value through profit or loss	26,460	-	-	-	26,460
Other debtors and accrued income	-	-	68,222	14,210	82,432
Cash at bank and in hand	-	-	-	4,475	4,475
Total financial assets	26,460	-	68,222	18,685	113,367
Financial Liabilities					
Trade creditors	-	-	-	1,778	1,778
Other creditors and accruals	-	-	-	20,699	20,699
Loans payable	-	-	-	213,155	213,155
Total financial liabilities	-	-	-	235,632	235,632

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

21. FINANCIAL INSTRUMENTS (Continued)

Fair value disclosures

The following table categorises the Company's financial assets and liabilities held at fair value, by the valuation method applied in determining their fair value.

- Level 1 fair value measurements are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements 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);
- Level 3 fair value measurements are inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

	As at 31 March 2016			
	Level 1	**Level 2**	**Level 3**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Financial Assets				
Investments at fair value through profit or loss	4,831	6,972	7,677	19,480
Other debtors and accrued income	-	-	103,279	103,279
Cash at bank and in hand	2,563	-	-	2,563
Total financial assets	7,394	6,972	110,956	125,322
Financial Liabilities				
Trade creditors	-	-	2,410	2,410
Other creditors and accruals	-	-	17,346	17,346
Loans payable	-	-	215,999	215,999
Total financial liabilities	-	-	235,755	235,755

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

21. FINANCIAL INSTRUMENTS (Continued)

	As at 31 March 2015			
	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Financial Assets				
Investments at fair value through profit or loss	6,014	7,293	13,153	26,460
Other debtors and accrued income	-	-	82,432	82,432
Cash at bank and in hand	4,475	-	-	4,475
Total financial assets	10,489	7,293	95,585	113,367
Financial Liabilities				
Trade creditors	-	-	1,778	1,778
Other creditors and accruals	-	-	20,699	20,699
Loans payable	-	-	213,155	213,155
Total financial liabilities	-	-	235,632	235,632

Movements in the year for financial instruments measured using the Level 3 valuation method are presented below:

	Other investments	
	2016	2015
	£'000	£'000
As at 1 April 2015	13,153	7,204
Loss recognised in profit or loss	(1,316)	(1,784)
Additions	350	7,733
Disposals	(4,510)	-
As at 31 March 2016	7,677	13,153
Total losses for the year included for Level 3 assets still held at 31 March 2016	(1,316)	(1,784)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

21. FINANCIAL INSTRUMENTS (Continued)

The principal valuation techniques applied in determining the fair value of the Company's investments, are as follows:

Methodology	Description	Inputs	Adjustments
Quoted price	Used for investments in listed companies with an active market.	Closing bid price at balance sheet date.	No adjustments or discounts applied.
Share of net assets	Used for investments in listed funds and some unlisted companies.	Net asset value reported by the fund manager or latest audited or management accounts.	In some cases fund manager discounts applied. No internal discounts or adjustments made.
Cost	Used where the fair value of the investment in unlisted companies cannot be reliably measured.	Original cost of investment.	Provisions for impairment are made where objective evidence of an impairment loss has been incurred.
Earnings multiple	Used for some investments in unlisted companies.	Price earnings ratio for comparable listed entity. Earnings for investment from latest audited or management accounts.	Adjustments to reflect marketability and liquidity of the investment.

Financial risk management

The Company's operations expose it to a variety of financial risks including credit risk, liquidity risk and market risk (equity price risk, interest rate risk and currency rate risk). The responsibility of monitoring financial risk management is attributable to the Board of Directors.

The main risks associated with the Company's financial assets and liabilities and key components of the risk management policies are summarised as follows:

Credit risk

Credit risk represents the loss that the Company would incur if a client or counterparty failed to perform its contractual obligations.

The Company's principal financial assets exposed to credit risk are cash and other debtors.

The credit risk on cash is limited as the counterparties are all internationally recognised banks and financial institutions.

The Company's main credit risk is attributable to its other debtors.

At the Balance Sheet date the Company had a maximum exposure to credit risk being the debtors balance net of provision per note 13.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Liquidity risk arises in numerous ways, which includes the inability to pay liabilities as they fall due, realising a market loss as a result of the premature sale of assets to raise liquidity or loss of business opportunity due to a lack of liquidity. Internal vulnerabilities to liquidity risk arise principally because assets are, in relative terms, less liquid than liabilities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

21. FINANCIAL INSTRUMENTS (Continued)

Liquidity risk (Continued)

Ultimate responsibility for liquidity management rests with the Board of Directors. The Company manages liquidity risk by maintaining adequate cash reserves, bank facilities, borrowing facilities and by maintaining a mixture of long-term and short-term debt finance that is designed to ensure it has sufficient available funds for operations and planned expansions.

The Company monitors its levels of working capital to ensure that it can meet its debt repayments as they fall due. In the event of a significant movement in markets, the Company could have a short-term funding requirement to meet its payment obligations to counterparties. Any failure by the Company to meet its payment obligations could result in market counterparties closing the Company's hedge positions, which would have materially adverse consequences for the Company's business.

The contractual undiscounted maturities of the Company's liabilities at the Balance Sheet date are as follows:

	As at 31 March 2016				
	On demand	Due within 3 months	Due between 4 and 12 months	Due between 1 and 5 years	Total
	£'000	£'000	£'000	£'000	£'000
Non-derivative Financial Liabilities					
Other creditors and accruals	10,447	6,899	-	-	17,346
Loan payable	4,094	122,396	-	89,509	215,999
Total non-derivative financial liabilities	14,541	129,295	-	89,509	233,345

	As at 31 March 2016				
	On demand	Due within 3 months	Due between 4 and 12 months	Due between 1 and 5 years	Total
	£'000	£'000	£'000	£'000	£'000
Derivative Financial Liabilities					
Trade creditors	-	2,410	-	-	2,410
Total derivative financial liabilities	-	2,410	-	-	2,410

	As at 31 March 2015				
	On demand	Due within 3 months	Due between 4 and 12 months	Due between 1 and 5 years	Total
	£'000	£'000	£'000	£'000	£'000
Non-derivative Financial Liabilities					
Other creditors and accruals	14,583	6,116	-	-	20,699
Loan payable	-	118,947	-	94,208	213,155
Total non-derivative financial liabilities	14,583	125,063	-	94,208	233,854

21. FINANCIAL INSTRUMENTS (Continued)

Liquidity risk (Continued)

	As at 31 March 2015				
	On demand	Due within 3 months	Due between 4 and 12 months	Due between 1 and 5 years	Total
	£'000	£'000	£'000	£'000	£'000
Derivative Financial Liabilities					
Trade creditors	-	1,778	-	-	1,778
Total derivative financial liabilities	-	1,778	-	-	1,778

The Company's policy is to hold its cash reserves with a diversified range of counterparties, each of which is a major clearing bank or a financial institution. The Company's money is held almost entirely on demand, as it needs to be readily available to meet short-term funding requirements.

Market risk

Market risk is the risk of loss arising from adverse movements in the level or volatility of market prices. The main associated risks for the Company are equity price risk, interest rate risk and currency rate risk.

Equity price risk

The Company is exposed to equity price risk because of investments held by the Company and classified as held at fair value through profit or loss. To manage the price risk arising from these investments the Company diversifies its portfolio in accordance with limits set by the Board of Directors.

The Company's investment portfolio includes equity instruments and other indices that are publicly traded. A 10% increase in the FTSE-all-share index (the "Index") at the reporting date would have increased profit after tax by £0.47 million (2015: £0.60 million); an equal change in the opposite direction would have decreased profit after tax by £0.47 million (2015: a decrease of £0.60 million).

The estimated fair value of financial assets and liabilities is made in accordance with the requirements of FRS 102 as described in note 1(r).

Interest rate risk

The interest bearing financial assets and liabilities of the Company comprise cash, bank and other borrowings as shown in the Balance Sheet. Exposures to interest rate fluctuations are managed through floating rate instruments which give the Company its required interest and maturity profile. Interest rate and maturity profiles are regularly monitored in the light of current performance and the economic environment. The Company is also exposed to interest rate risk in the form of financing income or expense on open positions held with clients. Financing interest rate is pegged to LIBOR and overnight deposit rates.

As at 31 March 2016, an increase of 100 basis points with all other variables held constant would decrease post-tax profit and equity by £1.73 million (2015: £1.68 million). Conversely, a decrease of 100 basis points with all other variables held constant would increase post tax profit and equity by £1.73 million (2015: £1.68 million).

A sensitivity of 100 base points represents a reasonable movement given the current level of volatility observed in respect of the main interest rates the Company is normally exposed to in its day-to-day operations. The calculation assumes an average Company tax rate of 20% (2015: 21%).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

21. FINANCIAL INSTRUMENTS (Continued)

Currency rate risk

The principal currencies in which the Company trades are sterling (GBP), United States Dollars (USD) and Euro (EUR). This gives rise to currency risk on the translation of its net current assets together with a currency risk on the conversion of its non-sterling income into sterling. The Company economically hedges this risk to the extent required by its hedging strategy.

The main currencies included in the other currency category are Australian Dollars, Kenyan Shilling and Japanese Yen.

The currency risk of the Company's assets and liabilities at the Balance Sheet date are as follows:

	As at 31 March 2016				
	GBP £'000	**USD £'000**	**EUR £'000**	**Other £'000**	**Total £'000**
Financial assets					
Investments at fair value through profit or loss	12,581	4,120	753	2,026	19,480
Other debtors and accrued income	16,794	-	-	-	16,794
Loans and receivables	70,292	16,193	-	-	86,485
Cash at bank and in bank	2,234	153	175	1	2,563
Total financial assets	101,901	20,466	928	2,027	125,322
Financial liabilities					
Trade creditors*	2,410	-	-	-	2,410
Other creditors and accruals	17,346	-	-	-	17,346
Loan payable	211,816	4,094	-	89	215,999
Total financial liabilities	231,572	4,094	-	89	235,755
Net position					
Total net financial assets/(liabilities)	(129,671)	16,372	928	1,938	(110,433)

* For the purposes of this table trade creditors are shown as the gross position per currency.

If there was a 20% strengthening of sterling with all other variables held constant, then there would be a:				
– decrease in profit	(2,183)	(124)	(258)	(2,565)
– decrease in equity	(2,183)	(124)	(258)	(2,565)
If there was a 20% weakening of sterling with all other variables held constant then there would be an:				
– increase in profit after tax	3,274	186	388	3,848
– increase in total equity	3,274	186	388	3,848

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

21. FINANCIAL INSTRUMENTS (Continued)

Currency rate risk (continued)

A sensitivity of 20% represents a reasonable movement given the current level of volatility observed in respect of the main exchange rates the Company is normally exposed to in its day-to-day operations. The calculation assumes an average Company tax rate of 20% (2015: 21%).

	As at 31 March 2015				
	GBP	USD	EUR	Other	Total
	£'000	£'000	£'000	£'000	£'000
Financial assets					
Investments at fair value through profit or loss	20,162	3,295	1,129	1,874	26,460
Other debtors and accrued income	14,210	-	-	-	14,210
Loans & receivables	64,438	3,784	-	-	68,222
Cash at bank and in bank	1,303	3,167	5	-	4,475
Total financial assets	100,113	10,246	1,134	1,874	113,367
Financial liabilities					
Trade creditors*	1,778	-	-	-	1,778
Other creditors and accruals	20,699	-	-	-	20,699
Loan payable	210,290	-	2,779	86	213,155
Total financial liabilities	232,767	-	2,779	86	235,632
Net position					
Total net financial assets/(liabilities)	(132,654)	10,246	(1,645)	1,788	(122,265)

* For the purposes of this table trade creditors are shown as the gross position per currency.

If there was a 20% strengthening of sterling with all other variables held constant, then there would be an:				
– decrease in profit	(1,349)	217	(235)	(1,368)
– decrease in equity	(1,349)	217	(235)	(1,368)
If there was a 20% weakening of sterling with all other variables held constant then there would be an:				
– increase in profit after tax	2,024	(325)	353	2,052
– increase in total equity	2,024	(325)	353	2,052

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

21. FINANCIAL INSTRUMENTS (Continued)

Capital risk management

The Company manages capital to ensure that it has available resources and access to markets to ensure the continued growth of the Company and to meet its borrowing and regulatory requirements. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and to maintain an appropriate capital structure that complies with loan covenants and externally imposed capital requirements. The Company manages capital through the bank loan financing as disclosed above.

22. RELATED PARTY TRANSACTIONS

During the year, the Company incurred fees of £174,000 (2015: £732,000) with Macfarlanes, a partnership in which D J Courtenay-Stamp is a partner.

As at the year-end, M A Spencer owed the company £40.6 million (2015: £24.6 million) and the EBT £10.7 million (2015: £10.7 million), being the maximum amount outstanding during the year. This balance is repayable on demand and no interest is charged on the loan.

During the year, the Company had a net recharge to ICAP plc of £230,000 (2015: £149,000). As at 31 March 2016, the Company was owed £32,000 by ICAP plc (2015: £51,000).

Expense recharges between related parties are made on an arms-length basis. Outstanding balances with entities are unsecured, except as disclosed in note 15, and are charged an arms-length interest rate. Balances are placed on inter-company accounts with no specified credit period and are repayable on demand.

As at the year-end Fox & Trot Ltd, a subsidiary of the Company, was owed by the Company £3.1m (2015: IPGL was owed £2.4m). Interest was charged on amounts due to Fox & Trot of £19,000 (2015: £nil).

At the year end, £252,000 (2015: £259,000) was owed to the Company by Jeff Blue, the spouse of a director of the Company.

Key management are those persons having authority and responsibility for planning, controlling and directing the activities of the group, or in relation to the Company, the Company. In the opinion of the board the group and Company's key management are The Board of Directors and the key management team. Total compensation to key management personnel is £5,188,312 (2015: £3,129,106).

23. ULTIMATE CONTROLLING PARTY

The ultimate parent Company is IPGL (Holdings) Limited, a Company registered in England and Wales. The ultimate controlling party is M A Spencer by virtue of his shareholding, and of those closely related to him, in IPGL (Holdings) Limited.

Copies of the group financial statements of IPGL (Holdings) Limited are available at its registered address: Citypoint level 28, One Ropemaker Street, London, EC2Y 9AW.

24. TRANSITION TO FRS 102

These financial statements are IPGL Limited's first financial statements that comply with FRS 102. The date of transition to FRS 101 was 1 April 2014.

The transition to FRS 102 has resulted in changes to accounting policies. The requirement to measure associates at fair value through profit and loss has resulted in an uplift in the financial position of £1,591k.