

Registered number: 03607059

# **INTERCAPITAL BROKERAGE SERVICES LIMITED**

## **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**

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**INTERCAPITAL BROKERAGE SERVICES LIMITED**

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**INTERCAPITAL BROKERAGE SERVICES LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	M A Spencer D M Gelber M W L Richards
<b>Company secretary</b>	B R Ally
<b>Registered number</b>	03607059
<b>Registered office</b>	Citypoint Level 28 One Ropemaker Street London England EC2Y 9AW
<b>Independent auditors</b>	Nexia Smith & Williamson Chartered Accountants & Statutory Auditors Portwall Place Portwall Lane Bristol BS1 6NA
<b>Solicitors</b>	Macfarlanes LLP 20 Cursitor Street London EC4A 1LT

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## INTERCAPITAL BROKERAGE SERVICES LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017

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The directors present their report and the financial statements for the year ended 31 March 2017.

#### Directors

The directors who served during the year were:

M A Spencer  
T M Kilmister-Blue (resigned 4 July 2016)  
D M Gelber  
M W L Richards (appointed 4 July 2016)

#### Future developments

The directors intend to continue to support the company as an intermediate holding company.

#### 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements 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 to 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.

#### Post balance sheet events

There have been no significant events affecting the Company since the year end.

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**INTERCAPITAL BROKERAGE SERVICES LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2017**

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**Disclosure 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 the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the 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.

**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 accounts with the registrar, whichever is earlier.

**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on

12/12/2017

and signed on its behalf.



**M W L Richards**  
Director

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## **INTERCAPITAL BROKERAGE SERVICES LIMITED**

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

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We have audited the financial statements of Intercapital Brokerage Services Limited for the year ended 31 March 2017, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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 on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's 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](http://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 2017 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, based on the work undertaken in the course of the audit, the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements and this report has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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**INTERCAPITAL BROKERAGE SERVICES LIMITED**

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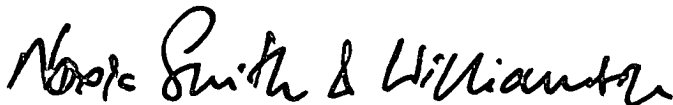
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTERCAPITAL BROKERAGE SERVICES LIMITED (CONTINUED)**

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**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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Directors' report and take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



Carl Deane (Senior statutory auditor)

for and on behalf of

**Nexia Smith & Williamson**

Chartered Accountants & Statutory Auditors

Portwall Place

Portwall Lane

Bristol

BS1 6NA

Date:

15/12/12

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INTERCAPITAL BROKERAGE SERVICES LIMITED

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STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2017

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	Note	2017 £	2016 £
Interest receivable and similar income	4	61,807	991
<b>Profit before tax</b>		<u>61,807</u>	<u>991</u>
Tax on profit	5	(100,361,180)	-
<b>(Loss)/profit for the year</b>		<u>(100,299,373)</u>	<u>991</u>
 <b>Total comprehensive income for the year</b>		<u>(100,299,373)</u>	<u>991</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2017 and 2016 other than those included in the Statement of Comprehensive Income.

The notes on pages 9 to 14 form part of these financial statements.



**INTERCAPITAL BROKERAGE SERVICES LIMITED**  
**REGISTERED NUMBER:03607059**

**BALANCE SHEET**  
**AS AT 31 MARCH 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Investments	6	-	50,993,382
<b>Current assets</b>			
Debtors	7	6,999,652	
<b>Current liabilities</b>			
Creditors	8	(42,306,339)	-
<b>Total assets less current liabilities</b>		(42,306,339)	57,993,034
<b>Net (liabilities)/assets</b>		(42,306,339)	57,993,034
<b>Capital and reserves</b>			
Called up share capital	9	57,950,432	57,950,432
Profit and loss account	10	(100,256,771)	42,602
		(42,306,339)	57,993,034

The financial state were approved and authorised for issue by the board and were signed on its behalf on

12/12/2017



**M W L Richards**  
Director

The notes on pages 9 to 14 form part of these financial statements.

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**INTERCAPITAL BROKERAGE SERVICES LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2017**

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	Called up share capital £	Profit and loss account £	Total equity £
<b>At 1 April 2015</b>	57,950,432	41,611	57,992,043
Profit for the year	-	991	991
<b>At 1 April 2016</b>	57,950,432	42,602	57,993,034
Loss for the year	-	(100,299,373)	(100,299,373)
<b>At 31 March 2017</b>	57,950,432	(100,256,771)	(42,306,339)

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## INTERCAPITAL BROKERAGE SERVICES LIMITED

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

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#### 1. Accounting policies

##### 1.1 Basis of preparation of financial statements

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

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

##### 1.2 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;
- 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 2017 and these financial statements may be obtained from its registered address, Citypoint Level 28, One Ropemaker Street, London, EC2Y 9AW.

##### 1.3 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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 stated at historic cost less impairment.

##### 1.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 1.5 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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## INTERCAPITAL BROKERAGE SERVICES LIMITED

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

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#### 1. Accounting policies (continued)

##### 1.5 Financial instruments (continued)

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### 1.6 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.

##### 1.7 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

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INTERCAPITAL BROKERAGE SERVICES LIMITED

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

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**2. Judgements in applying accounting policies and key sources of estimation uncertainty**

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.

The directors do not consider there is significant estimates or judgements made during the preparation of the financial statements.

**3. Operating profit**

The directors and auditors are remunerated through the immediate parent company, IPGL Limited.

No staff were directly employed by the company during the year.

**4. Interest receivable**

	2017 £	2016 £
Other interest receivable	61,807	991

**5. Taxation**

	2017 £	2016 £
<b>Corporation tax</b>		
Current tax on profits for the year	100,361,180	-
<b>Total current tax</b>	100,361,180	-
<b>Deferred tax</b>		
<b>Total deferred tax</b>	-	-
<b>Taxation on profit on ordinary activities</b>	100,361,180	-

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**INTERCAPITAL BROKERAGE SERVICES LIMITED**

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

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**5. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	61,807	991
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	12,361	198
<b>Effects of:</b>		
Utilisation of tax losses	-	(198)
Adjustments to tax charge in respect of prior periods	(12,361)	-
Tax rate adjustment on surrender of losses not in deferred tax	100,361,180	-
<b>Total tax charge for the year</b>	<b>100,361,180</b>	<b>-</b>

**6. Fixed asset investments**

	Investments in subsidiary companies £
At 1 April 2016	50,993,382
Disposals	(50,993,382)
At 31 March 2017	-
At 31 March 2016	50,993,382

On 16th January 2017, the company sold its entire shareholding in INCAP Netherlands (Holdings) B.V. to IPGL Limited for consideration equal to its carrying value.

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INTERCAPITAL BROKERAGE SERVICES LIMITED

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

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7. Debtors

	2017 £	2016 £
Amounts owed by group undertakings	-	6,999,652

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Amounts owed to group undertakings	42,306,339	-

9. Share capital

	2017 £	2016 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
231,801,723 Ordinary A shares of £0.25 each	57,950,431	57,950,431
4 Ordinary shares of £0.25 each	1	1
1 Ordinary B share of £0.25	-	-
	<u>57,950,432</u>	<u>57,950,432</u>

Ordinary shareholder's have the right to convert all, but not less than all of their ordinary shares into the same number of A shares.

A and B shares rank pari passu in all respects, as if they were a single class of shares.

10. Reserves

**Profit & loss account**

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

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**INTERCAPITAL BROKERAGE SERVICES LIMITED**

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

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**11. Ultimate parent undertaking and controlling party**

The immediate parent company is IPGL Limited and the ultimate parent company is IPGL (Holdings) Limited; both companies are registered in England and Wales. Copies of the group financial statements of IPGL (Holdings) 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 his majority shareholding and those closely related to him in the ultimate controlling company, IPGL (Holdings) Limited.