

Registered number: 03607059

## IPGL NO.2 LIMITED

### DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021



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**IPGL NO.2 LIMITED**

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**IPGL NO.2 LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	M A Spencer D M Gelber D J Courtenay-Stamp S A Wren
<b>Company secretary</b>	B R Ally
<b>Registered number</b>	03607059
<b>Registered office</b>	3rd Floor 39 Sloane Street Knightsbridge London England SW1X 9LP
<b>Independent auditor</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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IPGL NO.2 LIMITED

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2021**

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The directors present their report and the financial statements for the year ended 31 March 2021.

The company has continued to act as an intermediate holding company during the year.

**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.

**Directors**

The directors who served during the year were:

M A Spencer  
D M Gelber  
D J Courtenay-Stamp  
S A Wren

**Future developments**

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

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IPGL NO.2 LIMITED

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

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**Disclosure of information to auditor**

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 auditor is 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 auditor is aware of that information.

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

**Post balance sheet events**

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

**Auditor**

The auditor, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.


**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

3/12/21

and signed on its behalf.



**S A Wren  
Director**

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## IPGL NO.2 LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IPGL NO.2 LIMITED

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#### Opinion

We have audited the financial statements of IPGL No.2 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.

#### Emphasis of matter - going concern

We draw attention to note 1.3 which details that the company has net assets of £59,327,682 at 31 March 2021, but is reliant on the ongoing support of its immediate parent company, IPGL Limited. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IPGL NO.2 LIMITED (CONTINUED)

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**Other information**

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

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 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; 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 from the requirement to prepare a strategic report.

**Responsibilities of directors**

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IPGL NO.2 LIMITED (CONTINUED)

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**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.

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.

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 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 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 for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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.



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IPGL NO.2 LIMITED

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IPGL NO.2 LIMITED (CONTINUED)

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*Nexia Smith & Williamson*

Nigel Hardy (Senior statutory auditor)

for and on behalf of

**Nexia Smith & Williamson**

Chartered Accountants & Statutory Auditors

Portwall Place

Portwall Lane

Bristol

BS1 6NA

Date: *13 December 2021*

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IPGL NO.2 LIMITED

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STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2021

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	Note	2021 £	2020 £
Administrative expenses		(7,730)	-
<b>Operating (loss)/profit</b>		<u>(7,730)</u>	<u>-</u>
Interest receivable and similar income	4	208,184	518,680
<b>Profit before tax</b>		<u>200,454</u>	<u>518,680</u>
Tax on profit	5	(38,086)	100,262,631
<b>Profit for the financial year</b>		<u>162,368</u>	<u>100,781,311</u>
<b>Total comprehensive income for the year</b>		<u>162,368</u>	<u>100,781,311</u>

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

The notes on pages 11 to 16 form part of these financial statements.

IPGL NO.2 LIMITED  
REGISTERED NUMBER: 03607059

BALANCE SHEET  
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
<b>Current assets</b>			
Debtors - Amounts falling due within one year	6	59,369,632	59,408,629
<b>Current liabilities</b>			
Creditors - Amount falling due within one year	7	(41,950)	(243,315)
<b>Net assets</b>		<u>59,327,682</u>	<u>59,165,314</u>
<b>Capital and reserves</b>			
Called up share capital	8	57,950,432	57,950,432
Profit and loss account	9	1,377,250	1,214,882
		<u>59,327,682</u>	<u>59,165,314</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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



3 December 2021

**S A Wren**  
Director

The notes on pages 11 to 16 form part of these financial statements.

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IPGL NO.2 LIMITED

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

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	Called up share capital	Profit and loss account	Total equity
	£	£	£
<b>At 1 April 2019</b>	57,950,432	(99,566,429)	(41,615,997)
Profit for the year	-	100,781,311	100,781,311
<b>At 1 April 2020</b>	57,950,432	1,214,882	59,165,314
Profit for the year	-	162,368	162,368
<b>At 31 March 2021</b>	57,950,432	1,377,250	59,327,682

The notes on pages 11 to 16 form part of these financial statements.

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## IPGL NO.2 LIMITED

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

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#### 1. Accounting policies

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

IPGL No.2 Limited is a private company, limited by shares, 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 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 2021 and these financial statements may be obtained from its registered address, 3rd Floor, 39 Sloane Street, Knightsbridge, London, SW1X 9LP.

##### 1.3 Going concern

The company has net assets of £59,327,682, but continues to be reliant on the support of its immediate parent company, IPGL Limited, to allow it to meet its liabilities as they fall due for the next 12 months. Such support will include not seeking repayment of intercompany borrowings which are technically repayable on demand, and providing additional funding to allow the company to meet its liabilities as they fall due.

As IPGL Limited, has provided written confirmation of ongoing financial support to the directors, and there has also been written confirmation of support from IPGL (Holdings) Limited to IPGL Limited, the directors are satisfied that there are appropriate grounds for preparing the accounts on the going concern basis.

##### 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.

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

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**1. Accounting policies (continued)**

**1.5 Financial instruments**

The Company only enters into basic financial instrument 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 ordinary shares.

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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 profit or loss except that a charge 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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IPGL NO.2 LIMITED

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

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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 were significant estimates or judgements made during the preparation of the financial statements.

**3. Operating profit**

The directors are remunerated through the immediate parent company, IPGL Limited, who also incurs the audit fee on behalf of the company.

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

**4. Interest receivable**

	2021 £	2020 £
Other interest receivable	208,184	518,680

**5. Taxation**

	2021 £	2020 £
<b>Corporation tax</b>		
Current tax on profits for the year	38,086	98,549
Adjustments in respect of previous periods	-	(100,361,180)
<b>Taxation on profit</b>	38,086	(100,262,631)

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IPGL NO.2 LIMITED

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

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5. Taxation (continued)

**Factors affecting tax charge for the year**

The tax assessed for the year is the same as (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit before tax	200,454	518,680
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	38,086	98,549
Effects of:		
Reversal of group relief paid for in prior years	-	(100,361,180)
<b>Total tax charge/(credit) for the year</b>	<b>38,086</b>	<b>(100,262,631)</b>

The significant tax credit in the prior year disclosed above arises as a result of the reversal of capital tax losses purchased from other group companies in the year ended 31 March 2017.

**Factors that may affect future tax charges**

The Finance Bill 2021 includes legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023. These changes are not included above as the Finance Bill 2021 was not substantively enacted by the year end.



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IPGL NO.2 LIMITED

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

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6. Debtors

	2021 £	2020 £
Amounts owed by group undertakings	59,369,632	59,408,629
	<u>59,369,632</u>	<u>59,408,629</u>

7. Creditors: Amounts falling due within one year

	2021 £	2020 £
Amounts owed to group undertakings	-	144,767
Corporation tax	38,085	98,548
Accruals and deferred income	3,865	-
	<u>41,950</u>	<u>243,315</u>

8. Share capital

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
231,801,723 (2020 - 231,801,723 ) Ordinary A shares of £0.25 each	57,950,431	57,950,431
4 (2020 - 4) Ordinary shares of £0.25 each	1	1
1 (2020 - 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.

9. Reserves

**Profit & loss account**

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

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**IPGL NO.2 LIMITED**

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

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

The immediate parent company is IPGL Limited and the ultimate parent company is IPGL (Holdings) Limited, both companies being 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 shareholding in IPGL (Holdings) Limited.