

COMPANY REGISTRATION NUMBER: 02011009

IPGL LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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IPGL LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M A Spencer - Chairman
D Gelber
D J Courtenay-Stamp

SECRETARY

B R Ally

REGISTERED OFFICE

3rd Floor
39 Sloane Street
London
SW1X 9LP

BANKERS

Barclays Bank Plc
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.



D J Courtenay-Stamp

Director
3rd Floor
39 Sloane Street
London
SW1X 9LP

Date: 20 December 2018

REPORT OF THE DIRECTORS

The Directors submit their report and financial statements for the year ended 31 March 2018.

DONATIONS

During the year the Company made political donations of £339,392 (2017: £238,657). This includes £280,882 (2017: £56,663) donated to the Conservative Party.

Charitable donations of £499,000 (2017: £510,500) were also made during the year.

DIRECTORS

The Directors who served the Company during the year were:

M A Spencer
D Gelber
D J Courtenay-Stamp
M W L Richards (resigned 30 September 2018)

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.

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.



D J Courtenay-Stamp

Director
3rd Floor
39 Sloane Street
London
SW1X 9LP

Date: 20 December 2018

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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IPGL LIMITED****Opinion**

We have audited the financial statements of IPGL Limited (the 'company') for the year ended 31 March 2018 which comprise the Statement of comprehensive income, Balance sheet, Statement of changes in equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit 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.

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 FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

Other information

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

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

We have nothing to report in this regard.

Opinion 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.

Matters on which we are required to report by exception

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

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, 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.

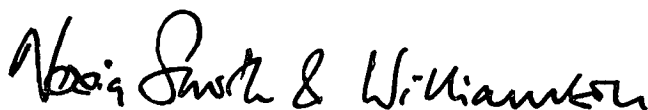
Auditor's responsibilities for the audit of the financial statements

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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



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:

28/12/18.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £'000	2017 £'000
Turnover	2	613	1,135
Administrative expenses		(9,437)	(15,468)
Profit/(Loss) on investments held at fair value through profit or loss		36,765	(5,266)
Operating profit/(loss)	4	27,941	(19,599)
Interest receivable and similar income	5	2,585	792
Interest payable and similar charges	6	(5,697)	(5,361)
Profit/(loss) before taxation		24,829	(24,168)
Taxation	7	412	54,030
Profit for the financial year		25,241	29,862
Total comprehensive income for the financial year		25,241	29,862

All amounts relate to continuing operations.

There were no recognised gains and losses for 2018 and 2017 other than those included in the Statement of Comprehensive Income.

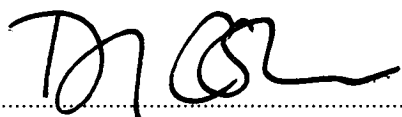
The notes on pages 10 to 33 form part of these financial statements.

BALANCE SHEET AS AT 31 MARCH 2018

	Notes	2018 £'000	2017 £'000
Fixed Assets			
Tangible assets	8	53	77
Investment in parent company	9	2,360	2,360
Investments in subsidiaries and associates	10	246,032	208,421
		248,445	210,858
Current Assets			
Debtors	11	274,767	196,616
Investments held at fair value through profit or loss	12	83,498	64,404
Cash at bank		3,226	16,498
		361,491	277,518
Creditors – Amounts falling due within one year	13	(502,354)	(336,035)
Net Current Liabilities		(140,863)	(58,517)
Total Assets less Current Liabilities		107,582	152,341
Creditors – Amounts falling due after one year	14	-	(70,000)
Net Assets		107,582	82,341
Capital and Reserves			
Called up share capital	15	351	351
Share premium account	16	58	58
Capital redemption reserve	16	182	182
Profit and loss account	16	106,991	81,750
Shareholders' Funds		107,582	82,341

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

20 December 2018



D J Courtenay-Stamp
Director

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2016	351	58	182	51,888	52,479
Profit for the year	-	-	-	29,862	29,862
Total comprehensive income for the year	-	-	-	29,862	29,862
Balance at 31 March 2017	351	58	182	81,750	82,341
Profit for the year	-	-	-	25,241	25,241
Total comprehensive income for the year	-	-	-	25,241	25,241
Balance at 31 March 2018	351	58	182	106,991	107,582

The notes on pages 10 to 33 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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 3rd Floor, 39 Sloane Street, Knightsbridge, London, SW1X 9LP.

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 and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 2018 and these financial statements may be obtained from its registered address: 3rd Floor, 39 Sloane Street, Knightsbridge, London, SW1X 9LP.

c) Turnover

Turnover 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 2, is recognised on the following bases:

Recharges to related companies

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

Other income

Other income comprises revenue derived from external sources and profit share from investments.

d) 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.

e) 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES (continued)

f) **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.

g) **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.

h) **Fixed assets and depreciation**

Tangible assets comprise plant and equipment.

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

i) **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, 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES (continued)

j) **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.

k) **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.

l) **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.

m) **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.

n) **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.

o) **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.

p) **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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES (continued)

p) Financial instruments (continued)

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.

q) 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.

r) 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:

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. ACCOUNTING POLICIES (continued)

s) 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. TURNOVER

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

	2018 £'000	2017 £'000
Recharges to related companies	613	1,135

3. DIRECTORS AND EMPLOYEES

	2018 £'000	2017 £'000
Directors:		
Aggregate emoluments	4,808	3,514
Pension contributions	-	4
	4,808	3,518
Highest paid Director:		
Aggregate emoluments	4,155	3,213
	4,155	3,213

No directors have benefits accruing under defined contribution pension schemes (2017: one).

Employees	Number of Employees	
	2018	2017
The average number of persons employed by the Company (including Directors) was:		
Management, operations and administration	15	13

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

3. DIRECTORS AND EMPLOYEES (continued)

Staff costs	2018 £'000	2017 £'000
Wages and salaries	2,937	2,780
Social security costs	651	391
Pension costs	51	97
Other costs	107	87
	<u>3,746</u>	<u>3,355</u>

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.

4. OPERATING PROFIT/(LOSS)

	2018 £'000	2017 £'000
Operating profit/(loss) is stated after charging:		
Depreciation	24	27
Fees payable to the Company's auditor for the audit of the Company's annual accounts	27	26
Fees payable to the Company's auditor for non-audit services provided	6	31
Operating leases - plant and machinery	183	355
Operating leases - buildings	<u>104</u>	<u>106</u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2018 £'000	2017 £'000
Interest receivable on loans and intercompany	1,336	292
Dividends from investments	<u>1,249</u>	<u>500</u>
	<u>2,585</u>	<u>792</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2018 £'000	2017 £'000
Bank interest	2,564	5,141
Interest payable on intercompany loans	<u>3,133</u>	<u>220</u>
	<u>5,697</u>	<u>5,361</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

7. TAX ON LOSS ON ORDINARY ACTIVITIES

Analysis of tax charge

	2018	2017
	£'000	£'000
Current tax		
In respect of the current year	726	(54,638)
Adjustment in respect of prior years	(1,145)	605
Foreign taxation	7	3
	<u>(412)</u>	<u>(54,030)</u>

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:

	2018	2017
	£'000	£'000
Profit/(loss) on ordinary activities before tax	24,829	(24,168)
Tax on profit/(loss) on ordinary activities at standard rate of 19% (2017: 20%)	4,718	(4,834)
Effects of:		
Expenses not allowable for taxation	1,680	1,957
Income not taxable	(440)	-
Loss on disposal	(218)	-
Payments received for group relief surrendered	-	(54,638)
Tax losses	1,504	-
Prior year	-	605
Deferred tax not recognised	-	2,880
Provision against investments	(6,832)	-
	<u>(412)</u>	<u>(54,030)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

8. TANGIBLE FIXED ASSETS

	Motor vehicles £'000	Office furniture & equipment £'000	Total £'000
Cost			
At 1 April 2017	102	276	378
Additions	-	-	-
At 31 March 2018	102	276	378
Depreciation			
At 1 April 2017	102	199	301
Charge for the year	-	24	24
At 31 March 2018	102	223	325
Net book value			
At 31 March 2018	-	53	53
At 31 March 2017	-	77	77

9. INVESTMENT IN PARENT COMPANY

	Total £'000
Cost and net book value	
At 1 April 2017	2,360
At 31 March 2018	2,360

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

10. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

	Shares in associates £'000	Shares and long term loans in subsidiaries £'000	Total £'000
Cost			
At 1 April 2017	1,861	216,382	218,243
Additions	20,279	1,081	21,360
Transfers from current asset investments	830	-	830
Disposals	-	(14,229)	(14,229)
Fair value movement	21,864	-	21,864
At 31 March 2018	44,834	203,234	248,068
Provisions			
At 1 April 2017	-	9,822	9,822
Disposals	-	(7,786)	(7,786)
At 31 March 2018	-	2,036	2,036
Carrying value			
At 31 March 2018	44,834	201,198	246,032
At 31 March 2017	1,861	206,560	208,421

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**10. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES (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
England and Wales		
IPGL No.1 Ltd	Holding company	99.85%
IPGL No.2 Ltd	Holding company	100.0%
IPGL No.3 Ltd	Holding company	100.0%
IPGL No.4 Ltd	Holding company	100.0%
IPGL No.5 Ltd	Investment company	100.0%
IPGL No.6 Ltd	Semi-dormant company	100.0%
IPGL No.7 Ltd	Dormant company	100.0%
IPGL No.8 Ltd	Investment company	100.0%
IPGL No.9 Ltd	Dormant company	100.0%
IPGL No.10 Ltd	Dormant company	100.0%
IPGL No.11 Ltd	Holding company	100.0%
IPGL No.12 LLP	Investment company	99.68%
IPGL No.13 Ltd	Investment company	100.0%
DDCAP Limited	Islamic and Middle Eastern wholesale market intermediary	65.33%
DDGI Limited	Intermediation and strategic investment	65.33%
DD&Co Limited	Physical merchant trade	65.33%
IFX Investment Company Limited	Dormant company	100.0%
Intercapital Clearing Limited	Dormant company	100.0%
Ropemakerone Limited	Intermediary utility collector	100.0%
Exotix Holdings Limited	Holding company	49.56%
Exotix (1) Limited	Intermediate holding company	49.56%
Exotix Limited	Dormant company	49.56%
Exotix Partners LLP	Brokerage services provider	51.94%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

10. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES (continued)

Company and Country of Operation	Activity	Holding
England and Wales		
FCFM Group Limited	Investment company	61.65%
FCFM Group Investments I Limited	Investment company	61.65%
FCFM Group Investments II Limited	Investment company	61.65%
FCFM Group Properties I Limited	Investment company	61.65%
FCFM Group Properties II Limited	Investment company	61.65%
FCFM Group Properties III Limited	Investment company	61.65%
FCFM Group Properties IV Limited	Investment company	61.65%
FCFM Group Properties VI Limited	Investment company	61.65%
FCFM Group Properties VII Limited	Investment company	61.65%
FCFM Group Properties VIII Limited	Investment company	61.65%
FCFM Group Trading I Limited	Dormant company	61.65%
Edge I Limited	Trading company	61.65%
Romag Limited	Trading company	61.65%
Netherlands		
Incap Netherlands (Holdings) BV	Holding company	100.0%
Incap Gaming BV	Holding company	100.0%
Incap Finance BV	Holding company	100.0%
Incap Overseas BV	Holding company	100.0%
Hong Kong		
Intercapital Group (Hong Kong) Limited	Holding company	100.0%
Intercapital Emerging Markets (Asia) Limited	Holding company	100.0%
Intercapital Brokers (Asia) Limited	Dormant company	100.0%
USA		
Incap Holdings USA Inc	Holding company (struck-off post year-end)	100.0%
Exotix USA Inc	Brokerage services provider	49.56%
Nigeria		
EFCP Limited	Brokerage services provider	49.56%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**11. DEBTORS**

	2018	2017
	£'000	£'000
Amounts due from Group undertakings	82,821	83,510
Other debtors	150,973	99,338
Corporation tax repayable	40,643	13,255
Prepayments and accrued income	330	513
	<u>274,767</u>	<u>196,616</u>

12. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

	2018	2017
	£'000	£'000
Fair value		
At 1 April 2017	64,404	17,619
Additions	33,940	46,327
Disposals	(25,523)	(2,255)
Transfer to Fixed Asset investment	(830)	-
Foreign exchange	(2,408)	992
Market value movements	13,915	1,721
At 31 March 2018	<u>83,498</u>	<u>64,404</u>

At 31 March 2018 Company listed investments are valued at £50.7 million (2017: £17.5 million) and originally cost £40.9 million (2017: £17.6 million).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

13. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £'000	2017 £'000
Trade creditors	448	447
Loans due to Group undertakings	350,714	273,526
Bank loans	70,000	-
Amounts owed to Group undertakings	61,122	61,014
Corporation tax	18,875	-
Other tax and social security	116	110
Accruals and deferred income	1,079	938
	<u>502,354</u>	<u>336,035</u>

Loans due to Group undertakings

As at 31 March 2018, short term intercompany loans of £240.3 million (2017: £179.6 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 2018, short term intercompany loans of £106.0 million (2017: £89 million) were due from the Company to Incap Overseas BV. These are repayable at various dates as agreed by the parties at interest rates ranging from 1 month LIBOR + 0.32% to 3 month LIBOR + 0.32%. The total liability has been included within amounts due in less than one year.

As at 31 March 2018, short term intercompany loan of £4.3 million (2017: £4.7 million) 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.

Details of other loans and securities have been provided in note 14.

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

	2018 £'000	2017 £'000
Bank loans	-	70,000
	<u>-</u>	<u>70,000</u>

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 2018

14. CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (Continued)**Facilities and terms**

At 31 March 2018, the Company has drawn upon £70 million (2017: £70 million) on its main term facility with Barclays payable by 20 November 2018. 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 2018 is £616.6 million (2017: £490.4 million).

The year end liability of £70 million (2017: £70 million) has been classified as £70 million (2017: £nil) falling due within one year and £nil (2017: £70 million) falling due after more than one year.

15. CALLED UP SHARE CAPITAL

	2018 £'000	2017 £'000
Authorised		
1,000,000 ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
351,103 (2017: 351,103) ordinary shares of £1 each	351	351

16. 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.

Profit and loss account

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

17. FINANCIAL COMMITMENTS

At 31 March 2018 the Company had annual commitments under non-cancellable operating leases as set out below.

	2018 £'000	2017 £'000
Other commitments under operating lease:		
Expiring within 1 year	112	112
Expiring within 2 - 5 years	18	131
	130	243

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

18. 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 2018 the net assets of the Trust amounted to £2.6 million (2017: £2.6 million). These assets include 9,711 shares (2017: 9,711) in the parent company carried at cost.

At the year end the EBT held 3.1% (2017: 3.1%) of the parent Company's ordinary issued share capital.

19. 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 2018

19. FINANCIAL INSTRUMENTS (Continued)

	As at 31 March 2018			
	Financial assets and liabilities at fair value through profit or loss	Loans and receivables-amortised cost	Financial assets/liabilities at amortised cost	Total
	£'000	£'000	£'000	£'000
Financial Assets				
Investments at fair value through profit or loss	128,332	-	-	128,332
Other debtors and accrued income	-	218,919	55,518	274,437
Cash at bank and in hand	-	-	3,226	3,226
Total financial assets	128,332	218,919	58,744	405,995
Financial Liabilities				
Trade creditors	-	-	(448)	(448)
Other creditors and accruals	-	-	(81,192)	(81,192)
Loans payable	-	-	(420,714)	(420,714)
Total financial liabilities	-	-	(502,354)	(502,354)
	As at 31 March 2017			
	Financial assets and liabilities at fair value through profit or loss	Loans and receivables-amortised cost	Financial liabilities at amortised cost	Total
	£'000	£'000	£'000	£'000
Financial Assets				
Investments at fair value through profit or loss	66,265	-	-	66,265
Other debtors and accrued income	-	171,482	24,621	196,103
Cash at bank and in hand	-	-	16,498	16,498
Total financial assets	66,265	171,482	41,119	278,866
Financial Liabilities				
Trade creditors	-	-	(447)	(447)
Other creditors and accruals	-	-	(62,062)	(62,062)
Loans payable	-	-	(343,526)	(343,526)
Total financial liabilities	-	-	(406,035)	(406,035)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

19. 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 2018			
	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Financial Assets				
Investments at fair value through profit or loss	58,613	14,114	55,605	128,332
Other debtors and accrued income	-	-	274,437	274,437
Cash at bank and in hand	3,226	-	-	3,226
Total financial assets	61,839	14,114	330,042	405,995
Financial Liabilities				
Trade creditors	-	-	(488)	(488)
Other creditors and accruals	-	-	(81,192)	(81,192)
Loans payable	-	-	(420,714)	(420,714)
Total financial liabilities	-	-	(502,354)	(502,354)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

19. FINANCIAL INSTRUMENTS (Continued)

	As at 31 March 2017			
	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Financial Assets				
Investments at fair value through profit or loss	19,156	36,765	10,344	66,265
Other debtors and accrued income	-	-	196,103	196,103
Cash at bank and in hand	16,498	-	-	16,498
Total financial assets	35,654	36,765	206,447	278,866
Financial Liabilities				
Trade creditors	-	-	(447)	(447)
Other creditors and accruals	-	-	(62,062)	(62,062)
Loans payable	-	-	(343,526)	(343,526)
Total financial liabilities	-	-	(406,035)	(406,035)

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

	Other investments	
	2018	2017
	£'000	£'000
As at 1 April 2017	10,344	7,677
Gain recognised in profit or loss	25,111	428
Additions	20,149	3,060
Disposals	-	(821)
As at 31 March 2018	55,604	10,344
Total gains/(losses) for the year included for Level 3 assets still held at 31 March 2018	25,111	428

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

19. 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 Group's main credit risk is attributable to its trade and 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 11.

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 2018

19. 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 2018				Total
	On demand	Due within 3 months	Due between 4 and 12 months	Due between 1 and 5 years	
	£'000	£'000	£'000	£'000	£'000
Non-derivative Financial Liabilities					
Other creditors and accruals	61,122	20,070	-	-	81,192
Loan payable	4,252	346,462	70,000	-	420,714
Total non-derivative financial liabilities	65,374	366,532	70,000	-	501,906

	As at 31 March 2018				Total
	On demand	Due within 3 months	Due between 4 and 12 months	Due between 1 and 5 years	
	£'000	£'000	£'000	£'000	£'000
Derivative Financial Liabilities					
Trade creditors	-	488	-	-	488
Total derivative financial liabilities	-	488	-	-	488

	As at 31 March 2017				Total
	On demand	Due within 3 months	Due between 4 and 12 months	Due between 1 and 5 years	
	£'000	£'000	£'000	£'000	£'000
Non-derivative Financial Liabilities					
Other creditors and accruals	61,014	1,048	-	-	62,062
Loan payable	4,738	268,788	-	70,000	343,526
Total non-derivative financial liabilities	65,752	269,836	-	70,000	405,588

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

19. FINANCIAL INSTRUMENTS (Continued)

Liquidity risk (Continued)

	As at 31 March 2017				Total
	On demand	Due within 3 months	Due between 4 and 12 months	Due between 1 and 5 years	
	£'000	£'000	£'000	£'000	£'000
Derivative Financial Liabilities					
Trade creditors	-	447	-	-	447
Total derivative financial liabilities	-	447	-	-	447

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 £5.86 million (2017: £1.92 million); an equal change in the opposite direction would have decreased profit after tax by £5.86 million (2017: a decrease of £1.92 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(p).

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 2018, an increase of 100 basis points with all other variables held constant would decrease post-tax profit and equity by £3.41 million (2017: £2.75 million). Conversely, a decrease of 100 basis points with all other variables held constant would increase post tax profit and equity by £3.41 million (2017: £2.75 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 19% (2017: 20%).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

19. 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, Singapore Dollars, Hong Kong Dollars 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 2018				
	GBP £'000	USD £'000	EUR £'000	Other £'000	Total £'000
Financial assets					
Investments at fair value through profit or loss	69,719	56,859	1,754	-	128,332
Other debtors and accrued income	55,518	-	-	-	55,518
Loans and receivables	217,111	1,808	-	-	218,919
Cash at bank and in bank	2,694	163	368	1	3,226
Total financial assets	345,042	58,830	2,122	1	405,995
Financial liabilities					
Trade creditors*	448	-	-	-	448
Other creditors and accruals	81,192	-	-	-	81,192
Loan payable	416,462	4,252	-	-	420,714
Total financial liabilities	498,102	4,252	-	-	502,354
Net position					
Total net financial assets/(liabilities)	(153,060)	54,578	2,122	1	(96,359)

* 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	-	(7,368)	(286)	-	(7,654)
- decrease in equity	-	(7,368)	(286)	-	(7,654)

If there was a 20% weakening of sterling with all other variables held constant then there would be an:

- increase in profit after tax	-	11,052	430	-	11,482
- increase in total equity	-	11,052	430	-	11,482

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

19. 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 19% (2017: 20%).

	As at 31 March 2017				
	GBP	USD	EUR	Other	Total
	£'000	£'000	£'000	£'000	£'000
Financial assets					
Investments at fair value through profit or loss	36,599	27,844	670	1,152	66,265
Other debtors and accrued income	24,621	-	-	-	24,738
Loans & receivables	155,289	16,193	-	-	171,482
Cash at bank and in bank	3,626	12,557	154	161	16,498
Total financial assets	220,135	56,594	824	1,313	278,866
Financial liabilities					
Trade creditors*	447	-	-	-	447
Other creditors and accruals	62,062	-	-	-	62,062
Loan payable	339,343	4,094	-	89	343,526
Total financial liabilities	401,852	4,094	-	89	406,035
Net position					
Total net financial assets/(liabilities)	(181,717)	52,500	824	1,224	(127,169)

* 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	(7,000)	(110)	(163)	(7,273)
- decrease in equity	(7,000)	(110)	(163)	(7,273)

If there was a 20% weakening of sterling with all other variables held constant then there would be an:

- increase in profit after tax	10,500	165	245	10,910
- increase in total equity	10,500	165	245	10,910

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**19. 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.

20. RELATED PARTY TRANSACTIONS

The Group has made loans to related parties (directors and shareholders) in an aggregate sum of £130.9 million (2017: £72.7 million). The terms of all such loans are that they are repayable on demand and are fully accounted for so far as taxation is concerned.

Expense recharges between related parties are made on an arms-length basis. Outstanding balances with entities are unsecured, except as disclosed in note 13, 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 £54.3 million (2017: £4.7 million). Interest was charged on amounts due to Fox & Trot of £371,000 (2017: £44,000).

During the year, the Company sold 100,000 shares in Singapore Life to Mark Richards, a director of the Company during the year, at the market and nominal value of \$1 per share. Singapore Life was incorporated in Singapore in the year.

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 £5,098,688 (2017: £4,255,270).

21. 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 in IPGL (Holdings) Limited.

Copies of the group financial statements of IPGL (Holdings) Limited are available at its registered address: 3rd Floor, 39 Sloane Street, London, SW1X 9LP.

22. 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.