

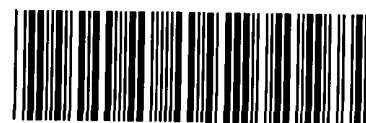
RFIB Group Limited

Annual Report and Financial Statements

Year ended 31 December 2016

Registered Number: 1502259

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Chairman's Statement

2016 was an important year for RFIB following the disappointing financial performance in 2015. By contrast, revenues increased which was amplified by foreign currency gains and our costs, although rising, have been proportionate and include major investments in our future capability.

The restructuring programme that began in the last quarter of 2015, continued through 2016, and has positioned RFIB to take advantage of the exciting future ahead for the business. Another significant investment was establishing our offshore facility for several of our back-office functions; the implementation will continue through 2017. I would particularly like to thank all our employees for their continuing commitment to the business during these changes.

We have attracted several strong additions to our divisions and geographically including new capabilities in Membership Services and Transaction Services. We also welcomed Giles Cockerill as a non-executive director after a distinguished career with the UK Government.

RFIB is built around our belief of a continuing role for the independent specialist broker providing best in class service to our clients for whom we are a trusted advisor. With the backing of our shareholders, the quality of our people and our strong reputation for integrity and innovation, we offer a unique proposition for people looking for an alternative professional broker without the constraints that exist in larger houses. This makes us a rare commodity indeed.



Mark Winlow
Chairman
28 April 2017

Directors and Officers

Directors

Giles Cockerill
James Halow
Dennis Mahoney
James Donohoe
Mark Williamson
Mark Winlow

Registered Office

20 Gracechurch Street
London
EC3V 0AF

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

Bankers

Barclays Bank plc
1 Churchill Place
London
E14 5HP

Regulator

Financial Conduct Authority
Reference number 310508

Strategic Report

Business Overview

The directors present their strategic report on RFIB Group Limited for the year ended 31 December 2016.

Principal activities

The primary business activity of the Company is insurance and reinsurance intermediation together with risk advisory and related services.

The Company mainly operates from its head office in London and has representative offices in Dubai, Moscow, Kiev, Baghdad and Johannesburg.

We manage a diversified book of business in significant developing economies and are renowned as a producer of innovative, profitable and specialist business to the London and international markets.

Expertise

We have invested heavily in our staff and infrastructure to ensure that we continue to have the expertise and capabilities to provide an unrivalled specialist focus. Across RFIB's business we have expert, seasoned professionals with a rounded understanding of the intermediary business and what is required in today's world to deliver the optimum solution for our clients' needs.

Professional and independent

We are proud of RFIB's long standing reputation for integrity, honesty and independence which, when matched with our professional approach, ensures that we provide clients with solutions that are both effective and economic.

Client focus

We pride ourselves on RFIB's commitment to building a deep understanding of each of our clients' businesses. These long lasting relationships enable us to provide our clients with innovative risk management solutions.

Specialist

For more than 30 years we have focused on specialist areas and have developed an exceptional level of technical knowledge and understanding. At RFIB we are leaders in the following areas:

Alternative Reinsurance Products	Marine Claims
Aviation Risk	Marine Liability
Binding Authorities & Facilities	Personal Accident & Illness
Cargo & Specie	Political & Trade Credit Risk
Casualty Specific Risks	Port Authorities & Port Packages
Claims	Protection & Indemnity
Direct & Facultative Property & Construction	Public Entity Package
Energy, Power & Natural Resources	Shipyards & Building Risk
Financial & Professional Risks	Treaty
Hull & Machinery	War, Terrorism, Confiscation & Political Risks
Kidnap & Ransom	Yacht Insurance

Strategic Report

Review of the business

The past year has seen the company operate under a new leadership and continue to implement the initiatives started following the Calera transaction in 2015. This has resulted in significant traction in growing revenues and improved profitability across the business.

Revenue

Revenue has increased by 15% over the previous 12 month period. This includes the foreign exchange gain arising from the movement in exchange rates in the second half of 2016 and revenue growth across all but one of its brokerage divisions.

EBITDA

Earnings before interest, tax, depreciation, amortisation, impairment and exceptional items (EBITDA), is one of the key measures for the business. The pre-bonus EBITDA for the existing operations shows an increase to £6.1m (2015 £1.1m loss). A special bonus was paid related to successful completion of reengineering initiatives and achieving target margins. In addition, the Company has made investments in IT and outsourcing of non-client facing operations to support growth in the business going forward. The costs associated with this include the review and upgrading of the IT function as well as the implementation of outsourcing initiative to be completed in early 2017.

Exceptional items

The restructuring which began in 2015 has continued through 2016. This is described in note 10 to the financial statements.

The other exceptional items relate to the impairment of the investment in Bellarmine Limited and the profit on disposal of MST RFIB Limited (these are described in notes 11 and 12 respectively).

Results

The loss for the financial year to 31 December 2016 amounts to £2.1m (2015: loss £3.75m). No dividend is recommended for the current year (2015: £nil).

Pension deficit and post balance sheet event

The deficit on the defined benefit pension scheme increased by £7.3m in 2016, as a result of the FRS102 revaluation calculated in January 2017. As a consequence the company had net retained liabilities of £3.49m at 31 December 2016. At a board meeting held on 26 January 2017 it was agreed that RFIB Holdings limited would release RFIB Group Limited from a £6.2m inter-company in consideration for shares in the company to the value of £6.2m. The transaction was completed on 28 February 2017. See note 27 of the Financial Statements.

Strategic Report

Review of the business (continued)

Balance sheet

The net assets have decreased by £8.6m to (£3.5m) at 31 December 2016 from £5.1m at 31 December 2015. As noted previously due to the increased pension deficit the company provided an additional £1m to reflect the fair value accounting treatment of the outstanding forward foreign exchange contracts.

Financing and liquidity

The company had net cash of £0.86m at 31 December 2016 compared with a net cash of £0.75m at 31 December 2015:

	31 Dec 2016	31 Dec 2015
	£,000	£,000
Own cash	859	750
	<u>859</u>	<u>750</u>

FX Management

The Company is exposed to transactional foreign exchange exposures primarily from its cost base in GB Sterling and significant revenue in US Dollars (approximately two thirds of its total revenues). The Company operates a US Dollar hedging programme to smooth out the volatility caused by US Dollar rate fluctuations through the period using forward foreign exchange contracts. In 2016 the Company achieved an average rate of USD1.55 (2015: USD1.59) compared to an average market rate of USD1.35 (2015: USD1.53).

Principal Risks & Uncertainties

As a global business, we understand that we face a wide range of risks, from the internal or external environment in which we do business. Some may threaten our success or viability directly with a financial, operational and/or reputational impact whilst others could be opportunities. By understanding our risks more clearly we are confident that we have the mechanisms in place to enable us to recognise and to manage them to within our risk appetite, in addition to enabling us to identify and take business opportunities.

Our Governance, Risk Management and Internal Control Framework defines the approach that we take to the management and oversight of our business risks through a fully operational 3 lines of defence structure and strong Boards and Board Sub-Committees.

Strategic Report

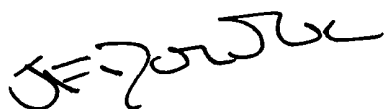
Review of the business (continued)

Principal Risks & Uncertainties (continued)

We have identified 4 key risk areas to our business and ensure that all identified risks are categorised and reviewed appropriately therein:

Risk Type	Nature of Risk	Risk Mitigation
Strategy & Market Environment Risk	The risk of current and prospective impact resulting from our own decisions or implementations thereof, in addition to the risks intrinsic to the economy and market in which we operate.	<ul style="list-style-type: none"> • Robust strategy and planning process. • Ongoing monitoring and reporting of economic and competitive environment. • Strong Governance and Internal Control practices. • Diversification of product lines. • Value added services provided. • Global diversification.
Financial Risk	The risk of adverse impact on the business value or earning capacity as well as the risk of inadequate cash flow to meet our financial obligations.	<ul style="list-style-type: none"> • Proactive management of the business plan and budget. • Regular monitoring of cash flows. • Proactive management of currency exposure. • Strong credit control practices.
Operational Risk	The risk of loss arising from inadequate or failed internal processes, from personnel and/or from external events.	<ul style="list-style-type: none"> • Strong Internal Control Environment and Governance oversight practices. • Strong HR practices, including training and development, objectives and reward. • RFIB Values • Business Continuity and Recovery Plan. • Information and Data Security controls
Regulatory & Legal Risk	Risk of regulatory sanctions, material financial loss or loss to reputation suffered as a result of not complying with laws, regulations and applicable administrative provisions.	<ul style="list-style-type: none"> • Regulatory radar - Ongoing monitoring global regulatory and legal environment. • Ongoing integration of change to operational practices. • Regulatory licenses held and maintained where required. • Strong Counterparty onboarding process. • Monitoring and oversight programme and reporting in place by 2nd and 3rd Lines of defence

The Strategic Report on pages 3 to 6 was approved by the Board on 28 April 2017 and signed by its order by



J F Donohoe
Director

Directors' Report

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2016.

Board of Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

	Appointed	Resigned
Chilton, Frederick Paul	16/02/2016	
Cockerill, Giles Martin	15/08/2016	
Donohoe, James Fergus	12/10/2016	
Halow, James	25/01/2016	
Mahoney, Dennis Leonard	21/10/2015	
Moss, Nicholas James	28/02/2013	06/10/2016
Turnbull, Jonathan James	23/06/2008	07/07/2016
Winlow, Mark	29/05/2013	

Company Secretary

Davis, John	01/05/2014	30/09/2016
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Future Developments

The Chairman's Statement on page 1 covers the future developments of the Company.

Results and Dividend

The loss attributable to shareholders for the year ended 31 December 2016 amounts to £2,064,000 (2015: Loss £3,750,000). No dividend is recommended in the current year (2015: £nil).

Directors Interests and Potential Conflicts

Section 175 of the Companies Act 2006 states that the Directors must declare certain material interests. The Board has formal conflict management procedures that have been in place for the period and, following review, no conflicts of interest have been reported.

Going Concern

Having considered both solvency and liquidity risks and undertaken stress testing and liquidity analysis, the directors consider that the Company will have the necessary resources to meet its liabilities as they fall due and will be able to sustain its business model, strategy and operations for the foreseeable future and for at least 12 months from the date of approval of these financial statements. Consequently the financial statements have been prepared on a going concern basis.

Political and charitable contributions

During the year, the Company made charitable donations totalling £6,622 (2015: £2,953). These were made to charities with which the Company maintains close links. The Company does not make political donations (2015: £nil).

Directors' Report

Directors' third party indemnity provisions

Throughout the financial year the Company maintained an insurance policy for Directors and Officers which indemnifies them against certain liabilities arising in the conduct of their duties.

Supplier Payment Policy and performance

It is the Company's policy to agree appropriate terms and conditions in advance with its suppliers and to make payment in accordance with those terms and conditions, provided that the supplier has complied with them.

Post balance sheet events

On 28 February 2017 a board resolution was passed agreeing to the novation of the £6.2m intercompany loan due to LLP Bid Co Ltd to a loan payable to RFIB Holdings Ltd.

RFIB Holdings Limited released RFIB Group Ltd from the £6.2m debt in consideration for the issue of the ordinary shares.

The company issued 14,701,112 'A' ordinary shares of £0.25 each in the company.

Employment policies and diversity

During the financial year the Company employed an average of 230 people (2015: 260 people), most of whom are employed in the United Kingdom.

The board recognises that the continuing success of the Company depends on its employees and is adopting policies designed to retain, attract, develop and train talented individuals and teams.

The Company is an equal opportunities employer and bases decisions on an individual's ability regardless of race, religion, gender, age or disability. The Group's equal opportunities policy is designed to ensure that all applicants are given the same consideration when they apply for jobs and that all employees enjoy the same training, career development and prospects.

Employee Shareholders

82 (2015: 51) current employees are shareholders in the Company's ultimate parent, CCP TopCo Limited.

Disabled employees

The Company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job.

Where existing employees become disabled, it is the Company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

Branches outside the UK

The Company has representative offices outside the UK which are listed in the Strategic Report on page 3.

Directors' Report

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report and the directors' report and the financial statement 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 applicable law and United Kingdom Accounting Standards (United Standard 102. The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

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 statement of affairs of the company and the profit and loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable account policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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 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.

Disclosure of Information to auditors

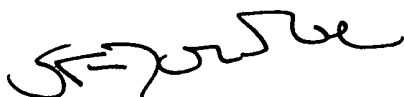
The report must contain a statement to the effect that, in the case of each of the persons who are directors at the time when the report is approved, the following applies:

- As far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- The director has taken all the steps that he/she ought to have taken as a director in order to make him/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The Company has dispensed with the need to hold an annual general meeting and hence the need to reappoint auditors annually. The auditors, PricewaterhouseCoopers LLP, have signified their willingness to remain in office, and their reappointment is confirmed in accordance with s487 Companies Act, 2006.

By order of the board



James Donohoe
28 April 2017

Independent auditors' report to the members of RFIB Group Limited

Report on the financial statements

Our opinion

In our opinion, RFIB Group Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report") comprise:

- Balance sheet as at 31 December 2016;
- Profit and loss account and statement of comprehensive income for the year then ended;
- Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions 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.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Independent auditors' report to the members of RFIB Group Limited

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' responsibilities set out on page 9, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

Independent auditors' report to the members of RFIB Group Limited

What an audit of financial statements involves (continued)

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. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Siobhan Byrne (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
28 April 2017

Profit and loss account

for the year ended 31 December 2016

		Year ended 31 Dec 2016 £'000	Year ended 31 Dec 2015 £'000
	Note		
Turnover	5	40,981	35,688
Administrative expenses		(40,584)	(37,396)
Profit/(loss) on ordinary activities before interest	6	<u>397</u>	<u>(1,708)</u>
Other finance income	18	(75)	(108)
Interest receivable and similar income	9	186	133
Interest payable and similar charges	9	<u>(3)</u>	<u>(95)</u>
Profit/(loss) on ordinary activities before exceptional items		505	(1,778)
Reorganisation	10	(1,843)	(2,729)
Amounts written off investments	11	(811)	-
Profit on disposal of fixed asset investments	12	<u>13</u>	<u>-</u>
(Loss) on ordinary activities before taxation		(2,136)	(4,507)
Tax on (loss) on ordinary activities	13	<u>72</u>	<u>757</u>
(Loss) for the financial year		<u><u>(2,064)</u></u>	<u><u>(3,750)</u></u>

There are no material differences between the (loss)/profit on ordinary activities before taxation and the (loss)/profit for the financial years stated above and their historical costs equivalents.

Statement of comprehensive income

for the year ended 31 December 2016

		<i>Year ended 31 Dec 2016 £'000</i>	<i>Year ended 31 Dec 2015 £'000</i>
	Note		
(Loss) for the financial year		(2,064)	(3,750)
Other comprehensive income / (expense):			
Remeasurements of net defined benefit obligation	20	(7,445)	994
Recognition of currency forward hedge reserve		(1,306)	(589)
Total tax on components of other comprehensive income	13	1,722	(76)
Other comprehensive income / (expense) for the year, net of tax		<u>(7,029)</u>	<u>329</u>
Total comprehensive expense for the year		<u>(9,093)</u>	<u>(3,421)</u>

Balance sheet

as at 31 December 2016

	Note	31 Dec 2016 £'000	31 Dec 2015 £'000
Fixed assets			
Tangible assets	14	1,634	2,215
Investments	15	4,029	4,784
		<u>5,663</u>	<u>6,999</u>
Current assets			
Debtors	16	22,459	15,362
Cash at bank and in hand		857	750
		<u>23,316</u>	<u>16,112</u>
Creditors: amounts falling due within one year	17	<u>(22,258)</u>	<u>(15,060)</u>
Net current (liabilities)/assets		<u>1,058</u>	<u>1,052</u>
Total assets less current liabilities		6,721	8,051
Provisions for liabilities	19	(850)	(875)
Post-employment benefits	20	(9,360)	(2,056)
Net(liabilities)/ assets		<u>(3,489)</u>	<u>5,120</u>
Capital and reserves			
Called up share capital	22	1,325	1,325
Share premium account		1,250	1,250
Other reserves		484	-
Capital redemption reserve		1,491	1,491
FX Hedge Reserve		(2,173)	(1,128)
Profit and loss account		(5,866)	2,182
Total shareholders' funds		<u>(3,489)</u>	<u>5,120</u>

The financial statements and the notes on pages 13 to 36 have been approved by the Board of Directors on 28 April 2017 and signed on its behalf by:



James Donohoe
Chief Financial Officer

Registered number: 1502259

Statement of changes in equity

for the year ended 31 December 2016

	<i>Called up share capital £'000</i>	<i>Share premium account £'000</i>	<i>Capital redemption reserve £'000</i>	<i>Other reserves £'000</i>	<i>FX Hedge reserve £'000</i>	<i>Profit and loss account £'000</i>	<i>Total £'000</i>
Balance as at 1 January 2015	1,325	1,250	1,491	417	(657)	4,434	8,260
Profit for the financial year	-	-	-	-	-	(3,750)	(3,750)
Other comprehensive expense for the year	-	-	-	-	(471)	800	329
Total comprehensive income for the year	-	-	-	-	(471)	(2,950)	(3,421)
Proceeds from shares issued	-	-	-	281	-	-	281
Transfer to retained earnings	-	-	-	(698)	-	698	-
Balance as at 31 December 2015	1,325	1,250	1,491	-	(1,128)	2,182	5,120
Balance as at 1 January 2016	1,325	1,250	1,491	-	(1,128)	2,182	5,120
Loss for the financial year	-	-	-	-	-	(2,064)	(2,064)
Other comprehensive (expense) / income for the year	-	-	-	-	(1,045)	(5,984)	(7,029)
Total comprehensive (expense) / income for the year	-	-	-	-	(1,045)	(8,048)	(9,093)
Credit relating to equity-settled share based payments	-	-	-	484	-	-	484
Balance as at 31 December 2016	1,325	1,250	1,491	484	(2,173)	(5,866)	(3,489)

Notes to the financial statements

for the year ended 31 December 2016

1. General Information

RFIB Group Limited "the company" is an insurance and reinsurance intermediation company that also provides risk advisory and related services.

The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is 20 Gracechurch Street, London EC3V 0AF

2. Statement of compliance

The individual financial statements of RFIB Group Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102. "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS102") and the Companies act 2006.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

(b) Going concern

The company meets its day-to-day working capital requirements through a loan from its parent company. In February 2017 an inter-company loan of £6.2m due to CCP TopCo Ltd was novated to a loan payable to RFIB Holdings Limited. RFIB Holdings Limited released RFIB Group Limited from the £6.2m debt in consideration for the issue of ordinary shares see note 25. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing the financial statements.

(c) Exemptions for qualifying entities under FRS 102

The company has taken advantage of section 7 under FRS 102 and has not prepared a statement of cash flows.

(d) Consolidated financial statements

The company is a wholly owned subsidiary of RFIB Holdings Limited and of its ultimate parent of CCP TopCo Limited. It is included in the consolidated financial statements of CCP Topco limited which are publically available. Therefore the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are the company's separate financial statements.

Notes to the financial statements

for the year ended 31 December 2016

3. Summary of significant accounting policies (continued)

(e) Foreign currency

(i) *Functional and presentation currency*

The company's functional and presentation currency is the pound sterling.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical rate are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowing and cash and cash equivalents are presented in the profit and loss account within "finance (expense) / income". All other foreign exchange gains and losses are presented in the profit and loss account within 'Other operating (losses) / gains'.

(f) Revenue recognition

Turnover derives principally from brokerage, fees and other commissions associated with placing insurance and reinsurance contracts.

Brokerage is recognised at the later of the policy inception date or when the policy placement has been completed and confirmed. Where a fixed or minimum premium is paid by the client in instalments, all of the income receivable is recognised when the client is debited for the first instalment. Where there is an expectation of future servicing requirements an element of income relating to the policy is deferred to cover the associated contractual or constructive obligation.

In certain circumstances, where revenue cannot be reliably measured at the contract or policy inception date, income is recognised on a periodic basis when consideration falls due. Income related to return and additional premiums or adjustments is recognised as it occurs. Income on multi year policies that are non-cancellable is recognised at the date of inception of the risk. Income on multi year policies which can be cancelled or varied after the inception of the risk is recognised on a time apportioned basis over the period of the contract.

(g) Exceptional items

The company classifies certain one-off charges or credits that have a material impact on the company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the company.

(h) Employee benefits

(i) *Short term benefits*

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Notes to the financial statements

for the year ended 31 December 2016

3. Summary of significant accounting policies (continued)

(h) Employee benefits (continued)

(ii) Defined contribution pension plans

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in other creditors in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

(iii) Defined benefit pension plan

The Company previously operated a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of the plan assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate').

The fair value of the plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amount included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- (a) The increase in pension benefit liability arising from employee service during the period; and
- (b) The cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as 'Finance expense'.

(iv) Annual bonus plan

The company operates an annual bonus plan for employees. An expense is recognised in the profit and loss account when the company has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

Notes to the financial statements

for the year ended 31 December 2016

3. Summary of significant accounting policies (continued)

(h) Employee benefits (continued)

(v) *Share-based payments*

Where the company participates in a share-based payment arrangement established by a group company the company takes advantage of the alternative treatment allowed under Section 26 of FRS 102. The company recognises the share-based payment expense based on an allocation of its share of the group's total expense, calculated in proportion to the number of participating employees. The corresponding credit is recognised in retained earnings as a component of equity.

Where the company is charged for the cost of share-based payments arrangements the amounts are treated as a reduction in the capital contribution. If the amount charged is in excess of the share-based payment charge the company treats the excess as a notional distribution and charges this to retained earnings.

(i) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) *Current tax*

Current tax is the amount payable in respect of the taxable profit for the period or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the authorities.

(ii) *Deferred tax*

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Notes to the financial statements

for the year ended 31 December 2016

3. Summary of significant accounting policies (continued)

(j) Intangible assets

Goodwill includes expenses incurred by the Company in the acquisition of new revenue teams and removal of their restrictive covenants. The Company receives the benefit of these expenses through immediate access to client books and associated revenues. The expenses are capitalised and amortised to the profit and loss account over a period of time which represents the anticipated payback period of the investment but in any case not exceeding 5 years.

(k) Tangible assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset plus the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided on owned tangible fixed assets at rates calculated to write off the cost of each asset evenly over its expected useful life, as follows:

Leasehold improvements	-	over 10 years
Computer equipment	-	over 3 years
Fixtures and fittings	-	over 5 years

The Company also holds assets under finance leases which are capitalised as fixed assets on the balance sheet. These assets include computer equipment, fixtures and fittings and photocopier equipment. Depreciation is provided on these assets over the period of the lease which ranges from 3 to 6 years.

(l) Investments

Investment in a subsidiary company is held at cost less accumulated impairment losses.

(m) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Notes to the financial statements

for the year ended 31 December 2016

3. Summary of significant accounting policies (continued)

(n) Provisions and contingencies

(i) Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

(ii) Contingencies

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the report date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statement when an inflow of economic benefits is probable.

(o) Financial instruments

The Company has chosen to adopt the recognition and measurement provisions of IAS 39 (as adopted for use in the EU) and the disclosure requirements of FRS 102.

Financial assets are managed on a fair value basis in accordance with the Company's investment strategy. The Company has therefore elected to measure all financial assets at fair value through the profit and loss account.

Listed investments are stated at fair value on current bid prices quoted by the relevant exchanges. Unlisted investments are carried at the directors' estimate of the current fair value, except as stated below.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently stated at fair value obtained from quoted market prices in active markets. Financial assets are derecognised when the right to receive future cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all the risks and rewards of ownership.

(p) Share capital

Ordinary shares are classified as equity.

(q) Distributions to equity holders

Dividends and other distributions to company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the company's shareholders. These amounts are recognised in the statement of changes in equity.

Notes to the financial statements

for the year ended 31 December 2016

4. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the entity's accounting policies

(i) *Share-based payments*

The company's employees have been granted share options by the ultimate parent company, CCP TopCo Limited. The company makes use of the exemption in Section 26 of FRS 102 to account for the expense based on a reasonable allocation of the parent company's total expense. The company has calculated its allocation of the parent company's total expense based on the number of participating employees in the company compared to the number of participating employees in the group.

(b) Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) *Useful economic lives of tangible assets*

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the property and equipment, and note 3(k) for the useful economic lives for each class of assets.

(ii) *Impairment of debtors*

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of the debtors and historical experience. See note 16 for the net carrying amount of the debtors and associated impairment provision.

(iii) *Defined benefit pension scheme*

The company has an obligation to pay pension benefits to certain past and present employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate applied to the liabilities. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 20 for the disclosures relating to the defined benefit pension scheme.

(iv) *Revenue Deferral*

The company makes an estimate of income not yet earned on the contracts which it has booked during the year, based on an assessment of the value of work still to be performed on those contracts. See note 20 for the disclosures relating to the defined benefit pension scheme.

Notes to the financial statements

for the year ended 31 December 2016

5. Turnover

The Company operating revenue derives from insurance and reinsurance activities, it is analysed as follows:

Analysis of turnover by geography:

	31 Dec 2016 £'000	31 Dec 2015 £'000
Western Europe	13,886	12,102
North America	10,904	9,492
Middle East	6,214	5,409
Eastern Europe	3,317	2,887
Africa	2,645	2,303
Other	4,015	3,495
	<u>40,981</u>	<u>35,688</u>

6. Operating (loss) / profit

Operating (loss) / profit is stated after charging / (crediting):

	Note	31 Dec 2016 £'000	31 Dec 2015 £'000
Wages and salaries		18,156	19,705
Social security costs		2,188	2,477
Other pension costs	20	1,155	1,395
Share-based payments	8	335	280
Staff costs		<u>21,834</u>	<u>23,857</u>
Loss on disposal of tangible assets		1	-
Depreciation		658	635
Operating lease charges		1,334	1,356
Foreign exchange losses		994	572
Services provided by the company's auditor:			
Audit of financial statements		117	145
Prior year additional audit fees		21	3
Other services		153	65

Notes to the financial statements

for the year ended 31 December 2016

7. Employees and directors

Employees

The average monthly number of persons (including executive directors) employed by the Company during the year was:

	31 Dec 2016 person	31 Dec 2015 person
Broking and related activities	183	203
Management and administration	47	57
	<u>230</u>	<u>260</u>

Directors

The directors' emoluments were as follows:

	31 Dec 2016 £'000	31 Dec 2015 £'000
Aggregate emoluments	1,095	1,432
Sums paid to third parties for directors' services	97	75
	<u>1,192</u>	<u>1,507</u>

Post-employment benefits are accruing for three directors (2015: three) under a defined contribution scheme. No directors (2015: none) were members of the defined benefit schemes.

Compensation paid to directors for loss of office during the year was £118,756 (2015: £76,000)

No directors (2015: none) exercised share options during the year.

Two directors (2015: none) are accruing benefits under a long-term incentive scheme.

Highest paid director

The highest paid director's emoluments were as follows:

The emoluments of the highest paid Director, during the year, were:

	31 Dec 2016 £'000	31 Dec 2015 £'000
Total amount of emoluments and amounts (excluding shares) receivable under long-term incentive schemes	422	317
Defined benefit pension scheme:		
- Accrued pension at the end of the year	-	-

The highest paid director did not exercise share options in 2016 (2015: not exercised options).

Notes to the financial statements

for the year ended 31 December 2016

8. Share based payments

Certain employees of the company along with the other group employees have been granted option over the 'C' shares in CCP TopCo Limited. The options are granted at nil consideration to incentives key employees. The shares vest at 15% per annum over 5 years with the final 25% vesting on an exit event. Employees are required to remain in the employment with the group.

The company recognises an equity-settled share-based payment expense based on a reasonable allocation of the total charge for the group. This allocation is the total charge for the group prorated for the number of participating employees of the company.

	Number	2016 Weighted average exercise price
Outstanding at 1 January	-	-
Granted	1,102,760	0.025
Forfeited	(66,471)	0.025
Exercised	-	-
Outstanding at 31 December	1,036,289	0.025
Exerciseable at 31 December	-	-

The total charge for the year was £484,012

9. Net interest income / (expense)

(a) Interest receivable and similar income

Interest receivable and similar income

	31 Dec 2016 £'000	31 Dec 2015 £'000
Bank interest received	123	68
Dividends received from subsidiaries	63	65
Total interest income on financial assets not measured at fair value through profit or loss	186	133
Total interest receivable and similar income	186	133

Notes to the financial statements

for the year ended 31 December 2016

9. Net interest income / (expense) (continued)

(b) Interest payable and similar charges

	31 Dec 2016 £'000	31 Dec 2015 £'000
Interest payable on overdrafts and bank loans	(3)	(95)
Total interest payable and similar charges	(3)	(95)

(c) Net interest income

	31 Dec 2016 £'000	31 Dec 2015 £'000
Interest receivable and similar income	186	133
Interest payable and similar charges	(3)	(95)
Net interest income	183	38

10. Reorganisation costs

The company completed its restructuring programme to get the business ready for the next phase of its growth. The total cost of this programme includes the additional payroll and legal costs which were incurred during the year or that are committed at the end of the year. The total exceptional cost in respect of this programme included in the financial statements is £1,843k.

11. Amounts written off investments

During the year the company began negotiations to sell its investment in Bellarmine Ltd for £1.8m, the previous book value was £2.6m and the impairment represents the decrease in value.

12. Profit on disposal of fixed asset investments

During the year MST RFIB Limited was dissolved with reserves being distributed to the shareholders. The profit on disposal represents the excess of these reserves over the lost of the investment. The profit recognised in the profit and loss was £13k being the excess of the distributable reserves (£22k) over the value of the net assets (£9k).

Notes to the financial statements

for the year ended 31 December 2016

13. Income tax

(a) Tax (income) / expense included in profit or loss

	31 Dec 2016 £'000	31 Dec 2015 £'000
Current tax:		
- UK Corporation tax on (loss) for the year	72	(801)
- Adjustment in respect of prior years	(124)	29
Total current tax	<u>(52)</u>	<u>(772)</u>
Deferred tax:		
- Origination and reversal of timing differences	(20)	16
Total deferred tax	<u>(20)</u>	<u>16</u>
Tax on (loss) on ordinary activities	<u>(72)</u>	<u>(757)</u>

(b) Tax (income) / expense included in other comprehensive income

	31 Dec 2016 £'000	31 Dec 2015 £'000
Deferred Tax		
- Origination and reversal of timing differences	(1,722)	76
Total tax (income) / expense included in other comprehensive income	<u>(1,722)</u>	<u>76</u>

(c) Reconciliation of tax credit

The tax assessed on the profit on ordinary activities for the year is higher (2014 higher) than the standard rate of corporation tax in the UK of 20% (2015: 20.25%). The differences are explained below:

	31 Dec 2016 £'000	31 Dec 2015 £'000
(Loss) on ordinary activities before tax	(2,136)	(4,507)
(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 20.25%)	(427)	(913)
Income not subject to tax	(15)	(13)
Previously unrecognised deferred tax	(20)	(69)
Expenses not deductible for tax purposes	591	179
Other timing differences	(92)	25
Pension adjustments	15	5
Adjustment in respect of prior years	(124)	29
Tax credit for the year	<u>(72)</u>	<u>(757)</u>

Notes to the financial statements

for the year ended 31 December 2016

13. Income tax (continued)

(d) Tax rate changes

The tax rate for the current year is lower than the prior year due to changes in the UK Corporation tax rate which decreased from 21% to 20% on 1 April 2015 and has remained the same since. The government has announced that the UK Corporation tax rate will decrease to 19% from April 2017 and then again to 17% in 2020. The deferred tax assets and liabilities are currently recognised at a rate of 20%.

14. Tangible assets

	<i>Leasehold improvement £'000</i>	<i>Computer equipment £'000</i>	<i>Fixture, fittings, equipment £'000</i>	<i>Total £'000</i>
At 31 December 2015				
Cost	4,614	1,381	241	6,236
Accumulated depreciation and impairment	(2,759)	(1,023)	(239)	(4,021)
Net book amount	<u>1,855</u>	<u>358</u>	<u>2</u>	<u>2,215</u>
Year ended 31 December 2016				
Opening net book amount	1,855	358	2	2,215
Additions	-	71	1	72
Revaluation	-	6	-	6
Disposals	-	-	(1)	(1)
Depreciation	(495)	(162)	(1)	(658)
Closing net book amount	<u>1,360</u>	<u>273</u>	<u>1</u>	<u>1,634</u>
At 31 December 2016				
Cost	4,614	1,466	239	6,319
Accumulated depreciation and impairment	(3,254)	(1,193)	(237)	(4,685)
Net book amount	<u>1,360</u>	<u>273</u>	<u>2</u>	<u>1,634</u>

15. Fixed asset investments

	<i>31 Dec 2016 £'000</i>	<i>31 Dec 2015 £'000</i>
At 1 January 2016	4,784	5,297
Additions	65	-
Impairment	(811)	-
Disposals	(9)	(513)
At 31 December 2016	<u>4,029</u>	<u>4,784</u>

Notes to the financial statements

for the year ended 31 December 2016

15. Fixed asset investments (continued)

Fixed asset investments comprise equity shares in the following:

<u>Principal subsidiary undertakings:</u>	<u>Country of incorporation</u>	<u>Proportion of ordinary shares held</u>	<u>Nature of business</u>
RFIB Saudi Arabia LLC	Saudi Arabia	60%	Insurance and reinsurance broking
Gracechurch Intermediaries LLC	USA	99%	Insurance and reinsurance broking.

During the year the company began negotiations to sell its investment in Bellarmine Ltd for an amount lower than the book value. The impairment represents the decrease in value. The disposal relates to the investment in MST RFIB Ltd, please see note 12 for further details.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

16. Debtors

	<i>31 Dec 2016</i> £'000	<i>31 Dec 2015</i> £'000
Uncollected brokerage	13,890	10,172
Amounts owed by Group undertakings	720	293
Amount owed by parent company	21	-
Other debtors	2,132	907
Prepayments and accrued income	2,320	2,428
Corporation tax	873	801
Other taxation	2,503	761
	<u>22,459</u>	<u>15,362</u>

Other taxation

The provision for deferred tax consists of the following deferred tax assets / (liabilities):

	<i>31 Dec 2016</i> £'000	<i>31 Dec 2015</i> £'000
Accelerated capital allowances	(27)	(32)
Post-employment benefits	1,872	411
Derivative financial liabilities	543	282
Other timing differences	115	100
Total provision	<u>2,503</u>	<u>761</u>

Following a reclassification of other taxation the comparative amounts in debtors have been amended from amounts previously reported. See note 19.

Notes to the financial statements

for the year ended 31 December 2016

17. Creditors: amounts falling due within one year

	31 Dec 2016 £'000	31 Dec 2015 £'000
Amounts owed to Group undertakings	3,365	3,267
Amount owed to parent company	8,570	3,605
Other creditors	4,185	3,073
Accruals and deferred income	6,138	5,115
	<u>22,258</u>	<u>15,060</u>

18. Operating lease commitments

Annual commitments under non-cancellable operating leases for the Company are as follows:

	<i>Land & Buildings</i>	
	31 Dec 2016 £000	31 Dec 2015 £000
Leases expiring:		
Within two to five years	<u>1,807</u>	<u>1,668</u>

In May 2009 the Company agreed to a lease for new premises. The commitment noted above is the ongoing annual commitment for the new premises.

19. Provisions for liabilities

	<i>Errors omissions provision</i> £'000	<i>Dilapidations provision</i> £'000	<i>Onerous lease provision</i> £'000	<i>Total</i> £'000
At 1 January 2016	150	498	227	875
Additions dealt with in profit or loss	-	76	(101)	(25)
Additions dealt with in other comprehensive income	-	-	-	-
At 31 December 2016	<u>150</u>	<u>574</u>	<u>126</u>	<u>850</u>

Following a reclassification of other taxation provision the comparative amounts in provisions for liabilities have been amended from amounts previously reported. See Note 16

Errors and omissions

The Company is currently involved or potentially involved in claims arising from its business activities. On the facts known to the Directors there is no reason to suppose that any losses in excess of the deductibles under the Company's errors and omissions insurances will not be covered. Provision is only made to the extent that losses are expected to arise.

Notes to the financial statements

for the year ended 31 December 2016

19. Provisions for liabilities (continued)

Dilapidation

The dilapidation provision relates to contractual obligations of the Company on surrender of the property lease to reinstate the premises to the same state and condition as before occupancy. This amount is unlikely to be settled prior to the end of the lease in September 2019.

Onerous lease

The onerous lease arises on the sub-let of the 3rd floor of Gracechurch Street and provides for the short fall in lease receipts over the period of the sub lease.

20. Post-employment benefits

The company operates a number of pension schemes for its employees. The amount recognised in the Balance sheet is as follows:

	<i>Note</i>	<i>31 Dec 2016</i> £000	<i>31 Dec 2015</i> £000
Defined benefit scheme liability	20 (a)	7,488	1,646
Defined contribution scheme liability	20 (b)	166	179
		<u>7,654</u>	<u>1,825</u>

The amount recognised in the profit and loss account is as follows:

	<i>Note</i>	<i>31 Dec 2016</i> £000	<i>31 Dec 2015</i> £000
Defined benefit scheme	20 (a)		
- Current service cost		-	-
- Past service cost		-	-
Defined contribution scheme	20 (b)	<u>1,155</u>	<u>1,395</u>
Total charge in operating profit		1,155	1,395
Defined benefit scheme			
- Net interest expense		<u>75</u>	<u>108</u>
Total charge		<u>1,230</u>	<u>1,503</u>

The total charge for defined contribution plans was £1,155k

(a) Defined benefit scheme

The Company operates a pension scheme ("the Scheme") which, since 1 August 2002, provides defined benefit and defined contribution benefits. Until 25 January 2001 the subsidiary participated in the Robert Fleming Group Pension Scheme ("RFGPS"), which provided defined benefit and defined contribution benefits. Some members of the Scheme retain a deferred pension entitlement within the RFGPS, based on their service prior to, and salary in the year to, 25 January 2001, but have been granted continuous service within the Scheme. The Company has no additional liability to RFGPS. The Company subsequently ceased contributions to the Scheme with effect from 1 December 2009.

The assets of the Scheme are held separately from those of the Company in a trust fund. Contributions to the fund are determined on the basis of triennial valuations by an independent qualified actuary employed by KPMG LLP.

Notes to the financial statements

for the year ended 31 December 2016

20. Post-employment benefits (continued)

(a) Defined benefit scheme (continued)

A comprehensive actuarial valuation of the company pension scheme, using the projected unit credit method, was carried out at 31 December 2016 by the actuary by rolling forward the result of the actuarial valuation as at 1 January 2016 by allowing, on an approximate basis, for the following factors:

- The impact of the reporting date being approximately 3 years later than the actuarial valuation date;
- Benefits paid from the Scheme;
- The different assumptions required for these account liability values;
- Known experience of the Scheme, including in relation to lower than expected inflation;

Adjustments to the valuation at that date have been made based on the following assumptions:

	2016	2015
Key assumptions		
Rate of increase in salaries	2.25%	2.15%
Discount rate	2.70%	3.90%
RPI Inflation assumption	3.25%	3.15%
CPI Inflation assumption	2.15%	2.05%
Limited Price Indexation Pension increases (maximum 5.0% p.a.)	3.10%	3.00%
Limited Price Indexation Pension increases (maximum 3.5% p.a.)	2.65%	2.60%

The underlying mortality assumptions used, based upon the SAPS S2 tables, were as follows:

	2016 years	2015 years
Longevity at age 65 for current pensioners	21.3	21.3
Longevity at age 65 for future pensioners	23.9	23.8

Reconciliation of scheme assets and liabilities:

	Assets £000	Liabilities £000	Total £000
At 1 January 2016	21,047	(23,104)	(2,057)
Benefits paid	(571)	571	-
Employer contributions	217	-	217
Experience gains on liabilities	-	407	407
Interest income / (expense)	815	(890)	(75)
Remeasurement gains / (losses)			
- Actuarial gains	-	(7,720)	(7,720)
- Return on plan assets excluding interest income	(132)	-	(132)
At 31 December 2016	21,376	(30,736)	(9,360)
Related deferred tax asset	(4,275)	6,147	1,872
Present value of Scheme liabilities at end of year	17,101	(24,589)	(7,488)

Notes to the financial statements

for the year ended 31 December 2016

20. Post-employment benefits (continued)

(a) Defined benefit scheme (continued)

Total cost recognised as an expense:

	31 Dec 2016 £000	31 Dec 2015 £000
Interest cost	(75)	(108)
Total charge	(75)	(108)

The agreed contributions to be paid by the Group for the forthcoming year (year ending 31 December 2017) are £284,004, subject to review at future actuarial valuations.

The fair value of the plan assets was:

	31 Dec 2016 £000	31 Dec 2015 £000
Equities and Absolute Return Funds, including derivatives	15,796	15,799
Bonds	5,443	5,124
Cash and cash equivalents	137	124
	21,376	21,047

Sensitivity of the defined benefit obligation to changes in the principal actuarial assumptions:

	31 Dec 2016 £000
0.25% increase in discount rate	(1,659)
0.25% increase in price inflation (and associated assumptions)	1,426
1 year increase in life expectancy at age 65	1,009

(b) Defined contribution scheme

Following the closure of the defined benefit scheme to new entrants, the company provides a defined contribution scheme for its employees.

The amount recognised as an expense for the defined contribution scheme was:

	31 Dec 2016 £000	31 Dec 2015 £000
Current period contributions	1,155	1,395

Notes to the financial statements

for the year ended 31 December 2016

21. Financial instruments

Derivative financial instruments – Forward contracts

The Group enters into forward currency contracts to mitigate the exchange rate risk arising on future currency receivables. At 31 December 2016, the outstanding forward contracts mature with value dates between January 2017 and October 2018, which is in line with the expected future cash flows being hedged.

At 31 December 2016 there were outstanding forward exchange contracts for the sale of foreign currencies for sterling as follows:

	Contract value 2016 £000	Fair value 2016 £000
Contracts to sell USD 32.3m	23,621	26,151
Contract to sell EURO 3.88m	3,144	3,307
	<u>26,765</u>	<u>29,458</u>

22. Called up share capital

	Authorised		Allotted, called up and fully paid	
	31 Dec 2016 £000	31 Dec 2015 £000	31 Dec 2016 £000	31 Dec 2015 £000
Ordinary shares of 25p each	5,000	5,000	1,325	1,325
Number of shares	<u>20,000,000</u>	<u>20,000,000</u>	<u>5,298,888</u>	<u>5,298,888</u>

22. Contingent liabilities

The Company participates in the Griffin Insurance Association Insurance Mutual. The Mutual operates purely on participant funding and therefore the Company could potentially be liable for a share of any deficit should claims reach a sufficient level. In the view of the Directors, the likelihood of such an event occurring is not sufficient to warrant provision within these financial statements. Any such provision would only be quantifiable once a deficit in the Mutual was notified. The Directors are not aware of any claims within the Mutual sufficient to warrant such notification.

23. Financial guarantees

The company is a co-guarantor with other companies in the group in respect of the foreign exchange hedging facility with Barclays Bank Plc.

Notes to the financial statements

for the year ended 31 December 2016

24. Controlling parties

The immediate parent undertaking is RFIB Holdings Limited, a company incorporated in England and Wales.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is CCP TopCo Limited. Copies of the CCP TopCo Limited consolidated financial statements can be obtained from the Company Secretary at 20 Gracechurch Street, London EC3V 0AF.

The ultimate controlling party is Calera Capital Partners IV (Cayman) AIV I LP.

25. Events after the end of the reporting period

On 28 February 2017 a board resolution was passed agreeing to the novation of the £6.2m intercompany loan due to LLP Bid Co Ltd to a loan payable to RFIB Holdings Ltd.

RFIB Holdings Limited released RFIB Group Ltd from the £6.2m debt in consideration for the issue of the ordinary shares.

The company issued 14,701,112 'A' ordinary shares of £0.25 each in the company.

26. Related party transactions

The company is exempt from disclosing related party transactions as they are with other companies wholly owned within the group.