

BC Capital Management Services Limited

Registered Number: 3986168

**Directors' Report and Audited Consolidated Financial Statements
For the year ended 31 December 2016**

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BC Capital Management Services Limited

Registered Number: 3986168

Administrative information

Directors

P J Dehadray

P A Cox

Secretary

P J Dehadray

Auditor

KPMG LLP

15 Canada Square

London

E14 5GL

Bankers

HSBC Bank Plc

1st Floor

60 Queen Victoria Street

London

EC4N 4TR

Solicitors

Simmons & Simmons

CityPoint

1 Ropemaker Street

London

EC2Y 9SS

Registered Office

40 Grosvenor Place

London

SW1X 7AW

Group Directors' report

The Directors present their annual report together with the Group and Company financial statements for the year ended 31 December 2016.

Principal activity and review of the business

The principal activity of the Company is the provision of office, infrastructure and employment services to BlueCrest Capital Management (UK) LLP ("BCM(UK)LLP") and BlueCrest Capital Management LP ("BCM LP"). Per the press release dated 1 December 2015, BCM LP, acting through BlueCrest Capital Management Limited ("BCML"), in its capacity as general partner of BCM LP, has become a 'Private Investment Partnership', focussing solely on the management of the assets of its partners and Group companies.

The Company operates as the holding company for BlueCrest's international entities which, together with the Company, form the Group. The Group includes operating subsidiaries in the USA, Canada, Singapore and Hong Kong and the principal activity of the Group is the provision of investment management services under sub-investment management agreements held by these subsidiaries with BlueCrest Capital Management Limited ("BCML") in its capacity as general partner of BCM LP, together with the services provided by the Company.

During the year, the Group liquidated one of its subsidiaries, BlueCrest Investimentos Brasil Limitada.

The financial statements presented for the current and prior year are the consolidated results and position of the Company and its subsidiaries.

The Group's key financial indicators during the year were as follows:

	<i>2016</i>	<i>2015</i>	<i>%</i>
	<i>£000's</i>	<i>£000's</i>	<i>Change</i>
Turnover	116,685	128,695	(9%)
Group operating loss	(23,323)	(7,572)	(208%)
Profit on ordinary activities before taxation	19,773	11,453	73%

The average number of group employees during the year decreased by 21% to 337 (2015: 426).

Disabled employees

The Group gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

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

Employee involvement

Regular meetings are held between management and employees to allow a free flow of information about the Group.

Group Directors' report

Political and charitable donations

During the year the Group made charitable contributions totalling £25,000 (2015: nil).

There were no political contributions during the year (2015: nil).

Claims and contingencies

The Directors are not aware of any claims or other liabilities that are not recorded or disclosed in the financial statements. The Group performs regulated activities in a range of jurisdictions and from time to time regulators make enquiries and examinations of our business. There are enquiries being conducted currently that are in various stages and the members are unable at this point to assess or evaluate whether it is more likely than not that there will be any liabilities arising from these enquiries.

Disclosure of information to the auditor

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors, each Director has taken all the steps that they are obliged to take as a Director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

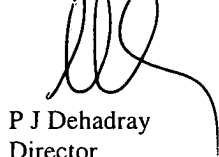
Directors

The Directors of the Company during the year and up to the date of this report are disclosed on page 1.

Auditor

KPMG LLP has been appointed as auditor of the Company. There is no requirement for the annual reappointment of an auditor.

On behalf of the board



P J Dehadray
Director

29 June 2017

Group strategic report

Results and dividends

The group profit for the year after taxation is £20,096,000 (2015: £8,393,000). During the year the Directors of the Company approved and paid an interim dividend of £3,857,000 (2015: £8,323,000).

Future developments

The Group aims to achieve sustained growth by creating further capacity in the existing funds which it manages under the sub-investment management agreements. The Directors aim to continue the activities of the Company as a service provider to BCM(UK)LLP and BCM LP and as a holding company for BlueCrest international entities.

On 23 January 2017, the Group sold 100% of the ordinary share capital of GWN Capital Management Limited (formerly BlueCrest Capital Management (Canada) Limited) to 10008087 Canada Inc.

On 31 March 2017, BlueCrest Capital Management (Hong Kong) Limited ("BCMHL"), a wholly owned subsidiary of the Company, ceased its investment management activities. The Company intends to liquidate BCMHL during 2017.

Principal risks and uncertainties

Risk is an inherent component of the Group's business and the ability to earn a return on capital of the funds managed under the sub-investment management agreements of the Group's international subsidiaries and of BCM(UK) LLP (through which BCM(UK)LLP funds its service fees payable to the group) derives from taking risks. The principal risks facing the Group include:

- **Business risk:** the risk that the market position of the funds managed under the sub-investment management agreements may be adversely impacted resulting in a reduction to the future profitability of the business.
- **Foreign exchange risk:** the Group is exposed to foreign exchange risk as a result of the foreign currency denominated assets held.
- **Credit risk:** the Group is exposed to credit risk in respect of fees receivable from BCM LP. In turn BCM LP is exposed to credit risks in respect of a counterparty or fund failing to meet their contractual obligations.
- **Operational risk:** the Group is exposed to most of the operational risks normally found within asset management businesses. Examples of significant risks include: fraud, mis-selling of products or errors in fund prospectuses, breach of investment mandate, technology failures and fund valuation errors.
- **Liquidity risk:** the risk of not having sufficient liquid resources to meet obligations as they fall due.

The Group addresses these risks through:

- Capital planning to ensure that the Group at all times holds capital resources in excess of its capital requirements. An important aspect of this is for the Group to maintain a cost base that is variable to the greatest extent possible in order to minimise the probability of failing to meet budgeted profit levels.
- Holding working capital in cash and daily liquidity funds and monitoring cash balances on a daily basis.

The Group mitigates operational risks through:

- Fostering a culture that emphasises the importance of effective risk management, strong internal controls, sound governance and a clear understanding of operational risk management processes.
- The recruitment, retention and motivation of high calibre professionals across portfolio management, infrastructure and operational functions.
- The design, implementation and effective operation of the firm-wide risk management framework which outlines responsibilities and escalation procedures for the identification and management of operational risks and operational risk losses.

Group strategic report

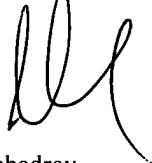
Principal risks and uncertainties (cont'd)

- Regular review of the integrity and robustness of information technology systems including significant resources committed to protecting the resilience of these systems, formal business continuity plans, appropriate remote data back-up and disaster recovery facilities.

Going concern

The Group has considerable financial resources together with sub-investment management agreements with BCM LP and a service agreement with BCM(UK)LLP. The Directors believe that the Group is well placed to manage its business risks successfully and to pay all of its liabilities as and when they fall due. After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the report and financial statements.

On behalf of the board



P J Dehadray
Director

29 June 2017

Statement of Directors' responsibilities

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 they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Independent auditor's report

to the member of BC Capital Management Services Limited

We have audited the financial statements of BC Capital Management Services Limited for the year ended 31 December 2016 which comprises the Group statement of comprehensive income, the Parent Company statement of comprehensive income, the Group statement of financial position, the Parent Company statement of financial position, the Group statement of changes in equity, the Parent Company statement of changes in equity, the Group statement of cash flows and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 Statement of Directors' responsibilities set out on page 6, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matters prescribed by the Companies Act

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

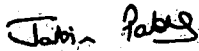
Independent auditor's report

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



Jatin Patel (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

Canary Wharf

London, E14 5GL

30 June 2017

BC Capital Management Services Limited

Registered Number: 3986168

Group statement of comprehensive income

for the year ended 31 December 2016

	<i>Notes</i>	<i>2016 £000's</i>	<i>2015 £000's</i>
<i>Turnover</i>			
Sub-investment management fees	2	73,393	62,179
Service fees receivable	2	43,292	66,516
		<u>116,685</u>	<u>128,695</u>
Service fees payable		(199)	(2,351)
Other income		-	12
Administrative expenses		(139,809)	(133,928)
<i>Group operating loss</i>	3	<u>(23,323)</u>	<u>(7,572)</u>
Interest receivable and similar income		248	1
Interest payable and similar charges		(318)	(26)
Income from investments		26,468	12,940
Provision for debtors	8	(1,881)	-
Net foreign exchange gain		18,579	6,110
<i>Profit on ordinary activities before taxation</i>		<u>19,773</u>	<u>11,453</u>
Tax credit/(charge) on profit on ordinary activities	5	323	(3,060)
<i>Profit on ordinary activities after taxation</i>		<u>20,096</u>	<u>8,393</u>
<i>Profit on ordinary activities after taxation attributable to:</i>			
Non-controlling interests		-	428
Members of the parent company		20,096	7,965
		<u>20,096</u>	<u>8,393</u>
<i>Other comprehensive loss</i>			
Exchange differences on retranslation of net assets of subsidiary undertakings		(10,650)	(3,634)
<i>Total comprehensive income</i>		<u>9,446</u>	<u>4,759</u>
<i>Total comprehensive income attributable to:</i>			
Non-controlling interests		-	428
Members of the parent company		9,446	4,331
		<u>9,446</u>	<u>4,759</u>

All amounts relate to continuing operations.

The notes on pages 16 to 33 form an integral part of these financial statements.

BC Capital Management Services Limited

Registered Number: 3986168

Parent company statement of comprehensive income

for the year ended 31 December 2016

	<i>Notes</i>	<i>2016</i> <i>£000's</i>	<i>2015</i> <i>£000's</i>
Turnover	2	31,418	37,070
Gains and losses on investments		(850)	57
Administrative expenses		(30,391)	(34,383)
<i>Operating profit</i>		<u>177</u>	<u>2,744</u>
Profit allocations		9	9
Interest receivable and similar income		4,924	4,331
Net foreign exchange gain		15,449	4,130
<i>Profit on ordinary activities before taxation</i>		<u>20,559</u>	<u>11,214</u>
Tax credit/(charge) on profit on ordinary activities	5	762	(2,461)
<i>Profit on ordinary activities after taxation</i>		<u>21,321</u>	<u>8,753</u>
<i>Total comprehensive income</i>		<u>21,321</u>	<u>8,753</u>

All amounts relate to continuing operations.

The notes on pages 16 to 33 form an integral part of these financial statements.

BC Capital Management Services Limited

Registered Number: 3986168

Group statement of financial position

at 31 December 2016

	<i>Notes</i>	2016 £000's	2015 £000's
Fixed assets			
Tangible fixed assets	6	4,372	6,136
Investments	7(a)	13,681	17,995
Employee Benefit Trust	7(c)	10,091	9,090
		<u>28,144</u>	<u>33,221</u>
Current assets			
Investments	7(b)	-	67
Debtors			
Amounts falling due within one year	8	104,855	106,714
Amounts falling due after one year	8	3,290	2,964
Cash at bank		<u>15,301</u>	<u>10,919</u>
Total current assets		<u>123,446</u>	<u>120,664</u>
Creditors: amounts falling due within one year	9	<u>(96,028)</u>	<u>(104,034)</u>
Net current assets		<u>27,418</u>	<u>16,630</u>
Total assets less current liabilities		<u>55,562</u>	<u>49,851</u>
Provisions for liabilities	10	<u>(14,281)</u>	<u>(14,159)</u>
Net assets		<u>41,281</u>	<u>35,692</u>
Equity			
Called up share capital	12	1,750	1,750
Profit and loss account		39,531	33,942
Total shareholders' funds		<u>41,281</u>	<u>35,692</u>

Signed on behalf of the Board

P J Dehadray
Director

29 June 2017

The notes on pages 16 to 33 form an integral part of these financial statements.

BC Capital Management Services Limited

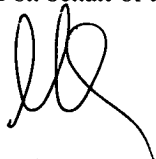
Registered Number: 3986168

Parent company statement of financial position

at 31 December 2016

	<i>Notes</i>	<i>2016 £000's</i>	<i>2015 £000's</i>
Fixed assets			
Investments in subsidiary undertakings	7(d)	31,041	32,011
Investments	7(a)	13,675	17,990
Employee Benefit Trust	7(c)	10,091	9,090
		<u>54,807</u>	<u>59,091</u>
Current assets			
Debtors			
Amounts falling due within one year	8	10,637	25,775
Amounts falling due after one year	8	85,548	71,599
Cash at bank		<u>7,048</u>	<u>3,890</u>
Total current assets		<u>103,233</u>	<u>101,264</u>
Creditors: amounts falling due within one year	9	<u>(8,038)</u>	<u>(27,939)</u>
Net current assets		<u>95,195</u>	<u>73,325</u>
Total assets less current liabilities		<u>150,002</u>	<u>132,416</u>
Provisions for liabilities	10	<u>(14,281)</u>	<u>(14,159)</u>
Net assets		<u><u>135,721</u></u>	<u><u>118,257</u></u>
Equity			
Called up share capital	12	1,750	1,750
Profit and loss account		39,442	21,978
Other reserves		94,529	94,529
Total shareholders' funds		<u><u>135,721</u></u>	<u><u>118,257</u></u>

Signed on behalf of the Board

P J Dehadray
Director

29 June 2017

The notes on pages 16 to 33 form an integral part of these financial statements.

BC Capital Management Services Limited

Registered Number: 3986168

Group statement of changes in equity

for the year ended 31 December 2016

	<i>Called-up share capital £000's</i>	<i>Profit and loss account £000's</i>	<i>Shareholders equity £000's</i>	<i>Non controlling interest £000's</i>	<i>Total equity £000's</i>
Balance at 1 January 2015:	1,750	37,934	39,684	-	39,684
Profit for the year	-	7,965	7,965	428	8,393
Exchange differences on retranslation of net assets of subsidiary undertakings	-	(3,634)	(3,634)	-	(3,634)
Dividends paid to members of the parent company	-	(8,323)	(8,323)	-	(8,323)
Dividends paid to non-controlling interests	-	-	-	(428)	(428)
Balance at 31 December 2015	1,750	33,942	35,692	-	35,692
Profit for the year	-	20,096	20,096	-	20,096
Exchange differences on retranslation of net assets of subsidiary undertakings	-	(10,650)	(10,650)	-	(10,650)
Dividends paid to members of the parent company	-	(3,857)	(3,857)	-	(3,857)
Balance at 31 December 2016	<u>1,750</u>	<u>39,531</u>	<u>41,281</u>	<u>-</u>	<u>41,281</u>

In the current year a dividend of £3,857,000 was declared and paid by the Company (2015: £8,323,000).

The notes on pages 16 to 33 form an integral part of these financial statements.

BC Capital Management Services Limited

Registered Number: 3986168

Parent company statement of changes in equity

for the year ended 31 December 2016

	<i>Called-up share capital \$000's</i>	<i>Other reserves \$000's</i>	<i>Profit and loss account \$000's</i>	<i>Shareholders equity \$000's</i>
Balance at 1 January 2015:	1,750	94,529	21,548	117,827
Profit for the year	-	-	8,753	8,753
Dividends paid	-	-	(8,323)	(8,323)
Balance at 31 December 2015	1,750	94,529	21,978	118,257
Profit for the year	-	-	21,321	21,321
Dividends paid	-	-	(3,857)	(3,857)
Balance at 31 December 2016	1,750	94,529	39,442	135,721

In the current year a dividend of £3,857,000 was declared and paid by the Company (2015: £8,323,000).

The notes on pages 16 to 33 form an integral part of these financial statements.

BC Capital Management Services Limited

Registered Number: 3986168

Group statement of cash flows

for the year ended 31 December 2016

	<i>Notes</i>	<i>2016 \$000's</i>	<i>2015 \$000's</i>
Net cash outflow from operating activities	16	(46,500)	(27,611)
<i>Investing activities</i>			
Profit allocation received		50,700	25,397
Bank interest received		248	1
Payments to acquire tangible fixed assets	6	(24)	(261)
Payments to acquire fixed asset investments	7(a)	(2,829)	(2,261)
Payments to acquire current investments	7 (b)	-	(881)
Proceeds from distribution of EBT assets	7 (c)	-	6,294
Proceeds from sale of fixed asset investments	7 (a)	6,900	3,397
Proceeds from sale of current investments	7 (b)	62	862
Net cash flow from investing activities		55,057	32,548
<i>Financing activities</i>			
Dividends paid to members of the parent company		(3,857)	(8,323)
Dividends paid to non-controlling interests		-	(428)
Interest paid		(318)	(26)
Net cash flow from financing activities		(4,175)	(8,777)
<i>Increase/(decrease) in cash and cash equivalents</i>		4,382	(3,840)
<i>Cash and cash equivalents at 1 January</i>		10,919	14,759
<i>Cash and cash equivalents at 31 December</i>		15,301	10,919

The notes on pages 16 to 33 form an integral part of these financial statements.

Notes to the financial statements

for the year ended 31 December 2016

1. Accounting policies

Statement of compliance

BC Capital Management Services Limited ("the Company") is a limited liability company incorporated in England. The Registered Office is 40 Grosvenor Place, London, SW1X 7AW.

The financial statements of the Partnership have been prepared in compliance with Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and in accordance with the requirements of the Companies Act 2006.

Basis of preparation

The financial statements have been prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of certain financial assets measured at fair value through profit and loss and in accordance with applicable accounting standards. The financial statements are presented in Great British Pounds ("GBP") and have been rounded to the nearest £1,000.

Basis of consolidation

The group financial statements consolidate the financial statements of BC Capital Management Services Limited and its subsidiaries (collectively the "Group").

All intercompany transactions and balances have been eliminated in the Group accounts.

Judgements, assumptions 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 for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

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 discussed below:

Fair value of financial instruments

The Company has estimated the fair value of financial instruments measured at fair value through profit or loss (refer to note 18).

The Company has estimated the fair value of its investments in BCM LP and BCM(UK)LLP using an enterprise value/EBITDA multiple, benchmarked against publically available enterprise value/EBITDA multiple information from comparable entities. An enterprise value/EBITDA multiple of 10 has been used in the valuations.

Turnover

Sub-investment management fees are recognised in the period in which services are provided, whilst sub-investment performance fees are recognised at the point at which they crystallise. Service fees are recognised in the period in which the services are provided. Other income is recognised when the amount of revenue can be reliably measured and it is probable economic benefits will be received.

Interest income

Interest income is recognised as interest accrues using the effective interest method.

Income from investments

Income from investments comprises profit allocations and gains on sale of investments.

Profit allocations are derived from the Group's income interest in the profits of BCM LP and BCM(UK)LLP. Gains on sale of investments are recognised at the point at which they crystallise.

Notes to the financial statements

for the year ended 31 December 2016

1. Accounting policies (cont'd)

Expenses

Service fees payable include office, infrastructure and employment services provided by BCM(UK)LLP and are recognised in accordance with the service agreements in place.

Administrative expenses are recognised on an accruals basis.

Tangible fixed assets

All fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, based on prices prevailing at the date of acquisition or revaluation, of each asset on a systematic basis over its expected useful life as follows:

Leasehold costs	-	5 years
Computers and technology	-	3 years
Office equipment	-	5 years
Fixtures and fittings	-	5 years

Employee Benefit Trust

The Employee Benefit Trust is consolidated in accordance with UITF abstract 32 "Employee benefit trusts and other intermediate payment arrangements". The Employee Benefit Trust is controlled by independent trustees and its assets are held separately from those of the Group.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks, cash in hand and short term deposits with an original maturity date of three months or less.

Financial Instruments

Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Notes to the financial statements

for the year ended 31 December 2016

1. Accounting policies (cont'd)

Financial Instruments (cont'd)

Financial liabilities

Basic financial liabilities, including trade and other payables and loans from fellow group companies are initially recognised at transaction price.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle to liability simultaneously.

Interest-bearing loans

Loan notes receivable are initially recognised at their principal value. After initial recognition, the loan value is reduced by any repayments made in the period. Interest income is recognised in the profit and loss account as it accrues.

Provisions for liabilities

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

Foreign currencies

Company

The Company's functional currency is GBP. Transactions in foreign currencies are initially recorded in the Company's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the statement of comprehensive income.

Group

The balance sheets of overseas subsidiary undertakings are translated to GBP at the rate of exchange ruling at the balance sheet date. The profit and loss account of overseas subsidiary undertakings are translated at the average rate of exchange for the year. The exchange difference arising on translation of subsidiary undertakings is taken directly to reserves.

Current and deferred tax

The current tax charge is calculated on the basis of the tax law enacted or substantively enacted at the balance sheet date in the countries where the Group entities operate and generate taxable income.

Deferred taxation is provided using the liability method on all timing differences, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

Operating leases

Rent payable under operating leases is charged in the statement of comprehensive income on a straight line basis over the lease term. Lease incentives are recognised on a straight line basis over the lease term.

Pensions

Contributions to defined contribution schemes are recognised in the profit and loss account in the period in which they become payable.

Notes to the financial statements

for the year ended 31 December 2016

1. Accounting policies (cont'd)**Minority Interests**

Minority interests represents appropriations to members of overseas subsidiaries.

2. Turnover

Service fees receivable, which is stated net of any value added tax, comprises management charges received by the Company. Management charges are attributable to the provision of office, infrastructure and employment services to BCM(UK)LLP.

Sub-investment management fees consist of revenue derived from the provision of investment management services under sub-investment management agreements with BCM LP.

3. Group operating loss

	<i>2016</i> <i>£000's</i>	<i>2015</i> <i>£000's</i>
Group operating loss is stated after charging:		
Auditor's remuneration	59	238
Depreciation (note 6)	2,496	2,277
Operating lease rentals – land and buildings	5,327	6,032
Auditor's remuneration comprises:		
Fees payable to the Company's auditor for the audit of the Group and Company financial statements	59	86
Other services:		
Taxation advisory services	-	152
Total auditor's remuneration	<u>59</u>	<u>238</u>

4. Group staff costs

	<i>2016</i> <i>£000's</i>	<i>2015</i> <i>£000's</i>
Wages and salaries	110,567	104,772
Social security costs	4,574	4,864
Pension contributions	2,359	2,484
	<u>117,500</u>	<u>112,120</u>
	<i>No.</i>	<i>No.</i>
The average number of employees during the year	<u>337</u>	<u>426</u>

Pension contributions of £2,359,000 (2015: £2,484,000) are in respect of defined contribution schemes.

Notes to the financial statements

for the year ended 31 December 2016

5. Tax on profit on ordinary activities

<i>Group</i>	<i>2016 £000's</i>	<i>2015 £000's</i>
The Group tax (credit)/charge is made up as follows:		
(a) Analysis of charge in the year		
Current Tax:		
UK corporation tax on profit for the year	365	909
Adjustments in respect of prior period	(1,974)	1,632
Foreign tax:		
US business tax	14	2,656
Other	1,803	150
	<u>208</u>	<u>5,347</u>
Deferred tax: (note 11)		
Origination and reversal of timing differences	(405)	(2,476)
Adjustments in respect of prior period	(126)	189
	<u>(531)</u>	<u>(2,287)</u>
Total tax (credit)/charge for the year	<u>(323)</u>	<u>3,060</u>

(b) Factors affecting tax charge for year

The tax assessed for the year differs from the standard rate of corporation tax in the UK. The differences are explained below:

Profit on ordinary activities before tax	<u>19,773</u>	<u>11,453</u>
Profit on ordinary activities multiplied by full rate of corporation tax in the UK of 20% (2015: 20.25%)	3,955	2,319
Effects of:		
Income of non-taxable entities	223	(303)
Adjustments in respect of prior period	(2,100)	1,822
Expenses not deductible for tax purposes	233	-
Overseas tax – current year	469	(835)
Unrecognised timing differences	(3,133)	-
Change of current tax rate on timing differences	<u>30</u>	<u>57</u>
	<u>(323)</u>	<u>3,060</u>

Notes to the financial statements

for the year ended 31 December 2016

5. Tax on profit on ordinary activities (cont'd)

<i>Company</i>	<i>2016 £000's</i>	<i>2015 £000's</i>
The tax charge is made up as follows:		
(a) Analysis of charge in the year		
Current Tax:		
UK corporation tax on profit for the year	365	909
Adjustments in respect of prior period	(992)	2,185
Deferred tax: (note 11)		
Origination and reversal of timing differences	149	477
Adjustments in respect of prior period	(284)	(1,110)
	(135)	(633)
Total tax (credit)/charge for the year	(762)	2,461
(b) Factors affecting tax charge for year		
The tax assessed for the year differs from the standard rate of corporation tax in the UK. The differences are explained below:		
Profit on ordinary activities before tax	20,559	11,214
Profit on ordinary activities multiplied by full rate of corporation tax in the UK of 20% (2015: 20.25%)	4,112	2,271
Effects of:		
Income of non-taxable entities	-	(54)
Adjustments in respect of prior period	(1,276)	1,075
Change of current tax rate on timing differences	31	57
Difference between accounting and taxable profits	144	1
Group relief not paid for	(3,773)	(889)
	(762)	2,461

Notes to the financial statements

for the year ended 31 December 2016

6. Tangible fixed assets

Group

	<i>Leasehold costs £000's</i>	<i>Computers and technology £000's</i>	<i>Office equipment £000's</i>	<i>Fixtures and fittings £000's</i>	<i>Total £000's</i>
<i>Cost:</i>					
At 1 January 2016	7,331	2,164	103	1,204	10,802
Additions	6	18	-	-	24
Foreign exchange adjustment	1,277	337	3	185	1,802
At 31 December 2016	8,614	2,519	106	1,389	12,628
<i>Depreciation:</i>					
At 1 January 2016	2,730	1,407	73	456	4,666
Provided during the year	1,612	600	18	266	2,496
Foreign exchange adjustment	590	240	5	81	916
At 31 December 2016	4,932	2,247	96	803	8,078
<i>Impairment:</i>					
At 1 January 2016	-	-	-	-	-
Provided during the year	146	-	-	32	178
At 31 December 2016	146	-	-	32	178
<i>Net book value:</i>					
At 1 January 2016	4,601	757	30	748	6,136
At 31 December 2016	3,536	272	10	554	4,372

Notes to the financial statements

for the year ended 31 December 2016

7. Investments**(a) Fixed asset investments****Group**

	<i>Group investments Listed £000's</i>	<i>Group investments Unlisted £000's</i>	<i>Group Investments Total £000's</i>
At 1 January 2016	1,139	16,856	17,995
Additions	-	2,829	2,829
Disposals	(1,133)	(5,767)	(6,900)
Fair value adjustments	1	(244)	(243)
At 31 December 2016	7	13,674	13,681

Company

	<i>Company investments Listed £000's</i>	<i>Company investments Unlisted £000's</i>	<i>Company Investments Total £000's</i>
At 1 January 2016	1,139	16,851	17,990
Additions	-	2,829	2,829
Disposals	(1,133)	(5,767)	(6,900)
Fair value adjustments	1	(245)	(244)
At 31 December 2016	7	13,668	13,675

Group and Company

During the year, unlisted investments totalling £2,829,000 (2015: £2,261,000) were acquired and £5,767,000 (2015: £3,333,000) were disposed of and listed investments totalling £1,133,000 (2015: £64,000) were disposed of in relation to an Employee Savings Plan. The total investments in relation to the Employee Savings Plan at 31 December 2016 was £1,154,000 (2015: £5,170,000).

Notes to the financial statements

for the year ended 31 December 2016

7. Investments (cont'd)*(a) Fixed asset investments (cont'd)**Group and Company (cont'd)*

The remaining fixed asset investments held by the Company in the current and prior year represent an investment in BCM LP and BCM(UK)LLP of £5,018,000 and £7,503,000 respectively.

Fair value losses on fixed asset investments of £243,000 have been recognised in the statement of comprehensive income (2015: £57,000).

Group

The additional unlisted fixed asset investment held by the group represents an investment in BCM LP of £6,000 (2015: £5,000).

*(b) Current investments**Group*

**Group
Investments
Unlisted
£000's**

At 1 January 2016	67
Additions	-
Disposals	(62)
Fair value adjustments	(11)
Foreign exchange adjustments	6
At 31 December 2016	-

During the year, the Group disposed of unlisted investments of £62,000 (2015: £862,000) in BlueCrest funds. The investments in BlueCrest funds at 31 December 2016 were nil (2015: £67,000).

Fair value losses on current asset investments of £11,000 have been recognised in the statement of comprehensive income (2015: £20,000).

*(c) Employee Benefit Trust**Group and Company**£000's*

At 1 January 2016	9,090
Fair value adjustments	1,001
At 31 December 2016	10,091

Amounts contributed to the Employee Benefit Trust ("EBT") are invested by the trustees and the assets are included on the balance sheet in accordance with UITF abstract 32 "Employee benefit trusts and other intermediate payment arrangements". No assets were distributed by the Trustees during the year (2015: £6,294,000).

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Notes to the financial statements

for the year ended 31 December 2016

7. Investments (cont'd)

(c) *Subsidiary undertakings:*

Company

Details of subsidiary undertakings are as follows:

<i>Name of company</i>	<i>Proportion of voting rights</i>	<i>Country of registration and operation</i>
BlueCrest GP LLC*	100%	USA
BlueCrest GP II LLC*	100%	USA
BlueCrest USA Holdings Limited**	100%	England
BlueCrest USA GP LLC**	100%	USA
BlueCrest Newport LLC**	100%	USA
BlueCrest Capital Management (Singapore) Pte Limited*	100%	Singapore
BlueCrest Capital Management Global Holdings Limited*	100%	England
BlueCrest Capital Management LP*	0%	England
BlueCrest USA LP**	0%	USA
BlueCrest Capital Management (New York) LP **	0%	USA
BlueCrest Capital Management (Boston) LP **	0%	USA
GWN Capital Management Limited *	100%	Canada
BlueCrest Capital Management (Hong Kong) Limited*	100%	Hong Kong

* Direct holdings ** Indirect holdings

The activities of the entities listed above are investment management, marketing, investment advisory and administration.

During the year ended 31 December 2016, the Group liquidated a direct subsidiary, BlueCrest Investimentos Brasil Limitada. A loss on disposal of \$625,000 is recognised in the Group statement of comprehensive income.

Notes to the financial statements

for the year ended 31 December 2016

8. Debtors

	<i>Group</i>		<i>Company</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>
Corporation tax receivable	1,086	189	295	-
Other debtors and prepayments	12,484	40,967	1,706	4,515
Amounts due from BCM(UK)LLP	6,067	-	6,338	-
Amounts due from BCM LP	80,125	58,420	1,786	11,150
Amounts due from subsidiary entities	-	-	112	6,466
VAT receivable	28	3,406	-	3,379
Deferred tax (note 11)	8,355	6,696	721	586
Loan note receivable	-	-	85,227	71,278
	<u>108,145</u>	<u>109,678</u>	<u>96,185</u>	<u>97,374</u>

Included in other debtors and prepayments is a provision against debtors of £1,881,000 (2015: £nil).

Amounts falling due after one year included above are:

	<i>Group</i>		<i>Company</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>
Other debtors and prepayments	3,290	2,964	321	321
Loan note receivable	-	-	85,227	71,278
	<u>3,290</u>	<u>2,964</u>	<u>85,548</u>	<u>71,599</u>

Company

The loan note receivable represents US\$105,000,000 of unsecured loan notes issued by BlueCrest Capital Management Global Holdings Limited to the Company, which are due to be redeemed during the year ended 31 December 2020.

Other debtors and prepayments falling due after more than one year consist of rental deposits of £321,000 (2015: £321,000).

Group

Other debtors and prepayments falling due after one year represents rental and other deposits of £3,234,000 (2015: £2,964,000) and other deposits of £56,000 (2015: nil).

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Notes to the financial statements

for the year ended 31 December 2016

9. Creditors: amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	<i>2016</i>	<i>2015</i>	<i>2016</i>	<i>2015</i>
	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>
Accruals	83,096	56,244	6,239	7,315
Amounts due to subsidiary entities	-	-	-	737
Subordinated loan (note 15)	250	250	250	250
Amounts due to BCM(UK)LLP	-	28,144	-	16,485
Other creditors	10,064	15,975	253	128
VAT payable	402	-	402	-
Corporation tax payable	1,309	2,623	-	2,250
Other taxes and social security costs	789	635	789	632
Pension payable	118	163	105	142
	<u>96,028</u>	<u>104,034</u>	<u>8,038</u>	<u>27,939</u>

10. Provisions for liabilities

	<i>Group</i>	<i>Company</i>
	<i>£000's</i>	<i>£000's</i>
At 1 January 2016	14,159	14,159
Movements on Employee Savings Plan	(902)	(902)
Movements on Employee Benefit Trust	-	-
Fair value adjustments	<u>1,024</u>	<u>1,024</u>
At 31 December 2016	<u>14,281</u>	<u>14,281</u>

Company

The Company contributed to an Employee Benefit Trust during the year ended 30 November 2002. The amounts contributed are invested by the trustees and the assets are included on the balance sheet in accordance with UITF abstract 32 "Employee benefit trusts and other intermediate payment arrangements". The provision held was £10,091,000 and £9,090,000 for the years ending 31 December 2016 and 31 December 2015 respectively.

The Company also holds a provision for liabilities relating to an Employee Savings Plan. The movement on the Employee Savings Plan represents the net of awards made to employees and employee withdrawals. As at 31 December 2016, £4,190,000 was provided for in relation to the Employee Savings Plan (2015: £5,069,000). The Company has purchased assets to discharge its obligations under the plan, which are included on the balance sheet (note 7(a)).

Notes to the financial statements

for the year ended 31 December 2016

11. Deferred tax*Group*

	2016 £000's
At 1 January 2016	6,696
Foreign exchange adjustments	1,128
Origination and reversal of timing differences (note 5)	405
Adjustments in respect of prior period (note 5)	126
At 31 December 2016 (note 8)	8,355

Company

	2016 £000's
At 1 January 2016	586
Origination and reversal of timing differences (note 5)	284
Adjustments in respect of prior period (note 5)	(149)
At 31 December 2016 (note 8)	721

A deferred tax asset of £325,000 (2015: £344,000) relating to payments made to the Employee Benefit Trust has not been recognised in the Company or the Group as the timing difference is not expected to reverse in the next twelve months. The Directors expect this to be available for relief in future years.

Company

The deferred tax asset represents the expected tax relief due on timing differences expected to reverse in the future in respect of UK profits at 17% (2015: 18%).

Group

The deferred tax asset represents the expected tax relief due on timing differences expected to reverse in the next twelve months at the various tax rates applicable to the Group entities.

Notes to the financial statements

for the year ended 31 December 2016

12. Called up share capital

<i>Company and Group</i>	<i>Issued and</i>		<i>Issued and</i>	
	<i>Authorised</i>	<i>fully paid</i>	<i>Authorised</i>	<i>fully paid</i>
	<i>2016</i>	<i>2016</i>	<i>2015</i>	<i>2015</i>
	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>	<i>£000's</i>
Ordinary shares of £1 each	3,500	1,750	3,500	1,750

13. Parent and ultimate controlling party

The Company's immediate parent is BCM Holdings Limited, a company incorporated in Guernsey.

The Company's ultimate controlling party is BlueCrest Holdings LLP, a limited liability partnership domiciled in Guernsey.

14. Related party transactions*Group*

BCM(UK)LLP is a related party to the group as the Company and certain subsidiaries of the Company are subject to common control with BCM(UK)LLP. During the year, an amount of £8,881,000 was paid by BCM(UK)LLP to the Company and these subsidiaries in relation to services provided (2015: £14,471,000). As at 31 December 2016, the Company and these subsidiaries held a receivable balance of £6,076,000 (2016 (2015: payable of £27,350,000)).

Company

The Company has taken advantage of the exemption from disclosure of transactions with Group entities provided by FRS 102 Section 33 "Related Party Disclosures".

During the year, the Directors of the Company, P A Cox and P J Dehadray, were also members of the board of BCM(UK)LLP. The Company provided office, infrastructure and employment services to BCM(UK)LLP amounting to £8,881,000 (2015: £14,680,000), which after funding provided by BCM(UK)LLP during the year, an amount of £6,338,000 was receivable as at 31 December 2016. (2015: payable of £16,485,000).

15. Subordinated loan

On 31 December 2003, the Company received two £250,000 unsecured subordinated loans from two former Directors of the Company. The loans are non-interest bearing and repayable on one month's notice. As a result of the acquisition of the Company by BCM Holdings Limited ("BCMHL") on 22 March 2011, one of the former Directors relinquished all claims against the Company and therefore one of the loans was released.

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Notes to the financial statements

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16. Notes to the statement of cash flows

Reconciliation of profit to net cash outflow from operating activities

	2016 £000's	2015 £000's
Profit	20,096	8,393
<i>Adjustments to reconcile profit for the year to net cash flow from operating activities</i>		
Depreciation of tangible fixed assets (note 6)	2,496	2,277
Impairment of tangible fixed assets (note 6)	178	-
Provision for debtors	1,881	-
Increase in debtors	(18,934)	(50,316)
(Decrease)/increase in creditors	(6,692)	37,170
Decrease in provision for liabilities (note 10)	(902)	(8,571)
ESP fair value adjustments	22	633
Other non-cash movements	(15,453)	(6,460)
Income from investments	(26,468)	(12,940)
Interest payable and similar charges	318	26
Interest receivable and similar income	(248)	(1)
Tax (credit)/expense for the year	(323)	3,060
Tax paid	(2,471)	(882)
Net cash outflow from operating activities	(46,500)	(27,611)

17. Financial commitments, contingencies and charges

Financial commitments

Financial commitments under non-cancellable operating leases are as follows:

	<i>Land and building 2016 £000's</i>	<i>Land and building 2015 £000's</i>
Group:		
Amounts payable:		
Within one year	5,217	5,112
In two to five years	13,967	14,227
In over five years	8,012	9,632
	<u>27,196</u>	<u>28,971</u>
Company:		
Amounts payable:		
Within one year	2,131	2,131
In two to five years	3,013	4,588
In over five years	834	1,391
	<u>5,978</u>	<u>8,110</u>

Notes to the financial statements

for the year ended 31 December 2016

18. Financial instrument risks*Group*

	<i>2016</i> <i>£000's</i>	<i>2015</i> <i>£000's</i>
<i>Financial assets at fair value through profit or loss</i>		
Fixed asset investments	13,681	17,995
Employee benefit trust	10,091	9,090
Current asset investments	-	67
	<u>23,772</u>	<u>27,152</u>
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Other debtors	10,344	39,097
Amounts due from BCM LP	80,125	58,420
	<u>90,469</u>	<u>97,517</u>
<i>Financial liabilities measured at amortised cost</i>		
Subordinated loan (note 15)	250	250
Amounts due to BCM(UK)LLP	-	28,144
Other creditors	10,064	15,975
	<u>10,314</u>	<u>44,369</u>

Financial instruments are defined in FRS 102 as cash, demand and fixed term deposits, accounts receivable and payable, loans and investments (excluding those in subsidiaries and associates). The discussion of risks below is in relation to these instruments.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's risk management policies are determined by the Executive Committee and seek to minimise the Group's exposure to market, credit and liquidity risks; more details on these policies can be found in the Strategic report on page 4. The risks to which the Group is exposed are summarised below.

Market risk

Market risk consists of foreign exchange risk, interest rate risk and price risk.

Foreign exchange risk

Foreign exchange risk is the risk that the value of financial instruments will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign exchange risk to the extent that its financial assets and liabilities are denominated in non-GBP currencies.

The Group's largest foreign exchange exposure is to United States Dollars ("USD"). At 31 December 2016, if USD had weakened or strengthened against the GBP by a percentage variance of 20%, the profit for the financial year would have been approximately £8.0m lower or £9.6m higher respectively.

Interest rate risk

Interest rate risk is the risk that the value of a financial instruments will fluctuate because of changes in market interest rates. The Group's amounts receivable and payable are typically non-interest bearing and have no fixed maturity and therefore there is little direct exposure to interest rate risk. As at the balance sheet date, the Group's interest rate risk exposure is insignificant.

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for the year ended 31 December 2016

18. Financial instrument risks (cont'd)*Price risk*

Price risk is the risk that the Group incurs a loss as a result of adverse movements in the fair value of an asset. The Group is exposed to price risk through the movements in the value of its investments in BCM LP and BCM(UK)LLP. At 31 December 2016, if the value of the investments moved by a percentage variance of 20%, the profit for the financial year would have been either approximately \$2.1m lower or \$2.5m higher.

Credit risk

Credit risk is the risk that a counterparty will fail to discharge an obligation in respect of a financial instrument, causing the Group to suffer a financial loss.

Exposure to credit risk arising from amounts receivable is minimal as the counterparties are considered to be of high credit quality. The credit worthiness of banks in which cash and cash equivalents are held is monitored on an ongoing basis.

The carrying amounts of the debtors outlined in note 8 together with cash and cash equivalents represent the Group's maximum exposure to credit risk in relation to financial assets. No other financial assets carry a significant exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. The Group's policy is to hold working capital requirements in cash and daily liquidity funds and monitor cash balances on a daily basis. The Group maintains sufficient cash and liquid investments such that liquidity and cash flow risk are negligible.

The table below shows a maturity analysis of the Group's financial liabilities:

Financial liabilities maturity analysis**2016**
£000's*Amounts falling due within one year*

0 – 3 months	8,561
3 – 6 months	62
6 – 12 months	1,691
At 31 December 2016	10,314

Fair value information

The table below indicates the categorisation of financial assets measured at fair value at 31 December 2016 in respect of the fair value hierarchy.

In this table each financial asset held at fair value through profit or loss has been categorised as:

- a Level 1 instrument where the fair value of the asset or liability is derived from quoted prices in active markets for identical investments; or
- a Level 2 instrument where the fair value of the asset or liability is derived from other significant observable inputs (including quoted prices for similar investments, interest rates and similar items).
- a Level 3 instrument where the fair value of the asset or liability is derived from significant unobservable inputs (to the extent that the observable inputs are not available).

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18. Financial instrument risks (cont'd)

Fair value information (cont'd)

	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
Financial assets at fair value				
Fixed asset investments	7	1,147	12,527	13,681
Employee benefit trust	-	10,091	-	10,091
Total financial assets at fair value	7	11,238	12,527	23,772

19. Events after the end of the reporting period

On 23 January 2017, the Group sold 100% of the ordinary share capital of GWN Capital Management Limited to 10008087 Canada Inc.

Subsequent to the end of the reporting period, the Directors of BlueCrest Capital Management (Hong Kong) Limited ("BCMHL") agreed to cease the principle activities of BCMHL and intend to place BCMHL into liquidation in the near future.