

Registered number: 02265613

ALEXANDER FORBES INTERNATIONAL LIMITED

COMPANY

COMPANY INFORMATION

ALEXANDER FORBES INTERNATIONAL LIMITED

INCORPORATED IN THE UNITED KINGDOM

Statement of Financial Position
Statement of Changes in Equity
Statement of Financial Performance

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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ALEXANDER FORBES INTERNATIONAL LIMITED

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ALEXANDER FORBES INTERNATIONAL LIMITED

COMPANY INFORMATION

DIRECTORS

G E Stobart

E C Kieswetter (resigned 30 April 2016)

P M Elliott

COMPANY SECRETARY

L Voss

REGISTERED NUMBER

02265613

REGISTERED OFFICE

12 Melcombe Place

London

NW1 6JJ

INDEPENDENT AUDITOR

Crowe Clark Whitehill LLP

Chartered Accountants

St. Bride's House

Salisbury Square

London

EC4Y 8EH

ALEXANDER FORBES INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

The Directors present their report and the financial statements for the year ended 31 March 2016.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £5,770,591 (2015 - £4,261,358).

During the year, the Directors declared interim dividends of £5,500,000 (2015: £6,800,000). The Directors do not recommend the payment of a final dividend (2015: Nil).

DIRECTORS

The Directors who served during the year were:

G E Stobart
E C Kieswetter (resigned 30 April 2016)
P M Elliott

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under Company law the Directors must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 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.

ALEXANDER FORBES INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITORS

In accordance with the Companies Act 2006, the Company is no longer required to hold annual general meetings. Subject to the receipt of any objections as provided under statute or the Company's Articles of Association, the Company is relying on the provisions for the deemed reappointment of Crowe Clark Whitehill LLP as auditors as provided in section 487 of the Companies Act 2006 and Crowe Clark Whitehill LLP have indicated their willingness to continue as auditors of the Company.

FUTURE DEVELOPMENTS

The Company continues to act as the holding company for the Alexander Forbes Group's European businesses.

POST BALANCE SHEET EVENTS

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

This report was approved by the board on 31 May 2016 and signed on its behalf.


G E Stobart
Director

ALEXANDER FORBES INTERNATIONAL LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2016

INTRODUCTION

The Company continues to act as a holding company for the Alexander Forbes Group's European actuarial and financial services businesses. The Directors consider the future prospects of the Company to be satisfactory. The Company is set to continue with the principle activity outlined above.

BUSINESS REVIEW

Following the disposal of Alexander Forbes Trustee Services Limited in the prior year, the Company received additional consideration of £122,215.

Operational costs continue to remain a key focus and ongoing costs are forecast to remain consistent.

The Company remains the UK holding company of the Alexander Forbes Group's investment in Lane Clark & Peacock LLP.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is reliant on the operating performance of its underlying subsidiaries. The principle operating subsidiaries traded in line with expectations.

FINANCIAL KEY PERFORMANCE INDICATORS

The Company's primary key performance indicator is the dividends received from subsidiaries and associates and other net cash flows generated by the Company. Dividends received during the year were £5,500,000 (2015: £5,650,000). The directors are satisfied with the performance of the Company against its key performance indicators during the past financial year.

OTHER KEY PERFORMANCE INDICATORS

During the year under review, the investment in LCP Europe Limited was transferred from its wholly owned subsidiary, Alexander Forbes Financial Services Holdings Limited. Following this transfer, Lane Clark & Peacock Belgium CVBA was disposed of on 7th April 2016 and an impairment charge of £236,004 was made.

This report was approved by the board on 31 May 2016 and signed on its behalf.



G F Stobart
Director

ALEXANDER FORBES INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ALEXANDER FORBES INTERNATIONAL LIMITED

We have audited the financial statements of Alexander Forbes International Limited for the year ended 31 March 2016, set out on pages 7 to 28. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 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 Strategic report and the Directors' 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 Company's affairs as at 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion 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.

ALEXANDER FORBES INTERNATIONAL LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ALEXANDER FORBES
INTERNATIONAL LIMITED**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Nigel Bostock

Nigel Bostock (Senior statutory auditor)

for and on behalf of
Crowe Clark Whitehill

Chartered Accountants

St. Bride's House
Salisbury Square
London
EC4Y 8EH

2 June 2016

ALEXANDER FORBES INTERNATIONAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

				2016 £	2015 £
Turnover				5,809,785	6,162,937
Gross profit				5,809,785	6,162,937
Administrative expenses				(1,548,090)	(2,636,795)
Exceptional administrative expenses (net)				(113,789)	(382,259)
Foreign exchange gains				47,207	3,766
Operating profit				4,195,113	3,147,649
Interest receivable and similar income			9	1,487,629	1,443,235
Profit on ordinary activities before tax				5,682,742	4,590,884
Tax on profit			10	87,849	(329,526)
Profit on ordinary activities after tax				5,770,591	4,261,358
Other comprehensive income:					
Total comprehensive income for the year				5,770,591	4,261,358

ALEXANDER FORBES INTERNATIONAL LIMITED
REGISTERED NUMBER:02265613

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016

	Note	2016 £	2015 £
Fixed Assets			
Tangible assets	13	1,205	2,373
Investments	14	1	1
		<u>1,206</u>	<u>2,374</u>
Current assets			
Debtors	15	31,977,698	31,799,817
Cash at bank and in hand	16	1,920,332	1,751,865
		<u>33,898,030</u>	<u>33,551,682</u>
Creditors: amounts falling due within one year	17	(708,114)	(502,463)
Net current assets		<u>33,189,916</u>	<u>33,049,219</u>
Total assets less current liabilities		<u>33,191,122</u>	<u>33,051,593</u>
Provisions for liabilities			
Other provisions	20	(133,550)	(664,612)
		<u>(133,550)</u>	<u>(664,612)</u>
Net assets		<u><u>33,057,572</u></u>	<u><u>32,386,981</u></u>
Capital and reserves			
Called up share capital	21	7,700,000	7,700,000
Retained Earnings		25,357,572	24,686,981
		<u><u>33,057,572</u></u>	<u><u>32,386,981</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31 May 2016.


P M Elliott
 Director

The notes on pages 10 to 28 form part of these financial statements.

ALEXANDER FORBES INTERNATIONAL LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2016

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 April 2015	7,700,000	24,686,981	32,386,981
Comprehensive income for the year			
Profit for the year	-	5,770,591	5,770,591
Total comprehensive income for the year	-	5,770,591	5,770,591
Contributions by and distributions to owners			
Dividends: Equity capital		(5,100,000)	(5,100,000)
Total transactions with owners		(5,100,000)	(5,100,000)
At 31 March 2016	7,700,000	25,357,572	33,057,572

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2015

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 April 2014	7,700,000	27,225,623	34,925,623
Comprehensive income for the year			
Profit for the year		4,261,358	4,261,358
Total comprehensive income for the year		4,261,358	4,261,358
Contributions by and distributions to owners			
Dividends: Equity capital	-	(6,800,000)	(6,800,000)
Total transactions with owners	-	(6,800,000)	(6,800,000)
At 31 March 2015	7,700,000	24,686,981	32,386,981

The notes on pages 10 to 28 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 101 is given in note 25.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note).

First time application of FRS 100 and FRS 101

The following principal accounting policies have been applied:

1.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

ALEXANDER FORBES INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES (continued)

1.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and;
- the costs incurred and the costs to complete the contract can be measured reliably.

1.4 Consolidation basis

The financial statements contain information about Alexander Forbes International Limited as an individual company and do not contain consolidated financial information as the parent of a group. In accordance with s401 of the companies act 2006, the company is exempt from the requirement to prepare consolidated financial statements, as it and its subsidiaries are included in the consolidated financial statements of Alexander Forbes Group Holdings Limited.

1.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

The estimated useful lives range as follows:

Office equipment	-	4-7 years
Computer equipment	-	3-5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Comprehensive Income.

1.6 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

1.7 Investments

Fixed asset investments are measured at cost and are written down only where there is an impairment in value. An impairment is recognised when the carrying value is greater than the realisable value or value in use, as appropriate.

1.8 Debtors

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

1.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

1. ACCOUNTING POLICIES (continued)

1.10 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

The Company classifies all of its financial assets as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Income statement. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

The Company classifies all of its financial liabilities as liabilities at amortised cost.

At amortised cost

Financial liabilities at amortised cost are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Statement of Financial Position.

1.11 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES (continued)

1.12 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates 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 cost 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.

1.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

1.14 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Income statement over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Income statement is charged with fair value of goods and services received.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

1. ACCOUNTING POLICIES (continued)

1.15 Provisions for Liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income statement in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

1.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

1.17 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

1.18 Interest receivable/interest payable and other similar income/charges

Interest receivable, interest payable and other similar income/charges relate to interest on intra-group borrowings. Interest is recognised on an accruals basis.

ALEXANDER FORBES INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are any indicators of impairment of the company's tangible assets and investments. Factors taken into consideration in reaching such a decision includes the economic viability and expected future performance of the asset.
- Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as remaining life of the asset and projected disposal values.

3. ANALYSIS OF TURNOVER

An analysis of turnover by class of business is as follows:

	2016 £	2015 £
Management and other services	309,785	512,937
Dividends received from subsidiary	5,500,000	5,650,000
	<u>5,809,785</u>	<u>6,162,937</u>

All turnover arose within the United Kingdom.

4. OTHER OPERATING INCOME

	2016 £	2015 £
Profit on Foreign exchange	47,207	3,766
Total	<u>47,207</u>	<u>3,766</u>

5. OPERATING PROFIT

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	1,168	5,371
Defined contribution pension cost	139,873	105,517

ALEXANDER FORBES INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

6. AUDITORS' REMUNERATION

The company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company:

	2016 £	2015 £
Fees for audit of the company	12,500	16,000
	<u>12,500</u>	<u>16,000</u>

7. EMPLOYEES

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	849,889	1,837,249
Social security costs	96,174	107,420
Cost of defined contribution scheme	139,873	105,517
	<u>1,085,936</u>	<u>2,050,186</u>

The company operates a defined contribution pension scheme, contributions to which are charged to the profit and loss account as they fall due.

The average monthly number of employees, including the Directors, during the year was as follows:

	2016 No.	2015 No.
	<u>6</u>	<u>6</u>

8. DIRECTORS' REMUNERATION

	2016 £	2015 £
Directors' emoluments	755,494	831,269
Amounts receivable under long-term incentive schemes	-	610,841
Company contributions to defined contribution pension schemes	110,567	76,559
	<u>866,061</u>	<u>1,518,669</u>

ALEXANDER FORBES INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

9. INTEREST RECEIVABLE

	2016 £	2015 £
Interest receivable from group companies	1,459,953	1,438,289
Other interest receivable	27,676	4,946
	<u>1,487,629</u>	<u>1,443,235</u>

10. TAXATION

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	(112,485)	(160,296)
Adjustments in respect of previous periods	(37,179)	139,429
	<u>(149,664)</u>	<u>(20,867)</u>
Total current tax	<u>(149,664)</u>	<u>(20,867)</u>
Deferred tax		
Origination and reversal of timing differences	56,195	67,742
Adjustment to tax in respect of prior periods	5,620	282,651
Total deferred tax	<u>61,815</u>	<u>350,393</u>
Taxation on (loss)/profit on ordinary activities	<u>(87,849)</u>	<u>329,526</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

10. TAXATION (continued)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 21%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	5,682,741	4,590,884
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	1,136,548	964,086
Effects of:		
Adjustments in respect of previous periods	(37,179)	139,429
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	62,362	133,247
Deferred Tax adjustments to tax charge in respect of prior periods	5,620	282,651
Deferred tax origination and reversal of timing differences	56,195	67,742
Short term timing difference leading to an increase (decrease) in taxation	(186,952)	(71,129)
Non-taxable income	(1,124,443)	(1,186,500)
Total tax charge for the year	(87,849)	329,526

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charge

11. DIVIDENDS

	2016 £	2015 £
Dividends paid to Holding Company	5,100,000	6,800,000
	5,100,000	6,800,000

ALEXANDER FORBES INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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12. EXCEPTIONAL ITEMS

	2016 £	2015 £
Impairment of subsidiary	236,004	-
(Gain)/loss on disposal of investments	(122,215)	382,259
	<u>113,789</u>	<u>382,259</u>

The current year gains on disposal of investments of £122,215 represents deferred consideration in respect of the disposal of Alexander Forbes Trustee Services Limited in July 2014.

13. TANGIBLE FIXED ASSETS

	Office equipment £	Computer equipment £	Total £
Cost or valuation			
At 1 April 2015	1,891	17,057	18,948
At 31 March 2016	<u>1,891</u>	<u>17,057</u>	<u>18,948</u>
Depreciation			
At 1 April 2015	1,486	15,089	16,575
Charge owned for the period	87	1,081	1,168
At 31 March 2016	<u>1,573</u>	<u>16,170</u>	<u>17,743</u>
At 31 March 2016	<u>318</u>	<u>887</u>	<u>1,205</u>
<i>At 31 March 2015</i>	<u>405</u>	<u>1,968</u>	<u>2,373</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

14. FIXED ASSET INVESTMENTS

	2015	2016	Investments in subsidiary companies
			£
Cost or valuation			
At 1 April 2015			1
Additions			236,004
Amounts written off			(236,004)
At 31 March 2016			1
Impairments			
At 31 March 2016			-
Carrying value			
At 31 March 2016			1
At 31 March 2015			1

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Alexander Forbes Financial Services No 2 Limited	England and Wales	Ordinary	100 %	Dormant
Alexander Forbes Financial Services Holdings Limited*	England and Wales	Ordinary	100 %	Corporate Member in Lane Clark and Peacock LLP.
Lane Clark and Peacock Ireland Holdings Limited	Ireland	Ordinary	30.6 %	Holding Company

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14. FIXED ASSET INVESTMENTS (continued)

Lane Clark and Peacock Ireland Limited	Ireland	Ordinary	30.6 % Actuaries and Consultants
Lane Clark & Peacock Limited	England and Wales	Ordinary	60 % Dormant
Lane Clark & Peacock LLP	England and Wales	N/A	60 % Actuaries and Consultants
Lane Clark and Peacock Netherlands B.V.	Netherlands	Ordinary	42 % Actuaries and Consultants
Lane Clark and Peacock Trustee Services Limited	Ireland	Ordinary	48 % Dormant
LCP Enterprises Limited	England and Wales	Ordinary	80 % Holding Company
LCP Europe Limited*	England and Wales	Ordinary	80 % Holding Company
LCP Trustees Limited	England and Wales	Ordinary	60 % Dormant

* Directly owned by the company

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15. DEBTORS

	2016 £	2015 £
Due after more than one year		
Amounts owed by group undertakings	30,200,206	30,200,206
	<u>30,200,206</u>	<u>30,200,206</u>
Due within one year		
Trade debtors	7,984	7,258
Amounts owed by group undertakings	1,150,208	795,637
Other debtors	243,813	301,044
Prepayments and accrued income	3,415	15,776
Tax recoverable	115,248	161,256
Deferred taxation	256,824	318,640
	<u>31,977,698</u>	<u>31,799,817</u>

Unrecognised deferred tax asset

At 31 March 2016, deferred tax assets of £2,053,866 (2015: £2,191,740) in respect of non-trade loan relationship deficit have not been recognised due to the excess of non trade loan relationship debits exceeding non-trade loan relationship credits in prior years Whilst it is expected that these assets can be recovered in future years, the timing of this recovery remains uncertain.

16. CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash at bank and in hand	1,920,332	1,751,865
	<u>1,920,332</u>	<u>1,751,865</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

17. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	4,722	16,851
Amounts owed to group undertakings	89,030	10,527
Taxation and social security	18,342	24,094
Accruals and deferred income	596,020	450,991
	<u>708,114</u>	<u>502,463</u>

18. FINANCIAL INSTRUMENTS

	2016 £	2015 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	31,602,209	31,304,145
	<u>31,602,209</u>	<u>31,304,145</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(689,772)	(478,369)
	<u>(689,772)</u>	<u>(478,369)</u>

Financial assets measured at amortised cost comprise amounts owed by group undertakings and trade and other receivables.

Financial Liabilities measured at amortised cost comprise trade and other payables.

ALEXANDER FORBES INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

19. DEFERRED TAXATION

	Deferred tax £
At 1 April 2015	318,640
Charged to the profit or loss	(61,816)
At 31 March 2016	256,824

The deferred tax asset is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	256,824	318,640
	256,824	318,640

20. PROVISIONS

	Onerous Leases £	Dilapidation £	Legal and other claims £	Total £
At 1 April 2015	287,146	61,635	315,831	664,612
Charged to the profit or loss	-	-	24,076	24,076
Utilised in year	(287,146)	(61,635)	(206,357)	(555,138)
At 31 March 2016	-	-	133,550	133,550

i) Onerous leases

The company had created a provision for onerous lease liabilities. The company assumed these liabilities as part of the disposal of leases arising from the disposal of Alexander Forbes Services Limited.

ii) Provisions for dilapidations

The provision for dilapidations represented an estimate of potential charges which were payable under the terms of a number of leases which arose from the disposal of Alexander Forbes Services Limited.

iii) Legal and other claims

The provision for legal and other claims relate to certain legal actions with regard to professional indemnity claims that are normal for a business group of this nature.

ALEXANDER FORBES INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

21. SHARE CAPITAL

	2016 £	2015 £
Allotted, called up and fully paid		
7,700,000 Shares shares of £1 each	<u>7,700,000</u>	<u>7,700,000</u>

22. SHARE BASED PAYMENTS

Share Incentive Plans

Alexander Forbes Group Holdings Limited has two long term incentive plans under which awards of shares to employees of the group are made being a forfeitable share plan and a conditional share incentive scheme. Under the conditional share incentive scheme, a number of executives, senior managers and key employees of the group are granted performance related awards (conditional rights to receive shares). These awards are subject to a vesting period, group performance measures and employment conditions. Under the forfeitable share plan, shares are awarded to group employees which vest at a future date, subject to the employee remaining an employee of the group.

Alexander Forbes Group Holdings Limited charges the company for the cost of the shares awarded under both of the share incentive plans over the three year vesting period. An expense of £25,161 (2015:£25,914) has been included in administrative expenses and included in employee emoluments as disclosed in note 7.

Details on long term incentive schemes:

		Number of shares granted	
		2016	2015
Forfeitable shares awarded to Mr P M Elliott are as follows			
Market value on award (in rand)		R 8.89	R 7.50
Grant date	Vesting date		
24 July 2014	24 July 2017	1,000	1,000
3 September 2015	3 September 2018	200	-
		<u>1,200</u>	<u>1,000</u>
Conditional shares awarded to Mr G E Stobart are as follows			
Market value on award (in rand)		R 8.12	R 6.70
Grant date	Vesting date		
24 July 2014	24 July 2017	500,000	500,000
3 September 2015	3 September 2018	472,411	-
		<u>972,411</u>	<u>500,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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23. CONTINGENT LIABILITIES

The Company's subsidiaries are subject to claims and litigation in the ordinary course of business resulting principally from alleged errors and omissions arising in their operations. Under certain disposals, the Company retained the liability for certain of these errors and omissions via indemnities provided to the purchasers. Although all claims are strenuously defended, a provision is made for financial liabilities, including expenses, that are deemed more likely than not to arise in respect of potential claims notified to the Company and in excess of the retention payable by the subsidiaries or former subsidiaries, at the date of these financial statements. Claims may arise several years after the original events which are the subject of dispute.

There is a specific matter being reviewed by the regulator in respect of a legacy subsidiary business in the UK that has subsequently been sold. Whilst this is ongoing it is too earlier to determine (i) if there is any liability that may arise and (ii) in the event a liability does arise if it will impact the company in respect of the legacy subsidiary business that was sold.

24. CONTROLLING PARTY

The Company's Immediate parent company at 31 March 2016 was Alexander Forbes Limited which is registered in South Africa. The Company's ultimate parent company and controlling party at 31 March 2016 was Alexander Forbes Group Holdings Limited, a company registered in South Africa. Copies of the groups financial statements can be obtained from 115 West Steet, Sandown 2196, South Africa.

ALEXANDER FORBES INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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25. FIRST TIME ADOPTION OF FRS 101

The policies applied under the entity's previous accounting framework are not materially different to FRS 101 and have not impacted on equity or profit or loss.