COMPANY REGISTRATION NUMBER: 02011009

IPGL LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

CONTENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS	M A Spencer - Chairman D Gelber D J Courtenay-Stamp S A Wren – Chief Executive Officer T Spencer J D Rhoten S J Johnson
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 is that of making of strategic investments.

REVIEW OF BUSINESS

The Company's business principally consists of two parts - its holding in CME Group Inc, and a portfolio of other operating businesses, some of which are publicly listed. The Directors report that:

CME Group Inc
At the end of the year, the company held 0.6839% of CME Group Inc. The holding is the result of the acquisition of NEX Group Plc (formally ICAP Plc) by CME Group, Inc. in November 2018. CME Group, Inc. is listed on NASDAQ (NASDAQ:CME) and CME Group Inc's results are readily available from their website (www.cmegroup.com).

Other operating businesses
IPGL Limited has minority and majority holdings in a number of operating businesses, some of which are listed on public exchanges. These investments are made and managed with the expectation of long-term business growth. The group deployed a significant amount of capital during the year, both in new investments and in follow on investments in portfolio companies. The Directors saw positive progress on the portfolio this year, with a number of early-stage companies maturing well and the more mature businesses performing solidly. COVID-19 did not have a significant impact on the portfolio which remains well positioned for long term growth.

KEY PERFORMANCE INDICATORS ("KPIs")

For internal performance reporting, the Directors use a range of standard and non-standard financial measures to monitor the progress of the group. These measures include the market value of investments, income yield, sector exposure, liquidity, IRR and, for public companies, share price performance. In addition, more qualitative measures are used based on Directors' feedback from management and board meetings. As a long-term investor, IPGL does not set specific annual targets for these performance measures.

The start of the year marked a low point in the market owing to the impact of Covid 19, as a result publicly listed investments performed particularly well during the year. Unlisted investments were more stable. IPGL maintains a diverse portfolio, a long-term investment horizon and has a solid liquidity position, as a result of which the Directors believe the portfolio remains well positioned

PRINCIPAL RISKS AND UNCERTAINTIES

The Group 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 individual Group companies but overseen by the Group's 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 trade 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 trade and other debtors.

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. Given that of many of the Company's investments are readily convertible into cash, the risk is considered low in this area.

STRATEGIC REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (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 and 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 expansion.

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 adverse consequences for the Company's business.

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 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.

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 based on market conditions and expected outlook .

Operational risk

Operational risk is the potential for financial and reputational loss arising from failures in internal controls, operational processes or the systems that support them. It includes errors, omissions, disasters and deliberate acts such as fraud. The Company has policies and procedures to mitigate operational risk.

COVID-19 Statement

Throughout the year, COVID-19 represented a key uncertainty to IPGL. The Directors believe it presented three principal risks.

Operational risk

During the majority of the year in question, IPGL staff worked primarily from home in line with UK government guidance. The shift to home working was implemented quickly and efficiently with no material impact on the business. At the end of the year, a transition back to office working had begun.

Liquidity risk

The immediate impact of the market falls associated with COVID-19 presented a potential liquidity risk. However, as outlined above, the group maintains adequate cash reserves and borrowing facilities. Despite the fall in the value of listed investments during March 2020, group liquidity headroom remained adequate, and listed investments saw a significant recovery from April/May 2020 onwards

Portfolio risk

The business environment resulting from COVID-19 presented a potential liquidity and performance risk to IPGLs' portfolio companies. At the very start of the year, a rapid exercise was undertaken to review all portfolio companies with a particular focus on examining the cashflow of private equity investments. The Directors were satisfied that all portfolio companies were in a good position to navigate the crisis effectively. The situation which was kept under review throughout the year, and no significant impacts to the portfolio have arisen.

SECTION 172(1) STATEMENT

General context & consequences of decisions in the long term
The Directors understand the importance of considering stakeholders in long-term decision making and engage with various stakeholder groups in support of the ethos of section 172 of the Companies Act (Directors' duty to promote the success of the company).

The Directors act in a way that they consider, in good faith, to be most likely to promote the success of IPGL for the benefit of its stakeholders. In making decisions, the Directors seek to maintain high standards of business conduct, consider the interest of employees, portfolio companies, partners, suppliers and our impact on local communities, and the environment. When assessing investments, the Directors typically follow a long-term investment horizon, in line with the Company's strategy.

Engaging with stakeholders
The Directors regularly engage with stakeholders to inform decision making and support the Board's understanding of how our activities impact on them. Information flows to the board of Directors both via their own engagement with stakeholders, but also via IPGL's colleagues who report to the board via the CEO.

Employees
The Directors consider our colleagues to be a key asset to the business, and regularly engage with them to ensure IPGL is a rewarding place to work. Given the size of the business this engagement is both formal (via team meetings) and informal. All employees are encouraged to submit feedback either to their managers or to the Directors.

Suppliers, customers and others
As a company with a large and diverse range of investments, the Directors consider portfolio companies as key stakeholders. The Directors and other IPGL staff are in regular contact with portfolio companies to provide support and guidance where required. At several portfolio companies IPGL Directors provide support via non-exec Board positions. IPGL provides regular opportunities for staff from portfolio companies to meet with each other formally and informally to further their business interests.

The community and the environment
The Directors are mindful that IPGL operates across a wide range of communities in the UK and to some extent, overseas. The Directors consider a focussed approach to make more of a difference; it has always been part of the ethos of the company to engage in charitable donations.

During the year the company donated £0.7m to charity. Several portfolio companies also allocate part of their profit or fees to charity.

Standards of business conduct
As a well-known public figure, the Chairman together with the other Directors always seeks to act with the highest level of integrity.

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

S A Wren
Director

Date: 14 December 2021

REPORT OF THE DIRECTORS

The Directors submit their report and financial statements for the year ended 31 March 2021.

DONATIONS

During the year the Company made political donations of £430k (2020: £1,359k). This includes £170k (2020: £1,047k) donated to the Conservative Party.

Charitable donations of £697k (2020: £12,930k) were also made during the year.

DIRECTORS

The Directors who served the Company during the year and until the signing of this report were:

M A Spencer
D Gelber
D J Courtenay-Stamp
S A Wren
T Spencer – appointed 1 January 2020
J D Rhoten – appointed 1 April 2020
S J Johnson – appointed 1 July 2021

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.

POST BALANCE SHEET EVENTS

In November 2021, the two Dutch subsidiaries INCAP Netherlands (Holdings) BV and INCAP Gaming BV transferred their various direct holdings and investments to the Company in exchange for consideration left outstanding, against which IPGL Limited subsequently issued loan notes. These loan notes, along with other existing loan balances, were then distributed in specie to the Company. The distributions in specie to the Company were for amounts equal to £284,904,501 and £67,404,366 for INCAP Netherlands (Holdings) BV and INCAP Gaming BV respectively, with the effect that the Company's payables were reduced, and reserves increased by the same amounts.

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.

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

S A Wren
Director

Date: 14 December 2021

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 MEMBER OF IPGL LIMITED

Opinion

We have audited the financial statements of IPGL Limited (the 'company') for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and the notes to the financial statements, including 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 2021 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

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF IPGL LIMITED (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic 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 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 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 6, 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.

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

We obtained a general understanding of the company's legal and regulatory framework through enquiry of management in respect of their understanding of the relevant laws and regulations. We also drew on our understanding of the company's industry and regulation.

We understand that the company complies with the requirements of the framework through:

- Outsourcing tax compliance to external experts; and
- Employing legal experts who assist the directors to help ensure that any litigation or claims would be promptly identified.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the company's ability to conduct its business and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the company:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF IPGL LIMITED (CONTINUED)

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were the risk of manipulation of the financial statements through incorrect revenue recognition, reporting of invalid expenses and inappropriate use of manual journals. These areas were communicated to the other members of the engagement team who were not present at the discussion.

The procedures we carried out to gain evidence in the above areas included:

- Testing a sample of revenue transactions to ensure appropriate revenue recognition had been applied;
- Testing of a sample of expense transactions to underlying documentation; and
- Testing of a sample of manual journal entries, selected through applying specific risk assessments based on the company's processes and controls surrounding manual journal entries.

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

Use of our report

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

Nexia Smith & Williamson

Nigel Hardy
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

Portwall Place
Portwall Lane
Bristol
BS1 6NA

Date: 15 December 2021

BALANCE SHEET AS AT 31 MARCH 2021

	Notes	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Fixed assets					
Tangible assets	9	78		88	
Investment in parent company	10	2,360		2,360	
Investments in subsidiaries and associates	11	303,402		380,092	
			305,840		382,540
Current assets					
Debtors	12	327,233		327,710	
Investments held at fair value through profit or loss	13	829,521		575,588	
Cash at bank		47,253		11,319	
		1,204,007		914,617	
Creditors – amounts falling due within one year	14	(256,915)		(1,167,848)	
Net current assets / (liabilities)			947,092		(253,231)
Total assets less current liabilities			1,252,932		129,309
Creditors – amounts falling due after one year	15		(221,784)		(109,774)
Net assets			1,031,148		19,535
Capital and reserves					
Called up share capital	16		351		351
Share premium account	17		58		58
Capital redemption reserve	17		182		182
Profit and loss account	17		1,030,557		18,944
Shareholders' funds			1,031,148		19,535

The financial statements were approved by the Board of Directors on 14 December 2021

Signed on behalf of the Board of Directors

S A Wren
Director

Company Registration Number: 02011009
The notes on pages 12 to 27 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 31 March 2019	351	58	182	107,187	107,778
Loss for the year	–	–	–	(88,243)	(88,243)
Total comprehensive loss for the year	–	–	–	(88,243)	(88,243)
Balance at 1 April 2020	351	58	182	18,944	19,535
Profit for the year	–	–	–	1,011,612	1,011,612
Total comprehensive income for the year	–	–	–	1,011,612	1,011,612
Balance at 31 March 2021	351	58	182	1,030,557	1,031,148

The notes on pages 12 to 27 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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".

Going concern

Whilst COVID-19 might have adversely impacted the value of some of the Company's investments in the short term, the directors are satisfied that the level of liquid investments, cash balances and available debt facilities means that the Company retains the ability to meet all of its liabilities as they fall due in the next 12 months. For this reason, they continue to prepare the financial statements on the going concern basis.

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 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29; and
- 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 2021 and these financial statements may be obtained from its registered address: 3rd Floor, 39 Sloane Street, Knightsbridge, London, SW1X 9LP.

The Company is a parent company and also a subsidiary included in the consolidated financial statements of IPGL (Holdings) Limited, a company established in an EEA state. It is therefore exempt of the requirement to prepare consolidated accounts under section 400 of the Companies Act 2006.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES (continued)

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.

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 office furniture 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:

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES (continued)

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 held at historical cost.

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

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES (continued)

p) **Financial instruments (continued)**
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, over`s 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 2021

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:

	2021 £'000	**2020 £'000**
Recharges to related companies	508	187
Other income	68	84
	576	271

3. DIRECTORS AND EMPLOYEES

	2021 £'000	**2020 £'000**
Directors:		
Aggregate emoluments	6,215	5,306
Pension contributions	-	14
	6,215	5,320
Highest paid Director:		
Aggregate emoluments	4,534	3,936
	4,534	3,936

No directors have benefits accruing under defined contribution pension schemes (2020: none).

Employees	**Number of Employees**	
	2021	**2020**
The average number of persons employed by the Company (including Directors) was:		
Management, operations and administration	26	17

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

3. DIRECTORS AND EMPLOYEES (continued)

Staff costs	2021 £'000	2020 £'000
Wages and salaries	4,390	4,019
Social security costs	824	969
Pension costs	55	54
Other costs	204	90
	5,473	5,132

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)

	2021 £'000	2020 £'000
Operating profit/(loss) is stated after charging/(crediting):		
Depreciation	28	17
Fees payable to the Company's auditor for the audit of the Company's annual accounts	55	40
Fees payable to the Company's auditor for non-audit services provided	5	12
Amounts paid under operating leases	384	354
Impairment of inter-company balances	(875)	20,315
Impairment of group investments	1,298	7,622

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021 £'000	2020 £'000
Bank interest	64	195
Interest receivable on loans and intercompany	4,452	4,245
Dividends from investments and group companies	955,611	12,089
Other income	1,124	82
	961,251	16,611

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 £'000	2020 £'000
Bank interest	3,317	1,413
Interest payable on intercompany loans	8,984	10,058
	12,301	11,471

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

7. EXCEPTIONAL ITEM

	2021 £'000	2020 £'000
Settlement of historic legal case	-	5,606

8. TAXATION

Analysis of tax charge

	2021 £'000	2020 £'000
Current tax		
In respect of the current year	-	1,574
Foreign tax suffered	1,813	-
Adjustment in respect of prior years	46	52,086
	1,859	53,660
Deferred tax		
Origination and reversal of timing differences	(74)	-
Adjustment in respect of prior years	281	-
	207	-
Total tax charge for the year	**2,066**	**53,660**

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/(loss) before tax is as follows:

	2021 £'000	2020 £'000
Profit/(loss) before tax	1,013,678	(34,583)
Tax on profit/(loss) before tax at standard rate of 19% (2020: 19%)	192,599	(6,571)
Effects of:		
Amounts relating to other comprehensive income	36	-
Expenses not allowable for taxation	12,676	8,356
Income not taxable	(220,108)	(1,205)
Chargeable gains/(losses)	476	(138)
Adjustments to brought forward values	1,012	-
Deferred tax not recognised	13,235	622
Adjustments in respect of prior periods	327	52,086
Provision against investments	-	510
Foreign taxation	1,813	-
	2,066	53,660

The adjustment in respect of prior periods disclosed above represents the reversal of group relief sold to another group company in the year ended 31 March 2017.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Deferred tax assets not recognised of £35.8 million (2020: £22.6 million) arising from timing differences relating to capital allowances, losses and other timing differences will only be recovered if there is sufficient future taxable net income.

The company has trade and other losses of £188.6 (2020: £119.1 million) to carry forward for offset against future trade profits.

Factors that may affect future tax charges
Finance Bill 2021 includes legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023. A small-profits rate will also apply from that date reducing tax for profits up to £250,000 to a minimum of 19%. These changes are not included above as Finance Bill 2021 was not substantively enacted by the year end.

9. TANGIBLE FIXED ASSETS

	Office furniture & equipment £'000	Total £'000
Cost		
At 1 April 2020	354	354
Additions	18	18
At 31 March 2021	372	372
Depreciation		
At 1 April 2020	266	266
Charge for the year	28	28
At 31 March 2021	294	294
Net book value		
At 31 March 2021	78	78
At 31 March 2020	88	88

10. INVESTMENT IN PARENT COMPANY

	Total £'000
Cost and net book value	
At 1 April 2020	2,360
At 31 March 2021	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 2021

11. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

	Shares in associates	Shares and long-term loans in subsidiaries	Total
	£'000	£'000	£'000
Cost or valuation			
At 1 April 2020	187,913	212,712	400,625
Additions	9,810	5,402	15,212
Transfers from current asset investments	(105,909)	-	(105,909)
Disposals	(6)	-	(6)
Fair value movement	20,076	-	20,076
Foreign exchange movement	(4,765)	-	(4,765)
At 31 March 2021	107,119	218,114	325,233
Provisions			
At 1 April 2020	12,151	8,382	20,533
Impairment charge for the year	-	1,298	1,298
Disposals	-	-	-
At 31 March 2021	12,151	9,680	21,831
Carrying value			
At 31 March 2021	94,968	208,434	303,402
At 31 March 2020	175,762	204,330	380,092

SUBSIDIARY UNDERTAKINGS

The names of the direct (marked with a *) and indirect 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*	Semi-dormant	100%
IPGL No.4 Ltd	Holding company	100%
IPGL No.5 Ltd*	Investment company	100%
IPGL No.6 Ltd*	Dormant company	100%
IPGL No.7 Ltd*	Helicopter charter	100%
IPGL No.8 Ltd*	Semi-dormant company	100%
IPGL No.10 Ltd*	Dormant company	100%
IPGL No.11 Ltd*	Holding company	100%
IPGL No.12 LLP*	Investment partnership	66.66%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

11. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES (continued)

Company and Country of Operation	Activity	Holding
England and Wales		
Apat Financial Ltd*	Dormant	100%
DDCAP Limited	Islamic and Middle Eastern wholesale intermediary	65.33%
DDGI Limited	Intermediation and strategic investment	65.33%
DD&Co Limited	Physical merchant trade	65.33%
Ropemakerone Limited*	Semi-dormant company	100.%
Exotix Holdings Limited	Holding company	94.16%
Exotix Investment Partners LLP	Semi-dormant	46.49%
Epworth Trading Limited	Holding company	100.0%
Faro Capital Limited	Investment company	100%
Faro Investments I Limited	Investment company	100%
Faro Investments IX Limited	Dormant	100%
Astbury Hall Limited	Investment company	100%
Faro Property Holdings Limited	Intermediate holding company	100%
Faro Properties I Limited	Investment company	100%
Faro Properties II Limited	Investment company	100%
Faro Properties III Limited	Investment company	100%
Faro Properties IV Limited	Investment company	100%
Faro Properties VI Limited	Investment company	100%
Faro Properties VII Limited	Investment company	100%
Faro Properties VIII Limited	Investment company	100%
Shuropody Retail Limited	Shoe retailer	80%
Astbury Hall Operations Limited	Hospitality services	100%
Fresh Pastures Limited	Dairy logistics	100%
Fresh Pastures Services Limited	Services provider	100%
Fresh Pastures Holdings Ltd	Holding company	100%
FCFM Group Limited	Dormant company	100%
Consumer Choices Limited	Marketing company	66.7%
Origin Broadband Group Limited	Holding company	100%
Origin Broadband Infrastructure Limited	Provision of infrastructure	100%
Origin Broadband Services Limited	Services provider	100%
Origin Broadband Limited	Telecommunications provider	94.0%
Square Up Group Ltd	Publishing	59.5%
Square Up Media Ltd	Publishing	59.5%
RMG Realisation Holdings Limited	Holding company	100%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

11. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES (continued)

Company and Country of Operation England and Wales	Activity	Holding
RMG Realisations Limited	Manufacturer	100%
RMG PPM Realisations Limited	Asset provision	100%
FCFM Investments Limited	Dormant company	100%
Architectural Glass and Aluminium Limited	Manufacturer	49.9%
Tellimer Limited	Investment analysis	94.92%
Tellimer Technology Limited	Dormant company	94.92%
Tellimer Kenya Limited	Employment services	94.92%
Tellimer Group Limited*	Holding company	94.92%
Builtform (CH) Limited	Property development	50%
Netherlands		
Incap Netherlands (Holdings) BV	Holding company	100%
Incap Gaming BV	Holding company	100%
Intercapital Group Hong Kong Limited*	Dormant company	100%
Intercapital Emerging Markets (Asia) Limited	Dormant company	100%
Intercapital Brokers (Asia) Limited	Dormant company	100%
Bermuda		
IPGL Aviation Services Limited*	Dormant company	100%
Kenya		
Sirai Aviation Limited*	Aircraft chartering	100.0%
UAE		
Tellimer (Dubai) Limited	Investment analysis	94.92%
Tellimer International Limited	Investment analysis	94.92%

12. DEBTORS

	2021 £'000	2020 £'000
Other debtors	10,828	3,598
Amounts due in more than one year	**10,828**	**3,598**
Amounts due from Group undertakings	101,516	90,763
Other debtors	167,910	190,378
Corporation tax repayable	46,342	41,812
Prepayments and accrued income	637	1,159
Amounts due in less than one year	**316,405**	**324,112**
Total debtors	**327,233**	**327,710**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

13. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

	2021 £'000	2020 £'000
Fair value		
At 1 April 2020	575,588	98,294
Additions	89,099	519,197
Disposals	(61,523)	(18,915)
Transfer from fixed asset investments	105,909	-
Foreign exchange loss	(53,848)	(2,045)
Market value movements	174,296	(20,942)
At 31 March 2021	829,521	575,588

At 31 March 2021 Company listed investments are valued at £460 million (2020: £429.5 million) with original cost £476 million (2020: £453.5 million).

14. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £'000	2020 £'000
Trade creditors	129	81
Other creditors	12,419	22,237
Loans due to Group undertakings	4,428	1,018,555
Bank borrowings	20,869	50,119
Amounts owed to Group undertakings	209,268	75,834
Corporation and deferred tax	8,265	167
Other tax and social security	196	144
Accruals and deferred income	1,341	711
	256,915	1,167,848

Loans due to Group undertakings
As at 31 March 2021, short and long term intercompany loans of £83.7 million (2020: £1,013.7 million) were due by the Company to Incap Netherlands (Holdings) BV. These were repayable at various dates as agreed by the parties and interest is payable at rates linked to LIBOR. The total liability has been included within amounts due in less than one year.

As at 31 March 2021, a short-term intercompany loan of £4.4 million (2020: £4.9 million) was due by the Company to IPGL No.1 Ltd. This is repayable within 14 days of a demand in writing made by the lender and interest is payable at rates linked to LIBOR. The total liability has been included within amounts due in less than one year.

The bank borrowings reflect facilities held with Barclays and are classified as short term as the underlying agreements allow for repayment and replacement. These facilities are secured on an element of the group's investment portfolio and other assets. Interest is payable at margins above the central bank base rate.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

15. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £'000	2020 £'000
Bank borrowings	221,784	109,774
	221,784	109,774

Bank borrowing reflects amounts utilised of a £250 million three-year facility with Credit Suisse, expiring 25 June 2023. It is secured on certain of the group's investments and interest is payable at margins over LIBOR.

16. CALLED UP SHARE CAPITAL

	2021 £'000	2020 £'000
Authorised		
1,000,000 ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
351,103 (2020: 351,103) ordinary shares of £1 each	351	351

17. 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.

18. FINANCIAL COMMITMENTS

At 31 March 2021 the Company had annual commitments under non-cancellable operating leases as set out below.

Other commitments under operating lease:	2021 £'000	2020 £'000
Expiring within 1 year	384	405
Expiring within 2 - 5 years	1,528	1,531
Expiring in more than 5 years	-	381
	1,912	2,318

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

19. 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 2021 the net assets of the Trust amounted to £2.5m (2020: £2.6 million). These assets include 9,711 (2020: 9,711) shares in the parent company carried at cost.

At the year end the EBT held 3.25% (2020: 3.25%) of the parent Company's ordinary issued share capital.

20. RELATED PARTY TRANSACTIONS

The Group has made loans to related parties £143.3m (directors and shareholders) in an aggregate sum of (2020: £116.9 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.

During the year, the Company paid donations to parties related to directors of £0.6m (2020: £12.5m)

During the year, the group incurred fees of £456,000 (2020: £477,000) in which a director of the company is a partner.

Included in other debtors is an amount of £864k (2020: £260k) in relation to a loan made to a company in which a director has a significant shareholding. Interest on this balance of £65k (2020: £60k) was payable in the year.

Expense recharges between related parties are made on an arms-length basis. Outstanding balances with entities are unsecured, except as disclosed in note 14, 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.

The company has taken advantage of the exemption in FRS 102 in not disclosing transactions with wholly owned group companies.

21. ULTIMATE CONTROLLING PARTY

The immediate and 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: 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 value of these unlisted investments at 31 March 2021 was £461 million (2020: £320 million). Their valuation requires judgement, and the application of various valuation techniques are considered by management, depending on the nature of the investment held, including:-

- net asset value;
- value of recent investments and funding rounds;
- discounted future cash flows; and
- historical cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

22. KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS (continued)

When determining their fair values, appropriate judgements and estimates need to be made by management in applying an appropriate valuation technique and determining the most appropriate inputs into any valuation model selected.

Valuation of group investments and inter-company balances
The company holds investment in other group companies and has debtor balances for amounts due from these companies. The directors need to make an assessment as the carrying value of these balances, in light of the financial position of these companies and their expected future trading performance. There were total impairments recognised in respect of such balances in the year of £1,298k (2020: £17,937k).

23. POST BALANCE SHEET EVENTS

In November 2021, the two Dutch subsidiaries INCAP Netherlands (Holdings) BV and INCAP Gaming BV transferred their various direct holdings and investments to the Company in exchange for consideration left outstanding, against which IPGL Limited subsequently issued loan notes. These loan notes, along with other existing loan balances, were then distributed in specie to the Company. The distributions in specie to the Company were for amounts equal to £284,904,501 and £67,404,366 for INCAP Netherlands (Holdings) BV and INCAP Gaming BV respectively, with the effect that the Company's payables were reduced, and reserves increased by the same amounts.