

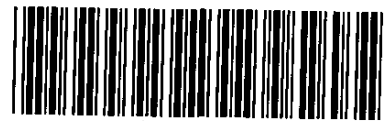
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## **IG Finance 5 Limited**

### **Annual Report and Financial Statements**

For the year ended 31 May 2019

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COMPANIES HOUSE

**Directors and advisors:**

**Directors**

P G Hetherington (resigned 26 September 2018)  
J M Noble resigned (4 December 2019)  
B E Messer (resigned 4 December 2019)  
P R Mainwaring (resigned 4 December 2019)  
R A Heading (appointed 4 December 2019)  
H D Burr (appointed 4 December 2019)

**Company Secretary**

T Lee (resigned 4 December 2019)  
C Chow (appointed 4 December 2019)

**Bankers**

Lloyds TSB Bank plc  
10 Gresham Street  
London EC2V 7AE

**Solicitors**

Linklaters  
One Silk Street  
London EC2Y 8HQ

**Registered Office**

Cannon Bridge House  
25 Dowgate Hill  
London EC4R 2YA

**Registered Number**

06752558

## Strategic Report

### Description of the business

IG Finance 5 Limited ("the Company") is a wholly-owned subsidiary of Market Data Limited and its ultimate parent company is IG Group Holdings plc. References to "the Group" are to IG Group Holdings plc together with all of its subsidiary undertakings

The principal activity of the Company is holding investments in Group companies

### Performance of the business during the year ended 31 May 2019 (FY19)

The Company had a loss for FY19 of £437,772 (FY18 £299,777).

The Company had net assets of £74,194,936 at 31 May 2019 (31 May 2018 £74,632,708).

### Principal risks and uncertainties

The Company operates as a business within the Group and the success of its business is dependent upon the performance of other Group companies. Details of the Group's approach to risk management and the principal risks facing the Group, are set out in the Group Annual Report.

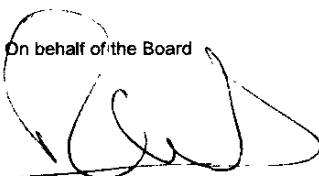
### Future developments

The principal activities of the Company are not expected to change in the foreseeable future

### Subsequent events

There have been no subsequent events in the period from 31 May 2019 to the date of signing this report

On behalf of the Board



R A Heading  
Director  
6 January 2020

## Directors' Report

The Directors present their Report together with the Financial Statements of the Company for the year ended 31 May 2019.

### Directors

The Directors of the Company who held office during the year and to the date of signing these Financial Statements were as follows:

P G Hetherington (resigned 26 September 2018)  
J M Noble (resigned 4 December 2019)  
B E Messer (resigned 4 December 2019)  
P R Mainwaring (resigned 4 December 2019)  
R A Heading (appointed 4 December 2019)  
H D Burr (appointed 4 December 2019)

The Group purchases appropriate liability insurance for all directors and officers. This cost was borne by another Group company.

### Business

The description of the business undertaken by the Company, its performance during the year, its position at the end of the year, and future developments are set out in the Strategic Report on page 2.

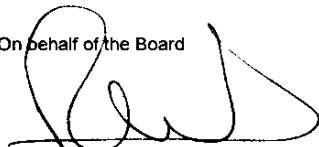
### Dividends

No dividends were proposed or paid during the year (FY18 £nil)

### Audit exemption statement

For the year ended 31 May 2019, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

On behalf of the Board



R A Heading  
Director  
6 January 2020

## Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, Directors Report and the Financial Statements in accordance with applicable law and regulations.

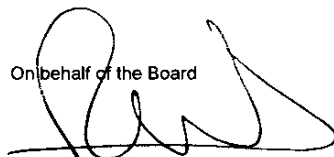
Company law requires the directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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,
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements,
- make judgements and accounting estimates that are reasonable and prudent, 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 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 also 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.

On behalf of the Board



R A Heading  
Director  
6 January 2020

**Income Statement**  
for the year ended 31 May 2019

	Note	Year ended 31 May 2019 £	Year ended 31 May 2018 £
Operating expenses	3	(110,122)	(5,523)
<b>Operating loss</b>		<b>(110,122)</b>	<b>(5,523)</b>
Finance costs	5	(327,650)	(294,254)
<b>Loss before taxation</b>		<b>(437,772)</b>	<b>(299,777)</b>
Taxation	6	-	-
<b>Loss for the financial year</b>		<b>(437,772)</b>	<b>(299,777)</b>

All of the Company's expenses relate to continuing operations. The Company has no items of other comprehensive income

## Statement of Financial Position at 31 May 2019

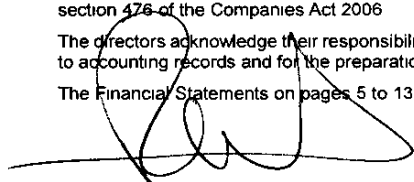
	Note	31 May 2019 £	31 May 2018 £
<b>Assets</b>			
<b>Non-current assets</b>			
Investment in subsidiary	8	84,083,101	84,083,101
<b>Current assets</b>			
Other receivables	9	381,597	343,983
<b>TOTAL ASSETS</b>		<b>84,464,698</b>	<b>84,427,084</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Other payables	10	10,269,762	9,794,376
<b>TOTAL LIABILITIES</b>		<b>10,269,762</b>	<b>9,794,376</b>
<b>NET ASSETS</b>		<b>74,194,936</b>	<b>74,632,708</b>
<b>Equity</b>			
Share capital	12	1,502,000	1,502,000
Share premium	12	75,626,493	75,626,493
Accumulated losses		(2,933,557)	(2,496,785)
<b>TOTAL EQUITY</b>		<b>74,194,936</b>	<b>74,632,708</b>

For the year ended 31 May 2019, the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006

The directors acknowledge their responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and for the preparation of accounts.

The Financial Statements on pages 5 to 13 were approved by the Board of Directors and signed on its behalf by



R A Heading  
Director  
6 January 2020

Registered Number 06752558

**Statement of Changes in Equity**  
for the year ended 31 May 2019

	Share capital £	Share premium £	Accumulated losses £	Total equity £
<b>At 31 May 2017</b>	1,502,000	75,626,493	(2,196,008)	74,932,485
Loss for the financial year	-	-	(299,777)	(299,777)
<b>At 31 May 2018</b>	1,502,000	75,626,493	(2,495,785)	74,632,708
Loss for the financial year	-	-	(437,772)	(437,772)
<b>At 31 May 2019</b>	1,502,000	75,626,493	(2,933,557)	74,194,936



## Notes to the financial statements

for the year ended 31 May 2019

### 1. General information, basis of preparation and critical accounting estimates and judgements

#### Authorisation of Financial Statements and statement of compliance with FRS 101

The Financial Statements of IG Finance 5 Limited for the year ended 31 May 2019 were authorised for issue by the Board of Directors on 6 January 2020 and the Statement of Financial Position was signed on behalf of the Board by R A Heading. The Company is incorporated and domiciled in England and Wales as a private company limited by shares.

The Company's Financial Statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006 ('the Act') as applicable to companies using FRS 101. The Financial Statements have been prepared under the historical cost convention. The principal accounting policies adopted by the Company are set out in note 2. The Financial Statements are presented in Sterling.

#### Critical accounting estimates and judgements

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities, as at the Statement of Financial Position date, and the amounts reported for revenue and expenses during the year. The nature of estimates means that actual outcomes could differ from those estimates.

In the Directors' opinion the accounting estimates or judgements that have the most significant impact on the presentation or measurement of items in the Financial Statements are the estimation of the carrying value of investment in subsidiary.

#### Basis of preparation

FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in FRS 100 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council, which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted International Financial Reporting Standards ('IFRS'). The Company meets the definition of a qualifying entity under FRS 100. Accordingly, in the prior year the Company underwent a transition from reporting under IFRS adopted by the European Union to FRS 101 'Reduced Disclosure Framework'. This transition was not considered to have had a material effect on the Financial Statements.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard.

The following disclosure exemptions have been adopted

- cash flow statement,
- financial instruments note,
- financial risk management note;
- share-based payments,
- key management compensation,
- related party transactions between wholly-owned group companies and
- the expected impact of future accounting standards not yet effective.

Where relevant, equivalent disclosures have been given in the Group Annual Report.

### 2. Significant accounting policies

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Company's Financial Statements for the year ended 31 May 2018, except for the changes in accounting policies related to the new accounting standards described below.

#### New accounting standards and interpretations - standards and amendments adopted during the year

##### (1) IFRS 9 – Financial instruments

##### Impact on the Financial Statements

The Company has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective periods that commence on or after 1 January 2018.

The Company's balances that are within the scope of IFRS 9 are Other receivables. IFRS 9 introduced new requirements for the classification and measurement of financial assets, impairment of financial assets, and general hedge accounting.

*Classification and measurement of financial assets* Financial assets that are within the scope of IFRS 9 are required to be measured at amortised cost, fair value through profit and loss or fair value through other comprehensive income. Classification is based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Rules relating to the classification and measurement of financial liabilities, and for derecognition of assets and liabilities in IFRS 9 are broadly unchanged from those in IAS 39.

## Notes to the financial statements

### for the year ended 31 May 2019

**Impairment:** IFRS 9 replaces the 'incurred loss' approach of IAS 39 with an 'expected credit loss' approach. The Company is required to recognise an expected credit loss on financial assets including other receivables recorded at amortised cost. The expected credit loss approach requires the Company to account for expected credit losses at initial recognition, and to account for changes in the expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. It is no longer necessary for a credit loss event to have occurred before credit losses are recognised.

The Company does not undertake any hedge accounting so this change had no impact on the Financial Statements for the year ended 31 May 2019.

#### **Impact of adoption**

The Company adopted IFRS 9 with effect from 1 June 2018 and in accordance with the transition requirements of IFRS 9 the Company has not restated comparative information for the year ended 31 May 2018. Adoption of IFRS 9 has had an impact on the classification of financial instruments. It has not had an impact on impairment.

**Reclassification:** On transition to IFRS 9 the Company assessed its business models to determine the appropriate classifications. The Company's business model is to hold and collect. Adoption of IFRS 9 has resulted in the following reclassifications:

- Other receivables were classified as loans and receivables under IAS 39. These financial assets have been reclassified as financial assets measured at amortised cost.
- There were no financial assets or financial liabilities which the Company has elected to designate as at fair value through profit and loss at the date of initial application of IFRS 9.

The reclassifications did not result in a change of measurement of the financial assets.

**Impairment:** there was no impact on the Company's loss allowances arising from the adoption of IFRS 9.

#### **Going concern**

The Directors have prepared the Financial Statements on a going concern basis which requires the Directors to have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

The Directors have received confirmation from the parent company that it will support the Company for the foreseeable future and for at least the next 12 months from the date of approval of the Financial Statements. In doing so, the parent company will ensure that the Company can meet all current liabilities as they fall due.

#### **Parent company and Group financial statements**

The parent company throughout the year was Market Data Limited, a wholly owned subsidiary of IG Group Limited. The ultimate parent company is IG Group Holdings plc.

The Financial Statements of IG Group Holdings plc and its subsidiary companies, which include the results of the Company, may be obtained from Cannon Bridge House, 25 Dowgate Hill, London EC4R 2YA.

#### **Foreign currencies**

The Company's functional currency is Sterling. Transactions in other currencies are initially recorded in the functional currency by applying spot exchange rates prevailing on the dates of the transactions. At each statement of financial position date, monetary assets and liabilities denominated in foreign currencies are revalued at the functional currency rate of exchange prevailing on the same date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on revaluation are taken to the income statement.

#### **Finance costs**

Interest expense is accrued on a time basis, by reference to the principal outstanding and at the applicable effective interest rate. The effective interest rate is the rate that exactly discounts the future expected cash flows to the carrying amount of the liability. Issue costs are included in the determination of the effective interest rate.

#### **Taxation**

The income tax expense represents the sum of tax currently payable and movements in deferred tax.

The income tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the income statement 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 at the statement of financial position date.

#### **Investments in subsidiaries**

Investments in subsidiaries are accounted for at cost less accumulated impairment losses.

## Notes to the financial statements

### for the year ended 31 May 2019

#### Impairment of non-financial investments

The Directors review the carrying amounts of the Company's investments to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount is the higher of fair value less selling costs and value in use. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate. This rate reflects current market assessments of the time value of money as well as the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

#### Financial instruments

From 1 June 2018 the Company applied the following accounting policies in respect of Financial instruments.

##### Financial instruments - Classification, recognition and measurement

The Company determines the classification of its financial instruments at initial recognition in accordance with the categories outlined below and re-evaluates this designation at each financial year-end. When financial instruments are recognised initially, they are measured at fair value, being the transaction price plus, in the case of financial assets and financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

##### (a) Financial assets measured at amortised cost

Financial assets measured at amortised cost are non-derivative financial assets which are held to collect the contractual cash flows. The contractual terms of the financial assets give rise to payments on specified dates that are solely payments of principal and interest on the principal amount outstanding. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets. The Company's financial assets measured at amortised cost are 'other receivables'.

##### (b) Financial liabilities

The Company's financial liabilities include other payables. These are measured subsequently at amortised cost using the effective interest method. The interest expense is calculated each reporting period by applying the effective interest rate, and the resulting charge is reflected in finance costs on the income statement.

##### Financial instruments - Impairment of financial assets

The impairment charge in the Income Statement includes the change in expected credit losses. Expected credit losses are recognised for other receivables. Expected credit losses are calculated as the difference between the contractual cash flows that are due to the Company and the cash flows that the Company expects to receive given the probability of default, discounted at the original effective interest rate.

At initial recognition of financial assets, an allowance is made for expected credit losses resulting from default events that are possible within the next 12 months. In the event of a significant increase in credit risk, an allowance is made for expected credit losses resulting from possible default events over the expected life of the financial asset. Financial assets where 12-month expected credit losses are recognised are considered to be Stage 1, financial assets which are considered to have experienced a significant increase in credit risk since initial recognition are considered to be Stage 2, and financial assets which have defaulted or are otherwise considered to be credit impaired are allocated to Stage 3.

An assessment of whether credit risk has increased significantly considers changes in credit rating associated with the asset, whether contractual payments are more than 30 days past due and other reasonable information demonstrating otherwise. The Company considers a financial instrument to have low credit risk when it has an external credit rating of 'investment grade' or if no external credit rating is available, in accordance with the Company's internal credit risk management policy definition. This approach has not resulted in a material difference in the impairment allowance under an expected credit loss approach for the Company.

Assets are transferred to stage 3 when an event of default, as defined in the Group's credit risk management policy to which the Company adheres, occurs or where the assets are credit impaired. IFRS 9 contains a rebuttable presumption that default occurs no later than when a payment is 90 days past due. The Company uses this 90-day basis for all assets.

## Notes to the financial statements

for the year ended 31 May 2019

All changes in lifetime expected credit losses subsequent to the assets' initial recognition are recognised as an impairment loss or gain. Financial assets are normally written off, either partially or in full, against the related allowance when the Company has no reasonable expectations of partial or full recovery of the asset. Subsequent recoveries of amounts previously written off decrease the amount of impairment losses recorded in the Income Statement.

### Financial instruments - Derecognition of financial assets and liabilities

A financial asset or liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expired.

#### (a) Financial assets

A financial asset is derecognised where the rights to receive cash flows from the asset have expired, the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement, or the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. Where the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### (b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

#### (c) Offsetting financial instruments

Assets or liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### Other receivables

Other receivables are financial assets which give rise to payments on specified dates that are solely payments of principal and interest on the principal amount outstanding. They are assets that have not been designated as fair value through profit or loss. Such assets are carried at amortised cost using the effective interest method if the time value of money is significant.

### Other payables

Non-trading financial liabilities are recognised initially at fair value and carried at amortised cost using the effective interest rate method if the time value of money is significant.

### Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of shares are shown in equity as a deduction, net of tax, from the proceeds.

## Notes to the financial statements for the year ended 31 May 2019

### 3. Operating expenses

	Year ended 31 May 2019	Year ended 31 May 2018
	£	£
Professional fees	110,122	5,523

### 4. Directors' emoluments and employee information

Directors are remunerated for their services to the Group. The Directors remuneration for their services to the Company for the year was £nil (FY18 £nil).

Their remuneration is disclosed in the Director's Remuneration section of the Group Annual Report.

### 5. Finance costs

	Year ended 31 May 2019	Year ended 31 May 2018
	£	£
Interest payable on amounts due to Group companies	327,650	294,254

### 6. Tax on losses

Tax charged in the income statement

	Year ended 31 May 2019	Year ended 31 May 2018
	£	£
<b>Current income tax:</b>		
Current year	-	-
Adjustments in respect of prior periods	-	-
Tax credit in the income statement	-	-

**Reconciliation of the total tax charge:**

	Year ended 31 May 2019	Year ended 31 May 2018
	£	£
Loss before taxation	(437,772)	(299,777)
Loss before tax multiplied by the UK standard rate of Corporation tax of 19.0% (FY18 19.0%)	83,177	56,958
Group relief surrendered	(83,177)	(56,958)
Total tax expense reported in the income statement	-	-

### 7. Dividends

No dividends were proposed or paid during the year (FY18 £nil)

## Notes to the financial statements for the year ended 31 May 2019

### 8. Investment in subsidiary

	31 May 2019	31 May 2018
	£	£
<b>At cost:</b>		
Investment in Fox Sub Ltd	84,083,101	84,083,101

The following company is owned directly by IG Finance 5 Limited

Name of company	Registered office and country of incorporation	Holding	Voting rights	Nature of business
Fox Sub Limited	57/63 Line Wall Road, Gibraltar	Ordinary shares	100%	Financing

### 9. Other receivables

	31 May 2019	31 May 2018
	£	£
Amounts due from Group companies	381,597	343,983

Amounts due from group companies are unsecured, interest free and are repayable on demand

### 10. Other payables

	31 May 2019	31 May 2018
	£	£
Amounts due to Group companies	10,245,604	9,794,376
Accruals	24,158	-
	10,269,762	9,794,376

The amounts due to Group companies consists of loan payable to another Group company of £9,866,178 (31 May 2018: £9,244,000) which bears interest at LIBOR plus 2%, as well as interest free balances. Remaining amounts due to group companies are interest free and are repayable on demand.

### 11. Contingent liabilities and provisions

There are no contingent liabilities expected to have a material adverse financial impact on the Company's Financial Statements. The Company had no material provisions at 31 May 2019 (31 May 2018: £nil).

### 12. Share Capital

Share capital is made up of

- 1,002,000 (2018: 1,002,000) ordinary shares of £1 each with a value of £1,002,000 (2018: £1,002,000).
- 500,000 'A' shares of £1 each with a value of £500,000 (2018: £500,000). On the winding up of the Company, the 'A' shareholders are entitled to the return of the £1 paid up capital and have no right to surplus assets.
- Share premium with a value of £75,626,493 (2018: £75,626,493).

All share classes have the right to receive notice, attend, speak, and vote at a general meeting of the Company

### 13. Directors' shareholdings

The Directors of the Company held shares in the ultimate parent Company as disclosed in the Group Annual Report