

Company Registration No. 05493658

DDCAP Limited

Consolidated Report and Financial Statements

31 March 2017

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DDCAP Limited

Consolidated report and financial statements

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DDCAP Limited

Consolidated report and financial statements

Officers and professional advisers

Directors

M A Spencer
S A Cox
L P Oliver
D Gelber

Secretaries

N Morse
A Betkowski

Registered Office

8-10 Grosvenor Gardens
London
SW1W 0DH

Bankers

National Westminster Bank Plc
Piccadilly and New Bond Street
63-65 Piccadilly
London
W1J 0AJ

Solicitors

Norton Rose
Kempson House
Camomile Street
London
EC3A 7AN

Auditor

Deloitte LLP
London

DDCAP Limited

Directors' report

The directors present their annual report and the audited financial statements of DDCAP Limited ("the Company" or "DDCAP") and its subsidiaries (collectively "the Group") for the year ended 31 March 2017.

Principal activities

The principal activities of the Group are to provide wholesale trade execution transactions and related services to an institutional client base, to participate as an intermediary in trade and asset-based financing arrangements, to offer automated financial technology solutions for execution and processing of such transaction and to hold investments.

The Company's principal activity is to act as a holding Company.

Results and dividends

The Group's profit after tax for the year ended 31 March 2017 was £5,165,907 (2016: £3,179,479)

Dividend payments totalling £3,000,000 were made during the year on the 4th April and 22nd November 2016 (year ended 31st March 2016 £1,800,000).

Directors

The directors shown below who have served during the year and up to the date of signing are as follows:

M A Spencer
S A Cox
L P Oliver
D Gelber

Directors' indemnities

During the year the Company and the Group made qualifying third party indemnity provisions for the benefit of its directors. These remain in force at the date of this report.

Donations

During the year the DDCAP Group made charitable donations of £20,000.

Going concern basis

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Review on page 4.

The Group has considerable financial resources together with long-term relationships with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully.

After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Subsequent events

There have been no events subsequent to the balance sheet date that would require adjustment to or disclosure in the financial statements.

DDCAP Limited

Directors' report

Auditor

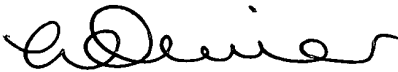
Each of the persons who is a director at the date of approval of this report confirms that:

- 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 he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

Deloitte LLP has expressed its willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



Lawrence Oliver
Director

29th June 2017

DDCAP Limited

Strategic report

Review of the business and future developments

In accordance with the strategy set by the Board, the directors have been steadily building the Group's business for its long-term success and will continue to do so. Having performed exceptionally well during the period under review, it is expected that the Group will maintain its profitability over the next financial year.

The entities currently operating in the Group (which were acquired as wholly-owned subsidiaries on 1st September 2005) and the services offered are as follows:

DD&Co Limited: the principal activities of the Company are to intermediate and to provide trade execution services for physical commodity and asset based transactions. The Company is an Associate Trade Member of the London Metal Exchange and an Affiliate Member of the London Platinum and Palladium Market.

DDGI Limited: DDGI Limited: The principal activities of the Company are to provide administrative services to another Group Company. These services include identifying physical commodity transactions and arranging trade and asset based finance. The Company has been integral to the ongoing financial technology solutions and supporting systems infrastructure development programme that has become a principal, strategic focus for the Group.

Business review

The core geographical markets for the Group continue to include the Middle East, Asia and Europe. Within these regions different points in economic cycles offered business opportunities as well as specific market challenges and the Group's operating subsidiaries were well placed to benefit from these.

As a business focused on the provision of wholesale trade execution services to the institutional marketplace, DDCAP and its operating subsidiaries are exposed to the volume of business transacted by their customers. During the year, DDCAP further expanded its client base, with the Group's multi award winning Ethos Asset Facilitation Platform a key factor in the Group's ability to respond efficiently to clients' expectations to automate their business, thereby achieving higher transactional volumes and attracting additional clients. In the opinion of its directors, the Group continues to be well placed to benefit from a further increase in transactional flows within the key markets and sectors in which it operates and also from those where it prospectively seeks to do business.

During the year, the Group also has made significant, additional investment in its highly regarded financial technology solutions and supporting systems infrastructure. In September 2016, the Group's trade execution platform was rebranded as Ethos Asset Facilitation Platform ("Ethos AFP™"). Ethos AFP™ incorporates full Straight Through Processing capabilities, coupled with an array of functionalities designed to provide users with an efficient transactional processing mechanism that is fully compliant with their business stipulations. Socially responsible financing and investment principles are increasingly embedded in the culture of the Group as well as its daily business activities and operations. Accordingly, in 2016 the Group was proud to become the first Islamic financial sector intermediary firm approved as a signatory to the Principles for Responsible Investment ("PRI").

DDCAP Group appreciates the importance of substance and transparency in its service provision to its clients. In addition to its annual financial audit, DDCAP Group retains its own Sharia'a Supervisory Board ("SSB"), whose members are drawn from the GCC and South East Asia. The SSB now consists of five members following the appointment of a leading Kuwaiti scholar during the financial year. Additionally the Group appoints a major professional financial advisory firm to review its transactional services. The review encompasses sampling of various of the Group's transactions that are requested at the discretion of the Sharia'a Supervisory Board and that are then reviewed in parallel with the International Standard on Related Services 4400 published by the International Auditing and Assurance Standard Board. The Group understands that it is currently the only firm in its market sector to adopt such a combined approach to ensuring that extensive, third party validation procedures are in place to support its business and services offering.

DDCAP Limited

Strategic report

DDCAP Group has no indebtedness or bank borrowings and has therefore avoided any negative effect from constraints in availability of bank credit or interbank liquidity. The Group also has no direct credit risk exposure, other than to fees and payments due from its customers in respect of its services. The directors are of the opinion that revenue and operating profit are the Group's key performance indicators and these are disclosed in the income statement which reflects the Group's strong performance in both during the financial year.

Principal risks and uncertainties

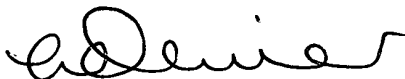
The potential risks and uncertainties faced by the Group are principally related to the business environment in which DDCAP's clients operate. Adverse conditions in the business environment could have a material impact on the Group's long-term performance and could cause actual results to differ materially from expected and historical results. The directors consider that the Group's established, extensive and geographically diverse client base is a mitigant against such risks. The Group's risk management policies and procedures are discussed in Note 2 to the accounts.

Financial risk management objectives

The Group regards the monitoring and controlling of risk as a fundamental part of its management process and therefore constantly monitors this risk, within strictly defined guidelines. The evaluation of risks, and the setting of policies, is carried out by and approved by the relevant risk management committee under authority delegated by the Board.

The principal risks and uncertainties facing the Group and the strategy for managing these risks are discussed in Note 2 to the accounts.

Approved by the Board of Directors
and signed on behalf of the Board



Lawrence Oliver
Director

29th June 2017

DDCAP Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare such financial statements for each financial year. Under that law the directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under Company law the directors must not approve the accounts 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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.

Independent auditor's report to the members of DDCAP Limited

We have audited the consolidated financial statements of DDCAP Limited for the year ended 31 March 2017 which comprise of the Consolidated statement of comprehensive income, the Consolidated and Company balance sheets, the Consolidated and Company statements of changes in equity, the Consolidated and Company cash flow statements and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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.

Respective responsibilities of directors and auditor

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2017 and of the Group's profit for the year then ended;
- the consolidated financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

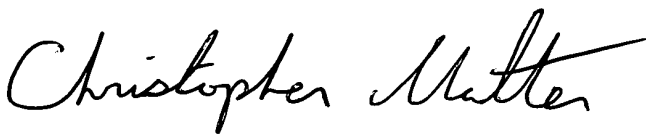
In our opinion, based on the work undertaken in the course of the audit, the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements and the strategic report and the directors report have been prepared in accordance with applicable legal requirements.

Independent auditor's report to the members of DDCAP Limited (continued)

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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.



Christopher Mather FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

30/6 /

2017

DDCAP Limited

Consolidated statement of comprehensive income Year ended 31 March 2017

| | Notes | 2017 £ | 2016 £ |
|-----------------------------------|-------|-------------------|------------------|
| Revenue | 3 | 13,931,420 | 10,010,555 |
| Cost of sales | | (2,299,770) | (1,799,689) |
| Gross profit | | 11,631,650 | 8,210,866 |
| Administrative expenses | | (5,234,119) | (4,245,833) |
| Operating profit | 4 | 6,397,531 | 3,965,033 |
| Investment income | 6 | 6,166 | 3,164 |
| Profit before tax | | 6,403,697 | 3,968,197 |
| Tax | 7 | (1,237,790) | (788,718) |
| Total comprehensive income | | 5,165,907 | 3,179,479 |

All results derive from continuing operations.

As permitted by Section 408 of the Companies Act 2008, the profit and loss account of the parent Company is not presented as part of these financial statements. The parent Company's profit for the financial year was £2,564,652 (2016: £1,810,674).

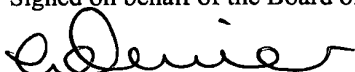
DDCAP Limited

Consolidated and Company balance sheets 31 March 2017

| | Notes | Group 2017 £ | 2016 £ | Company 2017 £ | 2016 £ |
|--|-------|--------------------|-------------------|----------------------|-------------------|
| Assets | | | | | |
| Non-current assets | | | | | |
| Goodwill | 8 | 20,919,171 | 20,919,171 | - | - |
| Property, plant and equipment | 9 | 64,790 | 81,727 | - | - |
| Intangible assets | 10 | 205,162 | 200,287 | - | - |
| Investments in subsidiary undertakings | 11 | - | - | 23,615,458 | 23,615,458 |
| | | <u>21,189,123</u> | <u>21,201,185</u> | <u>23,615,458</u> | <u>23,615,458</u> |
| Current assets | | | | | |
| Trade and other receivables | 13 | 2,609,178 | 2,422,838 | - | - |
| Cash and cash equivalents | 16 | 5,456,315 | 3,142,121 | 563,135 | 269,562 |
| | | <u>8,065,493</u> | <u>5,564,959</u> | <u>563,135</u> | <u>269,562</u> |
| Total assets | | <u>29,254,616</u> | <u>26,766,144</u> | <u>24,178,593</u> | <u>23,885,020</u> |
| Equity and liabilities | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | 14 | 1,430,541 | 1,173,461 | 2,590,882 | 1,863,566 |
| Corporation tax payable | | 655,812 | 579,350 | 4,219 | 2,614 |
| Fair value of foreign exchange forward contract | | - | 10,977 | - | - |
| | | <u>2,086,353</u> | <u>1,763,788</u> | <u>2,595,101</u> | <u>1,866,180</u> |
| Total current liabilities | | <u>2,086,353</u> | <u>1,763,788</u> | <u>2,595,101</u> | <u>1,866,180</u> |
| Equity attributable to equity holders of the parent | | | | | |
| Share capital | 18 | 15,750,000 | 15,750,000 | 15,750,000 | 15,750,000 |
| Share premium | | 98,883 | 98,883 | 98,883 | 98,883 |
| Capital redemption reserve | | 5,250,000 | 5,250,000 | 5,250,000 | 5,250,000 |
| Retained earnings | | 6,069,380 | 3,903,473 | 484,609 | 919,957 |
| Total equity | | <u>27,168,263</u> | <u>25,002,356</u> | <u>21,583,492</u> | <u>22,018,840</u> |
| Total equity and liabilities | | <u>29,254,616</u> | <u>26,766,144</u> | <u>24,178,593</u> | <u>23,885,020</u> |

The financial statements of DDCAP Limited registered number 05493658 were approved by the Board of Directors and authorised for issue on 29th June 2017.

Signed on behalf of the Board of Directors



Lawrence Oliver

Director



David Gelber

Director

DDCAP Limited

Consolidated and Company statements of changes in equity Year ended 31 March 2017

| Group | Share capital £ | Share premium £ | Capital redemption reserve £ | Retained earnings £ | Total Equity £ |
|---|--------------------|--------------------|---------------------------------|------------------------|-------------------|
| Balance at 31 March 2015 | 15,750,000 | 98,883 | 5,250,000 | 2,523,994 | 23,622,877 |
| Total comprehensive income for the period | - | - | - | 3,179,479 | - |
| Equity dividend paid | - | - | - | (1,800,000) | (1,800,000) |
| Balance at 31 March 2016 | 15,750,000 | 98,883 | 5,250,000 | 3,903,473 | 25,002,356 |
| Total comprehensive income for the period | - | - | - | 5,165,907 | 5,165,907 |
| Equity dividend paid | - | - | - | (3,000,000) | (3,000,000) |
| Balance at 31 March 2017 | 15,750,000 | 98,883 | 5,250,000 | 6,069,380 | 27,168,263 |

| Company | Share capital £ | Share premium £ | Capital redemption reserve £ | Retained earnings £ | Total equity £ |
|---|--------------------|--------------------|---------------------------------|------------------------|-------------------|
| Balance at 31 March 2015 | 15,750,000 | 98,883 | 5,250,000 | 909,283 | 22,008,166 |
| Total comprehensive income for the period | - | - | - | 1,810,674 | 1,810,674 |
| Equity dividend paid | - | - | - | (1,800,000) | (1,800,000) |
| Balance at 31 March 2016 | 15,750,000 | 98,883 | 5,250,000 | 919,957 | 22,018,840 |
| Total comprehensive income for the period | - | - | - | 2,564,652 | 2,564,652 |
| Equity dividend paid | - | - | - | (3,000,000) | (3,000,000) |
| Balance at 31 March 2017 | 15,750,000 | 98,883 | 5,250,000 | 484,609 | 21,583,492 |

DDCAP Limited

Consolidated and Company cash flow statements Year ended 31 March 2017

| | Notes | Group 2017 £ | 2016 £ | Company 2017 £ | 2016 £ |
|---|-------|--------------------|-------------|----------------------|-------------|
| Net cash from operating activities | 15 | 5,376,850 | 2,724,603 | 793,573 | 266,577 |
| Investing activities | | | | | |
| Purchase of property, plant and equipment | | (40,134) | (25,948) | - | - |
| Purchase of intangible assets - software | | (28,688) | (125,688) | - | - |
| Income received | | 6,166 | 3,164 | - | - |
| Dividends received | | - | - | 2,500,000 | 1,800,000 |
| Net cash from investing activities | | (62,656) | (148,472) | 2,500,000 | 1,800,000 |
| Financing activities | | | | | |
| Dividends paid | 12 | (3,000,000) | (1,800,000) | (3,000,000) | (1,800,000) |
| Net cash used in financing activities | | (3,000,000) | (1,800,000) | (3,000,000) | (1,800,000) |
| Net increase in cash and cash equivalents | | 2,314,194 | 776,131 | 293,573 | 266,577 |
| Cash and cash equivalents at the beginning of the year | 16 | 3,142,121 | 2,365,990 | 269,562 | 2,985 |
| Cash and cash equivalents at the end of the year | 16 | 5,456,315 | 3,142,121 | 563,135 | 269,562 |

DDCAP Limited

Notes to the accounts Year ended 31 March 2017

1. Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with the International Financial Reporting Standards ('IFRS') as adopted by the European Union and with United Kingdom law. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

| | |
|----------------------|--|
| IFRS 9 | Financial Instruments |
| IFRS 15 | Revenue from Contracts with Customers |
| IFRS 16 | Leases |
| IFRS 7 | Insurance Contracts |
| IFRS 5 (amendments) | Non-current assets held for sale and discontinued operations |
| IFRS 7 (amendments) | Financial Instruments: Disclosures |
| IAS 34 (amendments) | Interim Financial Reporting |
| IFRS 11 (amendments) | Joint Arrangements |
| IAS 16 (amendments) | Property, plant and equipment |
| IAS 38 (amendments) | Intangible assets |

The directors anticipate that the adoption of these Standards and Interpretations in future periods will not have a material impact on the financial statements of the Group.

DDCAP Limited

Notes to the accounts Year ended 31 March 2017

1. Accounting policies (continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 March each year. The current results are for the year ended 31 March 2017. The comparative figures are for the year ended 31 March 2016. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. Where subsidiaries have been acquired during the year, their results have been included in the Group financial statements from the date of acquisition. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on page 4.

The Group has considerable financial resources together with long-term relationships with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully despite the some uncertainty still in the economic outlook within certain of the core regions in which it operates.

After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the invoiced value, net of Value Added Tax where applicable, of commissions received from the provision and arranging of facilitation services for commodity transactions, trade and asset finance, and is recognised on an accrual basis.

Goodwill and goodwill impairment

Goodwill is reviewed for impairment annually by comparison of the carrying value of the cash-generating unit ("CGU") to the recoverable amount. If the carrying value were to exceed the recoverable amount then goodwill would be considered to be impaired.

The recoverable amount of the CGU is determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to revenue and direct costs during the period. These assumptions have been reviewed in the year in light of the current economic environment. Management estimates discount rates using the pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. Changes in revenue and direct costs are based on past practices and expectations of future changes in the market.

The Group prepares cash-flow forecast derived from the most recent financial budgets approved by the board for the next financial year and extrapolates cash flows to perpetuity based on an estimated growth rate of 3 percent. This rate does not exceed the average long-term growth rate for the relevant markets. The rate used to discount the forecast cash flows from the CGU is 12.5 percent.

DDCAP's recoverable amount exceeds its carrying value by £24.1m. Based on sensitivity analysis, it is estimated that if there were an adverse change in the long-term growth by 15 percent, then the recoverable amount of DDCAP would equal its carrying amount.

DDCAP Limited

Notes to the accounts Year ended 31 March 2017

1. Accounting policies (continued)

Property, plant and equipment

Equipment is stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of these items.

Depreciation is calculated using the straight-line method to allocate the cost to their residual lives as follows:

| | |
|-----------------------|-----|
| Fixtures and fittings | 25% |
| Computer equipment | 33% |
| Office equipment | 25% |

Intangible assets - Software

Purchased software is included at cost and amortised in equal instalments over its estimated useful economic life. Provision is made for any impairment.

Investments in subsidiary undertakings

Investments in subsidiary undertakings are recorded in the Company balance sheet at cost, less any provision for impairment.

DDCAP Limited

Notes to the accounts Year ended 31 March 2017

1. Accounting policies (continued)

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using sterling, the currency of the primary economic environment in which the entity operates ("the functional currency").

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the average monthly exchange rates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Transactions denominated in foreign currencies are recorded using the average rates of exchange for the month. Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Exchange differences are taken to the income statement.

Financial assets

Financial assets are classified in the following categories, as determined at initial recognition:

(a) Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment, except for short term receivables when recognition of interest would be immaterial.

(b) Financial assets at fair value through profit and loss (FVTPL)

Financial liabilities are classified as FVTPL when the financial asset is either held for trading or it is designated as FVTPL.

A financial asset is held for trading if it has been acquired principally for the purpose of selling in the near term; or it is part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value, with a resultant change in fair value recognised in profit or loss. Fair value is determined for foreign exchange contracts and trade and other payables in the manner described in Note 1.

DDCAP Limited

Notes to the accounts Year ended 31 March 2017

1. Accounting policies (continued)

Financial liabilities

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL. A financial liability is classified as held for trading if it has been incurred principally for repurchase in the near term; or it is part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are stated at fair value, with a resultant change in fair value recognised in profit or loss. Fair value is determined for foreign exchange contracts and trade and other payables in the manner described in Note 1.

Derivative financial instruments

The Group enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risk. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately. The Group's foreign exchange forward contracts fall within Level 2 of the fair value hierarchy.

Impairment of financial assets

A financial asset is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of events that occurred after the initial recognition of the asset (a 'loss event') and that loss has an impact on the estimated future cash flows of the financial asset.

Financial assets are written off when it is reasonably certain that receivables are irrecoverable.

Netting of financial instruments

Financial assets and liabilities with the same counterparty 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.

Trade receivables and trade payables

Trade receivables and payables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

DDCAP Limited

Notes to the accounts Year ended 31 March 2017

1. Accounting policies (continued)

Cash and cash equivalents

These comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised to the extent that they are regarded as more likely than not they will be recovered. Deferred tax is measured on a non-discounted basis.

Interest income and expense

Interest income and expense are accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts and payments over the expected life of the financial asset to that asset's net carrying amount.

Assets and liabilities at fair value

The Group utilises market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. The Group primarily applies the market approach for recurring fair value measurements and endeavours to utilise the best available information. Accordingly, the Group utilises valuation techniques that maximise the use of observable inputs.

Critical judgments in applying the Group's accounting policies

The following are critical judgments, apart from those involving estimation (which are dealt with separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

DDCAP Limited

Notes to the accounts Year ended 31 March 2017

1. Accounting policies (continued)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of tangible and intangible assets

At each balance sheet date the Group reviews the carrying amounts of its property, plant and equipment and intangible assets (including goodwill) to determine whether there is any indication that those 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 carrying values of property, plant and equipment, investments in subsidiaries and computer software are measured at amortised cost and reviewed for impairment only when events indicate that the carrying value may be impaired. These events have an element of subjectivity as any estimate of the residual value in use of an asset requires management judgment.

The Company assesses at each balance sheet date whether there is objective evidence that an asset or a group of assets is impaired. The estimation of future recovery in the value of such securities is a management judgment made on estimates of future profitability and events in the wider market.

At each balance sheet date goodwill is assessed for impairment. It is compared to modelled valuations of the Group using appropriate multiples of current earnings to assess whether events or circumstances indicate that it might be impaired. These events have an element of subjectivity as any estimate of the recoverability of goodwill is a management judgment.

Fair value of derivatives and other financial instruments

The directors use their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Derivatives consist of short dated forward exchange contracts and their fair value is derived from a comparison of observable market exchange rates at the balance sheet date against the contracted rates. The effect of discounting is not included in the estimate of fair value as it is deemed to be immaterial due to the short dated nature of the contracts.

DDCAP Limited

Notes to the accounts Year ended 31 March 2017

2. Financial instruments and risk management

Capital risk management

The Group's primary objective in managing capital is to ensure that it has capital which is permanent and which is able to absorb any losses arising from an extreme event. The Group's capital is made up of the following:

Share capital (page 11)

Share premium (page 11)

Capital redemption reserve (page 11)

Retained earnings (page 11)

Translation reserve (page 11)

Externally imposed capital requirement

The Group is not subject to externally imposed capital requirements.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instruments are disclosed in note 1 to the financial statements.

Financial risk management objectives

The Group regards the monitoring and controlling of risk as a fundamental part of its management process and therefore constantly monitors this risk, within strictly defined guidelines. The evaluation of risks, and the setting of policies, is carried out by and approved by the relevant risk management committee under authority delegated by the Board.

Categories of financial instruments

| | Carrying value | |
|---|----------------|-----------|
| | 2017 | 2016 |
| | £ | £ |
| Financial assets | | |
| Loans and receivables (including cash and cash equivalents) | 8,065,493 | 5,564,959 |
| Financial liabilities | | |
| Trade and other payables | 1,430,541 | 1,752,811 |
| Foreign exchange forward contract at fair value through profit and loss | - | 10,977 |
| | <hr/> | <hr/> |

Market risk management

Market risk is the vulnerability of the Group to movements in the value of financial instruments. Market risk comprises currency risk, interest rate risk and other price risk.

The Group engages, through its wholly owned subsidiary DD&Co Limited, in the purchase and sale of physical commodities. However, the Group is not involved in commodity market speculation, futures or options trading.

DDCAP Limited

Notes to the accounts Year ended 31 March 2017

2. Financial instruments and risk management continued)

Foreign currency risk management

The Group has a sterling denominated balance sheet and cost base, but a significant percentage of its revenues are derived in US dollars. Where appropriate the Group enters into spot and forward foreign exchange arrangements with prime international banks or other counterparties approved by the Board of Directors to ensure that its sterling obligations are fully covered and that currency exposure risk is mitigated. A budget is established for each financial year with a target rate of exchange that is approved by the Board of Directors. Hedging policies (as described above) to mitigate currency risk on an ongoing basis are agreed at the beginning of every financial year and reviewed and adjusted, where relevant, at quarterly Board Meetings.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

Foreign currency sensitivity analysis

The Group is mainly exposed to the US dollar.

| | 2017 | | 2016 | |
|-----------|-------------|------------------|-------------|------------------|
| | Assets £ | Liabilities £ | Assets £ | Liabilities £ |
| US dollar | 2,338,762 | (177,481) | 2,281,314 | (299,734) |

The following table details the Group's sensitivity to a 10% increase and decrease in sterling against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates a decrease in profit where sterling strengthens 10% against the relevant currency. For a 10% weakening of sterling against the relevant currency the effect would be an equal and opposite increase in profit.

| | US dollar currency impact | |
|-------------|------------------------------|-----------|
| | 2017 £ | 2016 £ |
| Loss impact | 196,480 | 180,144 |

Reasons for foreign currency impacts shown above:

The Group's sensitivity to foreign currency has been managed during the current period as it has maintained a policy of selling the majority of its dollar based cash flow, retaining only amounts required for contractual hedging and third party payment commitments.

DDCAP Limited

Notes to the accounts Year ended 31 March 2017

2. Financial instruments and risk management (continued)

Interest rate risk management

Interest rate risk represents the sensitivity of the Group to changes in interest rates.

The Group does not have long-term borrowings or loans and therefore is not exposed to interest rate risk.

Other price risk management

The Group neither invests nor trades in quoted shares.

Credit risk management

Credit risk is the risk of financial loss to the Group in the event that a client or counterparty fails to settle its contractual obligations to the Group.

As an intermediary in much of its business, the Group does not expect to assume significant credit risk but, where appropriate, the Group assesses the creditworthiness of each counterparty or vendor prior to entering into a new relationship. The Group's exposure and the credit standing of its counterparties are continuously monitored. Exposure is controlled by counterparty limits that are reviewed regularly. The Group has established a Market Risk Management Committee, chaired by a member of the Board or an alternate, senior executive and including other, relevant senior personnel, which meets regularly to ensure ongoing monitoring and control of counterparty and vendor relationships.

The Group usually has surplus cash balances that are placed with bank counterparties of appropriate rating, as approved by the Board. For such purpose, the Company only engages with a core group of internationally recognised prime UK and international banks located in London that report to the Bank of England and are regulated by the FCA.

The Group has no significant concentration of customer credit risk. None of the financial assets of the Group were past due or impaired during the current and the previous year.

Maximum exposure to credit risk

The table below represents the Group's maximum on balance sheet credit risk exposure as at 31 March 2015 and 2016.

Credit risk relating to on-balance sheet exposures

| | 2017 £ | 2016 £ |
|-------------------------------------|------------------|------------------|
| Cash and cash equivalents | 5,456,315 | 3,142,121 |
| Trade debtors and other receivables | 2,609,178 | 2,422,838 |
| | <u>8,065,493</u> | <u>5,564,959</u> |

DDCAP Limited

Notes to the accounts Year ended 31 March 2017

2. Financial instruments and risk management (continued)

Operational risk

Operational risk is the risk of loss arising from inadequate or failed internal processes, people and systems, or from external events. It is inherent in every business's operation and covers a wide spectrum of potential issues. The Group manages this risk by operating a control based environment in which processes are documented, authorisation is independent and transactions are recorded and monitored.

The Group also has an Operational Risk Management Committee that is chaired by its Chief Operating Officer or an alternate senior executive.

Liquidity risk

Liquidity risk refers to the risk that the Group is unable to meet the obligations associated with financial liabilities as they fall due owing to insufficient financial resources.

The Group manages liquidity risk by maintaining adequate reserves and cash and by continuously monitoring forecast and actual cash flows. Its position is overseen by the Group Financial Controller reporting to an Executive Director.

Liquidity risk table

The Group has the following contracted cash flows under forward exchange contracts, which are disclosed at the undiscounted fair value:

| | 2017 £ | 2016 £ |
|------------------------------|-----------|---------------|
| Due within one month | - | 2,106 |
| Due within one to six months | - | 8,871 |
| | <u>-</u> | <u>10,977</u> |

All other exposures are due on demand.

3. Revenue

| | 2017 £ | 2016 £ |
|---|-------------------|-------------------|
| Commodity and asset facilitation and trade intermediation | 13,931,420 | 10,010,555 |
| | <u>13,931,420</u> | <u>10,010,555</u> |

Revenue is derived principally from the Middle East. The directors consider commodity and asset facilitation and trade intermediation to be a single trading activity.

DDCAP Limited

Notes to the accounts Year ended 31 March 2017

4. Operating profit

Operating profit is stated after charging the following:

| | 2017 £ | 2016 £ |
|---|---------------|---------------|
| Depreciation: | | |
| Owned assets | 57,071 | 57,493 |
| Amortisation: | | |
| Software | 23,813 | 19,245 |
| Auditors' remuneration: | | |
| Fees payable to the Company's auditors for the audit of the annual accounts | 10,780 | 8,530 |
| Fees payable to the auditors for the audit of the Company's subsidiaries | 38,220 | 29,640 |
| | <u>38,220</u> | <u>29,640</u> |

The auditors received £nil for non audit services in the current year (2016: £nil).

5. Directors' and employees emoluments

The remuneration of the key management personnel of the Group, is set out below in the aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*.

| | 2017 £ | 2016 £ |
|------------------------------|------------------|----------------|
| Short-term employee benefits | <u>1,010,542</u> | <u>938,097</u> |

The total amount for directors' remuneration in accordance with Schedule 5 to the Accounting Regulations were as follows;

| | 2017 £ | 2016 £ |
|--|------------------|------------------|
| Salaries, fees, bonuses and benefits in kind | <u>741,500</u> | <u>739,464</u> |
| | <u>741,500</u> | <u>739,464</u> |
| Staff costs: | | |
| Wages and salaries | 2,923,091 | 2,493,502 |
| Social security costs | 364,219 | 314,403 |
| Defined contribution pension costs | 8,392 | 2,267 |
| | <u>3,295,705</u> | <u>2,810,172</u> |

The emoluments of the highest paid director were £527,000 for the year ended 31 March 2017 (2016: £524,485).

DDCAP Limited

Notes to the accounts Year ended 31 March 2017

5. Directors' and employees emoluments (continued)

The average number of persons employed by the Group during the year was 39, 18 in sales and 21 in administration (2016: 36, 14 in sales and 22 in administration).

There is no directors' remuneration in the current year for their services to the Company (2016: £nil), or staff employed (2016: nil) by the Company itself.

6. Investment income

| | 2017 £ | 2016 £ |
|--|-----------|-----------|
| Income received from third party banks | 6,166 | 3,164 |

7. Tax

| | 2017 £ | 2016 £ |
|---|-----------|-----------|
| Analysis of tax charge on ordinary activities | | |
| UK corporation tax at 20% (2016: 20%) | 1,280,739 | 788,718 |
| Prior year adjustment | (42,949) | - |
| Total | 1,237,790 | 788,718 |

Corporation tax is calculated at 20% of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Factors affecting Group tax charge for the year

Factors affecting current tax charge for the current year

| | 2017 £ | 2016 £ |
|--|-----------|-----------|
| Profit on ordinary activities before tax | 6,403,697 | 3,968,197 |
| Corporation tax at 20% (2016: 20%) thereon | 1,280,739 | 793,639 |
| Plus/(less) the effects of: | | |
| Tax effect of expenses that are not deductible in determining taxable profit | - | - |
| Prior year adjustment | (42,949) | - |
| Consortium relief not paid for | - | (4,921) |
| Total tax at 20% | 1,237,790 | 788,718 |

DDCAP Limited

Notes to the accounts Year ended 31 March 2017

8. Goodwill - Group

| | 2017 £ | 2016 £ |
|---------------|-------------------|-------------------|
| DD&Co Limited | 16,036,522 | 16,036,522 |
| DDGI Limited | 4,882,649 | 4,882,649 |
| Total | <u>20,919,171</u> | <u>20,919,171</u> |

The carrying amount of goodwill is equal to the cost as there are no accumulated impairment losses. The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. No impairment has been recognised during the period. The Group assess impairment based on the discounted cash flows generated from the Groups activities.

9. Property, plant and equipment - Group

| | Office equipment £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|---------------------------------|--------------------------|----------------------------------|----------------------------|------------|
| Cost | | | | |
| At 1 April 2015 | 711 | 2,235 | 206,255 | 209,171 |
| Additions | - | - | 25,948 | 25,948 |
| At 31 March 2016 | 711 | 2,235 | 232,173 | 235,119 |
| Additions | - | - | 40,134 | 40,134 |
| At 31 March 2017 | 711 | 2,235 | 272,307 | 273,253 |
| Accumulated depreciation | | | | |
| At 1 April 2015 | 711 | 2,235 | 92,953 | 95,899 |
| Charge for the year | - | - | 57,493 | 57,493 |
| At 31 March 2016 | 711 | 2,235 | 150,446 | 153,392 |
| Charge for the year | - | - | 57,071 | 57,071 |
| At 31 March 2017 | 711 | 2,235 | 207,517 | 210,463 |
| Carrying amount | | | | |
| At 31 March 2017 | - | - | 64,790 | 64,790 |
| At 31 March 2016 | - | - | 81,727 | 81,727 |
| At 1 April 2015 | - | - | 113,272 | 113,272 |

DDCAP Limited

Notes to the accounts Year ended 31 March 2017

10. Intangible assets - Group

| | Computer Software £ | Total £ |
|---------------------------------|---------------------------|------------|
| Cost | | |
| At 31 March 2015 | 101,063 | 101,063 |
| Additions | 125,688 | 125,688 |
| At 31 March 2016 | 226,751 | 226,751 |
| Additions | 28,688 | 28,688 |
| At 31 March 2017 | 255,439 | 255,439 |
| Accumulated amortisation | | |
| At 31 March 2015 | 7,219 | 7,219 |
| Charge for the year | 19,245 | 19,245 |
| At 31 March 2016 | 26,464 | 26,464 |
| Charge for the year | 23,813 | 23,813 |
| At 31 March 2017 | 50,277 | 50,277 |
| Carrying Amount | | |
| At 31 March 2017 | 205,162 | 205,162 |
| At 31 March 2016 | 200,287 | 200,287 |
| At 31 March 2015 | 93,844 | 93,844 |

The purchased software provides a fully automated asset facilitation platform with an estimated useful economic life of 10 years.

11. Investments in subsidiary undertakings - Company

| Company | Activity | Percentage of nominal value of ordinary shares held |
|-----------------------------|--|---|
| Investment in DDGI Limited | Intermediation, technology development and strategic investment | 100% |
| Investment in DD&Co Limited | Physical merchant trade | 100% |

The companies' registered offices are 8-10 Grosvenor Gardens, London, SW1W 0DH.

DDCAP Limited

Notes to the accounts Year ended 31 March 2017

12. Dividends - Company

| | 2017 £ | 2016 £ |
|---|------------------|------------------|
| Dividends paid on ordinary shares – £190.48p per share (2016: £114.29p per share) | <u>3,000,000</u> | <u>1,800,000</u> |

13. Trade and other receivables

| | Group | | Company | |
|-------------------------------------|------------------|------------------|-----------|-----------|
| | 2017 £ | 2016 £ | 2017 £ | 2016 £ |
| Trade debtors and other receivables | 2,482,813 | 2,300,647 | - | - |
| Prepayments and accrued income | 126,365 | 122,191 | - | - |
| | <u>2,609,178</u> | <u>2,422,838</u> | <u>-</u> | <u>-</u> |

At the balance sheet date amounts receivable by the Company from associated Group companies was £nil (2015: £nil). The carrying amount of these assets approximates their fair value. There are no past due or impaired receivable balances (2015: £nil).

14. Trade and other payables

| | Group | | Company | |
|---------------------------------------|------------------|------------------|------------------|------------------|
| | 2017 £ | 2016 £ | 2017 £ | 2016 £ |
| Trade and other payables | 339,657 | 489,341 | - | - |
| Amounts owed to other related parties | 4,906 | 4,906 | 2,580,102 | 1,855,039 |
| Other payables | 161,944 | 80,083 | - | - |
| Accruals and deferred income | 924,034 | 599,131 | 10,780 | 8,527 |
| | <u>1,430,541</u> | <u>1,173,461</u> | <u>2,590,882</u> | <u>1,863,566</u> |

Trade payables principally comprise amounts of outstanding fees due from clients in respect of commodity and asset facilitation and trade intermediation services.

The carrying amount of trade payables approximates their fair value.

DDCAP Limited

Notes to the accounts Year ended 31 March 2017

15. Notes to the cash flow statements

| | Group | | Company | |
|---|------------------|------------------|----------------|----------------|
| | 2017 | 2016 | 2017 | 2016 |
| | £ | £ | £ | £ |
| Profit for the year | 5,165,907 | 3,179,479 | 2,564,652 | 1,810,674 |
| Adjustments for: | | | | |
| Depreciation of property, plant and equipment | 57,071 | 57,493 | - | - |
| Amortisation of computer software | 23,813 | 19,245 | - | - |
| Investment income | (6,166) | (3,164) | (2,500,000) | (1,800,000) |
| Income tax expense | 1,237,790 | 788,718 | 16,163 | 2,650 |
| Operating cash flows before movement in working capital | 6,478,415 | 4,041,771 | 80,815 | 13,324 |
| Increase in receivables | (186,340) | (1,049,291) | - | - |
| Increase in payables | 246,103 | 244,637 | 727,316 | 253,674 |
| Cash generated from operations | 6,538,178 | 3,237,117 | 808,131 | 266,998 |
| Income taxes paid | (1,161,328) | (512,514) | (14,558) | (421) |
| Net cash from operating activities | 5,376,850 | 2,724,603 | 793,573 | 266,577 |

16. Cash and cash equivalents

| | 1 April 2016 | Cash flow | 31 March 2017 |
|----------------|-------------------------|------------------|--------------------------|
| | £ | £ | £ |
| Group | | | |
| Bank balance | 3,142,121 | 2,314,194 | 5,456,315 |
| | <u>3,142,141</u> | <u>2,314,194</u> | <u>5,456,315</u> |
| Company | | | |
| Bank balance | 269,562 | 293,573 | 563,135 |
| | <u>269,562</u> | <u>293,573</u> | <u>563,135</u> |

17. Profit attributable to equity shareholders of the parent

| | 2017 | 2016 |
|--|------------------|------------------|
| | £ | £ |
| Profit after tax dealt with in the accounts of the Company | <u>2,564,652</u> | <u>1,810,674</u> |

DDCAP Limited

Notes to the accounts Year ended 31 March 2017

18. Called up share capital

The Company has two classes of ordinary shares which carry no right to fixed income.

| <u>Authorised</u> | Number | 2017 £ | Number | 2016 £ |
|------------------------------|------------|------------|------------|------------|
| Ordinary shares of £1 each | 15,750 | 15,750 | 15,750 | 15,750 |
| B Ordinary shares of £1 each | 15,734,250 | 15,734,250 | 15,734,250 | 15,734,250 |

Ordinary shares allotted, issued and fully paid

| | | | | |
|--------------------|--------|--------|--------|--------|
| £1 Ordinary shares | 15,750 | 15,750 | 15,750 | 15,750 |
|--------------------|--------|--------|--------|--------|

B Ordinary shares allotted, issued and fully paid

| | | | | |
|----------------------|------------|------------|------------|------------|
| £1 B Ordinary shares | 15,734,250 | 15,734,250 | 15,734,250 | 15,734,250 |
|----------------------|------------|------------|------------|------------|

The Ordinary & B ordinary shares have the same rights except that the B ordinary shares have no voting rights and have no right to a dividend.

19. Related party transactions

Group

IFRS requires all entities to disclose related party transactions. Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by the related parties.

| | Amount owed to related parties | |
|-------------------------|--------------------------------|-----------|
| | 2017 £ | 2016 £ |
| IPGL (Holdings) Limited | (4,906) | (4,906) |

Company

| | Amount owed to related parties | |
|--------------|--------------------------------|-------------|
| | 2017 £ | 2016 £ |
| DDCO Limited | (1,691,980) | (1,139,150) |
| DDGI Limited | (888,122) | (717,889) |

DDCAP Limited

Notes to the accounts Year ended 31 March 2017

20. Third Party Transactions

On occasion, customers of DDCAP Group are required to introduce third party companies from outside the Group into their transactional arrangements. Such parties are included at the sole discretion of those customers in accordance with their individual terms and conditions of business. One such counterparty is Condor Trade Ltd ('Condor'), a company which is one hundred percent owned by Grooveflower Limited whose sole shareholder is the spouse of one of the Group's directors. Condor is managed completely independently of DDCAP. Grooveflower Limited has no involvement in the day to day management and business of Condor and there are no shareholders common to both DDCAP Group and Grooveflower. Outside of and separate to Condor's trading arrangements with its own customers, DD&Co maintains a trading relationship with Condor in the ordinary course of its business.

21. Ultimate Parent Company

DDCAP Limited is majority owned by INCAP Finance BV. INCAP Finance BV is the immediate controlling party. IPGL (Holdings) Limited is the ultimate parent Company incorporated in Great Britain and registered in England and Wales. Group consolidated financial statements of IPGL (Holdings) Limited can be obtained from The Company Secretary, IPGL (Holdings) Limited, Citypoint Level 28, 1 Ropemaker Street, London, EC2Y 9AW.