

COMPANY REGISTRATION NUMBER: 05424046

ACTIVE RISK GROUP LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016



BREBNERS
Chartered Accountants & Statutory Auditor
130 Shaftesbury Avenue
London
W1D 5AR

ACTIVE RISK GROUP LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016

CONTENTS	PAGES
Officers and professional advisers	1
Strategic report	2 to 4
Directors' report	5 to 6
Independent auditor's report to the members	7 to 8
Statement of income and retained earnings	9
Statement of financial position	10
Notes to the financial statements	11 to 17
The following pages do not form part of the financial statements	
Detailed income statement	19
Notes to the detailed income statement	20

ACTIVE RISK GROUP LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	J F Mottard S A Allen
Registered office	1 Grenfell Road Maidenhead Berkshire SL6 1HN
Auditor	Brebnér Chartered Accountants & Statutory Auditor 130 Shaftesbury Avenue London W1D 5AR
Bankers	HSBC Bank Plc 127 High Street Hounslow Middlesex TW3 1QP

ACTIVE RISK GROUP LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2016

The principal activity of the company during the year was that of a holding company. A review of the trading subsidiaries activities is as follows:

BUSINESS REVIEW

Our core business

Active Risk provides a leading Enterprise Risk Management ('ERM') solution which allows organisations to identify, analyse and manage risk more effectively, enabling improved business performance. The Active Risk approach to ERM includes four key areas: Operational Risk Management, Project Management, Governance and Compliance, and Opportunity Management.

Our markets

We focus on organisations with the following characteristics:

- Revenue in excess of \$1 billion
- Complex global operations
- Capital intensive contracts
- Increased regulation and compliance requirements
- Increased cost reduction requirements

Accordingly, we concentrate on the following market sectors:

- Aerospace & Defence
- Construction and Engineering
- Government
- Energy (including Oil & Gas, Mining and Utilities)

The opportunity

Our target customers typically wish to improve business performance in order to manage shareholder value. The effective identification, analysis and management of risk are key components in improving both operational and financial performance, and while organisations recognise this, critical exposures still exist in many companies. Executive-level perception of risk continues to be obscured by organisational silos and outdated or inefficient systems potentially leaving a performance gap between an organisation's expectations for risk management and what is actually realised.

How Active Risk takes advantage of this opportunity

We help our customers to succeed by making risk management a valuable and less complex process. Active Risk ensures that business leaders have actionable data to make informed business decisions and capture strategic value within their organisation. Our product Active Risk Manager ('ARM') addresses the risk management process in a comprehensive manner (encompassing the six steps of identification, analysis, control, monitoring, improvement and reporting) and is the only solution that simplifies the identification and analysis of all risks at every level in an organisation so that executives can establish an accurate view.

ARM brings the following benefits:

Competitive Advantage

Business leaders who understand their organisation's risk profile are better able to leverage it to create opportunity and competitive advantage. With superior ERM, risk can be addressed thoughtfully and proactively - ensuring that strategic goals are met:

- Predictability improves, outperforming competition with more on-time & on-budget deliveries;
- Reaction times decrease, improving business performance;
- Compliance is thoroughly addressed, boosting confidence and providing peace of mind; and
- Importantly, new opportunities are discovered, accelerating growth.

ACTIVE RISK GROUP LIMITED

STRATEGIC REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2016

Strategic Visibility

Active Risk provides the only solution that can collect all risk data from anywhere in an organisation, at the point at which it is encountered - whether on a project, in operations, or at a strategic level. This ensures true risk visibility across an enterprise.

Actionable Data

Active Risk's ERM technology is designed to filter large quantities of risk data to ensure that executives have the exact information that ensures they meet their strategic goals. Comprehensive, real-time data is immediately actionable through dashboards and reports that are defined against business objectives.

Our competitive position

ARM is unique in being able to fulfill the end-to-end requirements of risk management with its scalable, integrated, standards-based, real time and consolidated view of enterprise-wide risk profiles. Our strategy and roadmap, based on customer needs and market trends, is designed to keep us focused and ahead of the market.

We are unrivalled as a company delivering a market-leading risk management software solution to our target industry sectors. We offer the most comprehensive software solution for risk and have industry experts in our team, with in-depth experience of successful large-scale risk management implementations. The essence of risk management is about culture change and our full service capability sets us apart. In addition, we believe our core services capabilities further set us apart by enabling us to integrate our risk management solution into our customers' existing complex process infrastructures.

Principal risks and uncertainties

The principal risks facing the company are as follows:

- Theft of Intellectual Property
- Incorrect corporate/product strategy
- Competitor takes largest market share
- Loss of major customers
- Failure to deliver on customer promise

In view of these risks and uncertainties the directors are looking carefully at both existing and potential new markets and the development of new products to remain competitive.

FINANCIAL INSTRUMENTS

The company has a normal level of exposure to price, credit, liquidity and cash flow risks arising from trading activities which are largely conducted in sterling. The company does not enter into any formal hedging arrangements.

FUTURE DEVELOPMENTS

Our strategy is aligned to the direction of the risk market and we have built sales teams and partners with the necessary enterprise-wide skills and knowledge to communicate the business case and convert our ARM pipeline into new customers. This is supported by our marketing function which refines market targeting and delivers the ARM value proposition to the market.

The principal activity and trading performance of the company and group is expected to remain consistent for the foreseeable future.

RESEARCH AND DEVELOPMENT

Active Risk Limited, subsidiary undertaking, is currently undertaking research and development in order to improve and diversify its software offering.

ACTIVE RISK GROUP LIMITED

STRATEGIC REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2016

This report was approved by the board of directors on 29/6/17 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'S A Allen', is positioned above the printed name and title.

S A Allen
Director

ACTIVE RISK GROUP LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2016

The directors present their report and the financial statements of the company for the year ended 31 December 2016.

DIRECTORS

The directors who served the company during the year were as follows:

J F Mottard
S A Allen

DIVIDENDS

The directors do not recommend the payment of a dividend.

DISCLOSURE OF INFORMATION IN THE STRATEGIC REPORT

The company has chosen in accordance with s.414C(11) Companies Act 2006 to set out in the company's strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of future developments, research & development and financial instruments.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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;
- 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.

ACTIVE RISK GROUP LIMITED

DIRECTORS' REPORT *(continued)*

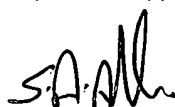
YEAR ENDED 31 DECEMBER 2016

AUDITOR

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

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 29/6/17 and signed on behalf of the board by:



S A Allen
Director

ACTIVE RISK GROUP LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTIVE RISK GROUP LIMITED
YEAR ENDED 31 DECEMBER 2016

We have audited the financial statements of Active Risk Group Limited for the year ended 31 December 2016 which comprise the statement of income and retained earnings, statement of financial position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 December 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.

ACTIVE RISK GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACTIVE RISK GROUP LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2016

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.



Philip Heath (Senior Statutory Auditor)

For and on behalf of
Brebners
Chartered Accountants & Statutory Auditor
130 Shaftesbury Avenue
London
W1D 5AR

30th June 2017

ACTIVE RISK GROUP LIMITED
STATEMENT OF INCOME AND RETAINED EARNINGS
YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	2015 £
Administrative expenses		(134)	205
OPERATING (LOSS)/PROFIT	4	(134)	205
Other interest receivable and similar income		21,268	43,362
Interest payable and similar expenses	5	—	(78,488)
PROFIT/(LOSS) BEFORE TAXATION		21,134	(34,921)
Tax on profit/(loss)	6	6,984	3,939
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		28,118	(30,982)
RETAINED EARNINGS AT THE START OF THE YEAR		124,617	155,599
RETAINED EARNINGS AT THE END OF THE YEAR		152,735	124,617

All the activities of the company are from continuing operations.

ACTIVE RISK GROUP LIMITED
STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Investments	7	7,078,116	9,578,116
CURRENT ASSETS			
Debtors	8	603,665	1,637,661
Cash at bank and in hand		<u>62,340</u>	<u>1,157,045</u>
		666,005	2,794,706
CREDITORS: amounts falling due within one year	9	<u>901,199</u>	<u>5,558,018</u>
NET CURRENT LIABILITIES		235,194	<u>2,763,312</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,842,922</u>	<u>6,814,804</u>
CAPITAL AND RESERVES			
Called up share capital	10	372,715	372,715
Share premium account	11	6,317,472	6,317,472
Profit and loss account	11	<u>152,735</u>	<u>124,617</u>
MEMBERS FUNDS		<u>6,842,922</u>	<u>6,814,804</u>

These financial statements were approved by the board of directors and authorised for issue on 29/6/17 and are signed on behalf of the board by:



S A Allen
Director

Company registration number: 05424046

ACTIVE RISK GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016

1. GENERAL INFORMATION

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 1 Grenfell Road, Maidenhead, Berkshire, SL6 1HN.

The principal activity of the company continued to be that of a holding company.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis in accordance with the accounting policies set out below and are prepared in sterling, which is the functional currency of the entity.

Going concern

The company and group have considerable financial resources, the continued support from the parent undertaking, sufficient cash at bank and has long-term contracts with a number of customers across different industries. The directors believe that the company and group are well placed to manage business risks successfully.

After making enquiries, the directors have a reasonable expectation that the company and group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Sword Group SE, which can be obtained from sword-group.com/investors. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.
- (c) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The entity has taken advantage of the exemption from preparing consolidated financial statements contained in Section 400 of the Companies Act 2006 on the basis that it is a subsidiary undertaking and its immediate parent undertaking is established under the law of an EEA State.

ACTIVE RISK GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2016

3. ACCOUNTING POLICIES *(continued)*

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. Key assumptions and other estimation uncertainty may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The company currently does not have any significant accounting estimates and there is no significant effect on any amounts recognised in the financial statements.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

Dividend income is recognised when the right to receive payment is established.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that 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 the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account. Non-monetary items that are measured in terms of historic cost in a foreign currency are not retranslated.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

ACTIVE RISK GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2016

3. ACCOUNTING POLICIES *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Trade and other debtors

Trade and other debtors are initially recognised at the transaction price and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities.

Trade and other creditors

Trade and other creditors are initially recognised at the transaction price and are thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Interest bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the statement of comprehensive income over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

ACTIVE RISK GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2016

3. ACCOUNTING POLICIES *(continued)*

Related parties

For the purposes of these financial statements, a party is considered to be related to the company if:

- (i) the party has the ability, directly or indirectly, through one or more intermediaries, to control the company or exercise significant influence over the company in making financial and operating policy decisions, or has joint control over the company;
- (ii) the company and the party are subject to common control;
- (iii) the party is an associate of the company or a joint venture in which the company is a venturer;
- (iv) the party is a member of key management personnel of the company or the company's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals;
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the company or of any entity that is a related party of the company; or
- (vii) the party, or any member of a group of which it is part, provides key management personnel services to the company or its parent.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

4. OPERATING PROFIT

Operating profit or loss is stated after crediting:

	2016	2015
	£	£
Foreign exchange differences	<u>(18)</u>	<u>(301)</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2016	2015
	£	£
Other interest payable and similar charges	<u>—</u>	<u>78,488</u>

6. TAX ON PROFIT/(LOSS)

Major components of tax income

	2016	2015
	£	£
Current tax:		
Subvention payment/(receipt)	<u>(6,984)</u>	<u>(3,939)</u>
Tax on profit/(loss)	<u>(6,984)</u>	<u>(3,939)</u>

ACTIVE RISK GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2016

6. TAX ON PROFIT/(LOSS) *(continued)*

Reconciliation of tax income

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

	2016	2015
	£	£
Profit/(loss) on ordinary activities before taxation	21,134	(34,921)
Profit/(loss) on ordinary activities by rate of tax	4,227	(7,072)
Group losses relief	(4,227)	7,072
Subvention payment/(receipt)	(6,984)	(3,939)
Tax on profit/(loss)	(6,984)	(3,939)

7. INVESTMENTS

	Total Investments £
Cost	
At 1 January 2016	9,578,116
Repayment of capital contribution	(2,500,000)
At 31 December 2016	7,078,116
Impairment	
At 1 Jan 2016 and 31 Dec 2016	—
Carrying amount	
At 31 December 2016	7,078,116
At 31 December 2015	9,578,116

ACTIVE RISK GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 DECEMBER 2016

7. INVESTMENTS *(continued)*

The company holds or has beneficial interest in 20% or more of the share capital of the following principal companies:

	Country of registration or incorporation	Class of share	Proportion held	Business
Active Risk Limited	England and Wales	Ordinary	100%	Risk management software
Active Risk Proprietary Limited	Australia	Ordinary	100%	Risk management software
Active Risk Inc	United States of America	Common Stock	100%	Risk management software,
Sword Achiever Limited	England and Wales	Ordinary	100%	Software and consultancy

At 31st December 2016 total investments included capital contribution of £3,200,000 (2015: £5,700,000) in respect the capitalisation of the intercompany loans with Active Risk Limited in prior years. During the year £2,500,000 was repaid to the company from Active Risk Limited.

The company is not required to disclose the aggregate capital and reserves, and the profit and loss account under the Companies Act 2006 for the principal subsidiary undertakings as it is exempt by virtue of Section 400 of the Companies Act 2006 from preparing group accounts as it is part of a larger group preparing consolidated accounts. The information in the financial statements are for the company only.

8. DEBTORS

	2016 £	2015 £
Amounts owed by group undertakings	–	463,939
Other debtors	603,665	1,173,722
	<u>603,665</u>	<u>1,637,661</u>

9. CREDITORS: amounts falling due within one year

	2016 £	2015 £
Amounts owed to group undertakings	<u>901,199</u>	<u>5,558,018</u>

10. CALLED UP SHARE CAPITAL

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £0.01 each	34,231,171	342,312	34,231,171	342,312
Ordinary B shares of £0.01 each	3,040,375	30,404	3,040,375	30,404
	<u>37,271,546</u>	<u>372,715</u>	<u>37,271,546</u>	<u>372,715</u>

ACTIVE RISK GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2016

11. RESERVES

The share premium account contains the premium arising on issue of equity shares, net of issue expenses.

The profit and loss account includes all current and prior retained earnings and accumulated losses.

12. RELATED PARTY TRANSACTIONS

Transactions

Amounts due to and from group undertakings at 31st December 2016 are aggregated as permitted by FRS 102 and shown separately in debtors and creditors.

In accordance with FRS 102 paragraph 33.1A, exemption is taken not to disclose transactions in the year between wholly owned group undertakings.

During the year the aggregate value of transactions with other group undertakings included interest payable of £Nil (2015: £78,488) and a subvention receipt of £6,984 (2015: receipt of £3,939).

13. CONTROLLING PARTY

The company's immediate parent undertaking is Sword Soft Limited and its ultimate controlling party is Sword Group SE. Sword Group SE produces financial statements available for public use.