

Registered number: 03607059

INTERCAPITAL BROKERAGE SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013



INTERCAPITAL BROKERAGE SERVICES LIMITED

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INTERCAPITAL BROKERAGE SERVICES LIMITED

COMPANY INFORMATION

DIRECTORS

M A Spencer
D M Gelber
M T Wreford
C G Clothier

COMPANY SECRETARY

B R Ally

REGISTERED NUMBER

03607059

REGISTERED OFFICE

Park House
16 Finsbury Circus
London
England
EC2M 7EB

INDEPENDENT AUDITORS

Nexia Smith & Williamson
Chartered Accountants & Statutory Auditors
Portwall Place
Portwall Lane
Bristol
BS1 6NA

SOLICITORS

Macfarlanes LLP
20 Cursitor Street
London
EC4A 1LT

INTERCAPITAL BROKERAGE SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2013

The directors present their report and the financial statements for the year ended 31 March 2013

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The principal activity of the company during the year was that of an intermediate holding company

The company has made no new investments during the year

RESULTS

The profit for the year, after taxation, amounted to £41,621,443 (2012 - £22,402,093)

DIRECTORS

The directors who served during the year were

M A Spencer
D M Gelber
M T Wreford
C G Clothier

DIRECTORS' RESPONSIBILITIES STATEMENT

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). 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 judgments and accounting estimates that are reasonable and prudent,
- 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.

INTERCAPITAL BROKERAGE SERVICES LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2013**

PROVISION OF INFORMATION 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

AUDITORS

Under section 487(2) of the Companies Act 2006, Nexia Smith & Williamson will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier

This report was approved by the directors and signed on their behalf



C G Clothier
Director

Date 18th July 2013

INTERCAPITAL BROKERAGE SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTERCAPITAL BROKERAGE SERVICES LIMITED

We have audited the financial statements of Intercapital Brokerage Services Limited for the year ended 31 March 2013, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2013 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

INTERCAPITAL BROKERAGE SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTERCAPITAL BROKERAGE SERVICES LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Carl Deane (Senior statutory auditor)

for and on behalf of

Nexia Smith & Williamson

Chartered Accountants & Statutory Auditors

Portwall Place
Portwall Lane
Bristol
BS1 6NA

31 July 2013

INTERCAPITAL BROKERAGE SERVICES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	2013 £	2012 £
Dividends receivable		41,653,800	22,700,207
Interest payable and similar charges	3	(1,529)	(402,856)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		41,652,271	22,297,351
Tax on profit on ordinary activities	4	(30,828)	104,742
PROFIT FOR THE FINANCIAL YEAR	10	41,621,443	22,402,093

All amounts relate to continuing operations

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and Loss Account

The notes on pages 8 to 12 form part of these financial statements

INTERCAPITAL BROKERAGE SERVICES LIMITED
REGISTERED NUMBER 03607059

BALANCE SHEET
AS AT 31 MARCH 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Investments	5		88,577,324		88,577,324
CURRENT ASSETS					
Debtors	6	6,997,723		7,078,207	
CREDITORS amounts falling due within one year	7	(37,583,942)		(37,660,571)	
NET CURRENT LIABILITIES			(30,586,219)		(30,582,364)
NET ASSETS			<u>57,991,105</u>		<u>57,994,960</u>
CAPITAL AND RESERVES					
Called up share capital	9		57,950,432		57,950,432
Profit and loss account	10		<u>40,673</u>		<u>44,528</u>
SHAREHOLDERS' FUNDS	11		<u>57,991,105</u>		<u>57,994,960</u>

The financial statements were approved and authorised for issue by the directors and were signed on their behalf by



C G Clothier
Director

Date 1st July 2013

The notes on pages 8 to 12 form part of these financial statements

INTERCAPITAL BROKERAGE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

1.2 Group financial statements

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group financial statements as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary of IPGL Limited and is included in the consolidated financial statements of that company

1.3 Cash flow statement

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary of a company incorporated within the EEA

1.4 Investments

Investments in subsidiary undertakings are classified as such and included at cost within asset investments, less provisions for impairment

1.5 Current taxation

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted by the balance sheet date

1.6 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rates of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit

1.7 Dividends

Dividends are recognised as a liability and deducted from equity at the balance sheet date only if they are declared and approved by the shareholders before or on the balance sheet date. Dividends are disclosed when they are proposed before the balance sheet date or proposed or declared after the balance sheet date but before the Financial Statements are authorised for issue

Dividend income is recognised on an accruals basis, when the right to receive has been established

2. OPERATING PROFIT

During the year, no director received any emoluments (2012 - £NIL)

The auditors are remunerated by the parent company, IPGL Limited

INTERCAPITAL BROKERAGE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

3. INTEREST PAYABLE

	2013 £	2012 £
Interest on group loan	1,529	402,856
	<u>1,529</u>	<u>402,856</u>

4. TAXATION

	2013 £	2012 £
Analysis of tax charge/(credit) in the year		
UK corporation tax charge/(credit) on profit for the year	(367)	(104,742)
Adjustments in respect of prior periods	31,195	-
	<u>30,828</u>	<u>(104,742)</u>
Tax on profit on ordinary activities	<u>30,828</u>	<u>(104,742)</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 - lower than) the standard rate of corporation tax in the UK of 24% (2012 - 26%) The differences are explained below

	2013 £	2012 £
Profit on ordinary activities before tax	41,652,271	22,297,351
	<u>41,652,271</u>	<u>22,297,351</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2012 - 26%)	9,996,545	5,797,311
Effects of:		
Non taxable income	(9,996,912)	(5,902,053)
Adjustments to tax charge in respect of prior periods	31,195	-
	<u>30,828</u>	<u>(104,742)</u>
Current tax charge/(credit) for the year (see note above)	<u>30,828</u>	<u>(104,742)</u>

INTERCAPITAL BROKERAGE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

5. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
Cost	
At 1 April 2012 and 31 March 2013	88,577,324
Net book value	
At 31 March 2013	88,577,324
At 31 March 2012	88,577,324

The company's investment represents 65.7% of the ordinary share capital of Incap Netherlands (Holdings) B V, a holding company incorporated in the Netherlands

At 31 March 2013 the aggregate reserves of the subsidiary were £272,270,437 (2012 £271,469,621) and the profit for the year then ended was £64,200,816 (2012 £36,003,971)

6. DEBTORS

	2013 £	2012 £
Amounts owed by group undertakings	6,997,356	6,973,465
Corporation tax repayable	367	104,742
	<u>6,997,723</u>	<u>7,078,207</u>

**7. CREDITORS:
Amounts falling due within one year**

	2013 £	2012 £
Amounts owed to group undertakings	<u>37,583,942</u>	<u>37,660,571</u>

8. RELATED PARTY TRANSACTIONS

The remaining share capital of Incap Netherlands (Holdings) B V is owned by IPGL Limited, the immediate and ultimate parent company

The company has taken advantage of the exemption under Financial Reporting Standard 8 from disclosing transactions and balances with companies that are wholly-owned by the group

INTERCAPITAL BROKERAGE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

9. SHARE CAPITAL

	2013 £	2012 £
Allotted, called up and fully paid		
231,801,723 (2012 231,801,723) Ordinary A shares of £0 25 each	57,950,431	57,950,431
4 Ordinary B shares of £0 25 each	1	1
	<u>57,950,432</u>	<u>57,950,432</u>

10. RESERVES

	Profit and loss account £
At 1 April 2012	44,528
Profit for the year	41,621,443
Equity dividends paid	(41,625,298)
At 31 March 2013	<u>40,673</u>

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2013 £	2012 £
Opening shareholders' funds	57,994,960	57,992,747
Profit for the financial year	41,621,443	22,402,093
Dividends (note 12)	(41,625,298)	(22,399,880)
Closing shareholders' funds	<u>57,991,105</u>	<u>57,994,960</u>

12. DIVIDENDS

	2013 £	2012 £
Equity dividends paid	<u>41,625,298</u>	<u>22,399,880</u>

INTERCAPITAL BROKERAGE SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013**

13. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate and ultimate parent company is IPGL Limited, a company registered in England and Wales. Copies of the group financial statements of IPGL Limited are available from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The ultimate controlling party is M A Spencer by virtue of this majority shareholding and those closely related to him in the ultimate controlling company, IPGL Limited.