COMPANY NO: 04466326

CEDAR ROCK CAPITAL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

♦ Year ended 31 October 2017 ♦

CONTENTS

STRATEGIC REPORT

Business overview

The group carries on business as a discretionary investment manager pursuing a long-only, buy-and-hold global equity strategy. The investment objective is to achieve positive absolute returns over the long term with a strong capital preservation bias.

The board of directors is responsible for the overall stewardship of the company and there have been no changes to this board since inception. Seven employees are also shareholders of the company and therefore participate directly in its profitability and growth.

As at 31 October 2017, the company provides investment management services for seven segregated accounts. The company is also investment manager of four funds: Cedar Rock Capital Partners LLC, a Delaware limited liability company incorporated in the United States which is managed by Cedar Rock Capital LLC (the company's wholly-owned US subsidiary): Cedar Rock Capital Fund Plc, an Irish domiciled UCITS listed on the Irish Stock Exchange: Cedar Rock Capital CCF, a single strategy common contractual fund constituted under the laws of Ireland which is managed by Cedar Rock Capital Management Limited (the company's wholly-owned Irish subsidiary); and Cedar Rock Capital ICAV, an open-ended Irish Collective Asset-Management Vehicle, registered with the Central Bank of Ireland. The group had approximately $12,592m in assets under management at 31 October 2017 (2016: $11,411m) representing a 10% increase.

The performance of the group and company for the year is contained in the Directors' Report on page 3 which forms part of the Strategic Report.

Principal risks and uncertainties

The principal risks and uncertainties faced by the group are described below:

- Market – the group's performance is exposed to movements in the prices of individual stocks and the market generally;
- Investment – incorrect investment strategy or stock selection may result in poor returns or loss of capital for investors ultimately leading to a loss of assets under management;
- Regulatory – as a regulated business in the UK, US and Ireland, breach of regulatory rules may lead to sanctions by the authorities, and new regulations may impose undue pressure on the company's infrastructure;
- Operational – failure of its operational systems or those of third party service providers may disrupt the company's ability to manage investment portfolios;
- Financial – inadequate controls or policies could lead to misappropriation of assets and failure to comply with accounting standards and related regulations;
- Foreign exchange risk – the group is exposed to foreign exchange risk as evidenced by its US dollar denominated income;
- Credit – the group is exposed to debtors who may fail to settle investment management fees, the primary source of revenue;

STRATEGIC REPORT
(Continued)

- Liquidity risk – the group's policy is to maintain significant cash balances to ensure continuity of funding and short-term flexibility to meet its obligations associated with financial liabilities; and

- Interest rate risk – interest bearing assets comprise cash and bank deposits, which earn interest at both fixed and variable rates. There are no interest bearing liabilities.

The directors seek to mitigate and manage each of these risks, and limit the adverse effects on the financial performance of the company, through continual review and policy setting. The financial and regulatory compliance functions are outsourced to a third party provider thus offering a degree of independence.

Key performance indicators

The group uses a number of performance measures to assess its success in meeting its objectives that include:

- Investment performance – the group's success depends on satisfying its clients. The group believes that its clients expect investment returns over time that are attractive in relation to the risks associated with equity investment in general and to the investment strategy in particular;

- Assets under management – as reported above; and

- Profitability – the current year's results are reported in the Directors' Report on page 3.

The Strategic Report was approved by the board on 15 December 2017 and was signed on its behalf by:

Joy-Isabelle Besse
Director

REPORT OF THE DIRECTORS

The directors present their report and the financial statements of the company and group for the year ended 31 October 2017.

Results and dividends

The group profit for the year after tax and before dividends amounted to £70,927,777 (2016: £64,113,269). The company made a profit after tax and before dividends of £70,927,523 (2016: £64,104,213).

During the year an interim dividend of £71,500,000 (2016: £39,300,000) was paid. The directors have not resolved to pay a final dividend (2016: £Nil).

Future developments

As reported in the Strategic Report on page 1, the group is exposed to the risks and uncertainties of the financial markets. Subject to these, the directors project continued profitability during the forthcoming year. The company expects to cease being manager of Cedar Rock Capital Fund Plc ("the UCITs") and Cedar Rock Capital CCF ("the CCF") in the forthcoming year as these funds are being wound down and liquidated. The company has been appointed investment manager of Cedar Rock Capital ICAV, the assets of which are expected to increase.

Financial instruments – financial risk management and exposure to risk

The group's objectives and policies on financial risk management and exposure to risks from financial instruments are discussed in the Strategic Report.

Directors and their interests

The officers of the company who held office during the year end and up to the date of signing the financial statements were:

Directors	Joy-Isabelle Besse Andrew Brown David Miller
Secretary	Joy-Isabelle Besse

Dividends paid to directors who were shareholders during the year amounted to £43,248,542 (2016: £24,506,780).

Directors' responsibilities statement

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

Company law requires the directors to prepare 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 laws including FRS102 "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 and profit or loss of the company and group for that period. In preparing these financial statements, the directors are required to:

REPORT OF THE DIRECTORS
(Continued)

Directors' responsibilities statement (continued)

- select suitable accounting policies and then apply them consistently;
- make judgements 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.
The directors confirm that:

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' indemnities

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of its directors.

Pillar 3 disclosures

The company has documented the disclosures required by the FCA under BIPRU 11.3 and BIPRU 11.5.18 in the unaudited Appendix to these financial statements.

Auditor

Grant Thornton UK LLP have indicated their willingness to continue in office as auditor. A resolution concerning their reappointment will be proposed at the annual general meeting.

The report of the directors was approved by the Board on 15 December 2017 and was signed on its behalf by:

Joy-Isabelle Besse
Director

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF CEDAR ROCK CAPITAL LIMITED

Opinion

We have audited the financial statements of Cedar Rock Capital Limited for the year ended 31 October 2017 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statements of Changes in Equity, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the company's affairs as at 31 October 2017 and of the group's 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF CEDAR ROCK CAPITAL LIMITED
(Continued)

Other information
The directors are responsible for the other information. The other information comprises the information included in the financial statements set out on pages 1 to 4, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006
In the light of the knowledge and understanding of the group and company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and Directors' Report.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company's 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.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF CEDAR ROCK CAPITAL LIMITED
(Continued)

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 and 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Grant Thornton UK LLP

David Pearson
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

15 December 2017

CONSOLIDATED INCOME STATEMENT
For the year ended 31 October 2017

	Note	Group Year ended 31 October 2017 £	Group Year ended 31 October 2016 £
Turnover	1d & 2	92,861,068	83,233,890
Administrative expenses		(4,824,142)	(3,140,418)
Operating profit	4	88,036,926	80,093,472
Interest receivable		17,379	46,600
Interest payable		(1,182)	-
Gain on investments	10	1,783	3,694
		17,980	50,294
Profit before taxation		88,054,906	80,143,766
Taxation	7	(17,127,129)	(16,030,497)
Profit after taxation		70,927,777	64,113,269

All of the group's operations are continuing.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 October 2017

	Group Year ended 31 October 2017 £	Group Year ended 31 October 2016 £
Profit for the year	70,927,777	64,113,269
Total comprehensive income for the year attributable to equity holders of the parent company	70,927,777	64,113,269

The notes on pages 12 to 24 form part of these financial statements.

CONSOLIDATED AND COMPANY BALANCE SHEETS
at 31 October 2017

	Note	Group 31 October 2017 £	Company 31 October 2017 £	Group 31 October 2016 £	Company 31 October 2016 £
Fixed assets					
Tangible assets	9	31,813	31,813	47,412	47,412
Investments	10	18,930	171,131	17,147	171,131
		50,743	202,944	64,559	218,543
Current assets					
Debtors	11	10,830,419	10,833,239	11,516,123	11,516,157
Cash at bank and in hand		45,704,204	45,489,861	45,380,715	45,185,093
		56,534,623	56,323,100	56,896,838	56,701,250
Creditors: Amounts falling due within one year	12	(9,667,758)	(9,655,122)	(9,469,258)	(9,474,086)
Net current assets		46,866,865	46,667,978	47,427,580	47,227,164
Total assets less current liabilities		46,917,608	46,870,922	47,492,139	47,445,707
Provision for liabilities and charges	13	(3,319)	(3,319)	(5,627)	(5,627)
Net assets		46,914,289	46,867,603	47,486,512	47,440,080
Capital and reserves					
Called up share capital	16	499,948	499,948	499,948	499,948
Capital redemption reserve		401,589	401,589	401,589	401,589
Share premium account		3,347,691	3,347,691	3,347,691	3,347,691
Profit and loss account		42,665,061	42,618,375	43,237,284	43,190,852
Equity shareholders' funds		46,914,289	46,867,603	47,486,512	47,440,080

The company made a profit after tax and before dividends of £70,927,523 (2016: £64,104,213).

The financial statements were approved by the Board on 15 December 2017 and signed on its behalf by:

Andrew Brown
Director
Company Number: 04466326

The notes on pages 12 to 24 form part of these financial statements.

CONSOLIDATED AND COMPANY STATEMENTS OF CHANGES IN EQUITY
For the year ended 31 October 2017

Group	**Called up share capital**	**Capital redemption reserve**	**Share premium account**	**Profit and loss account**	**Total**
	£	**£**	**£**	**£**	**£**
Balance as at 1 November 2015	484,950	401,589	1,214,525	18,424,015	20,525,079
Profit and total comprehensive income for the year	-	-	-	64,113,269	64,113,269
Issue of share capital	14,998	-	2,133,166	-	2,148,164
Dividends paid	-	-	-	(39,300,000)	(39,300,000)
Balance as at 31 October 2016	499,948	401,589	3,347,691	43,237,284	47,486,512
Profit and total comprehensive income for the year	-	-	-	70,927,777	70,927,777
Dividends paid	-	-	-	(71,500,000)	(71,500,000)
Balance as at 31 October 2017	499,948	401,589	3,347,691	42,665,061	46,914,289

Company	**Called up share capital**	**Capital redemption reserve**	**Share premium account**	**Profit and loss account**	**Total**
	£	**£**	**£**	**£**	**£**
Balance as at 1 November 2015	484,950	401,589	1,214,525	18,386,639	20,487,703
Profit and total comprehensive income for the year	-	-	-	64,104,213	64,104,213
Issue of share capital	14,998	-	2,133,166	-	2,148,164
Dividends paid	-	-	-	(39,300,000)	(39,300,000)
Balance as at 31 October 2016	499,948	401,589	3,347,691	43,190,852	47,440,080
Profit and total comprehensive income for the year	-	-	-	70,927,523	70,927,523
Dividends paid	-	-	-	(71,500,000)	(71,500,000)
Balance as at 31 October 2017	499,948	401,589	3,347,691	42,618,375	46,867,603

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 October 2017

	Note	Group Year ended 31 October 2017 £	Group Year ended 31 October 2016 £
Net cash inflow from operating activities	18	88,255,059	78,936,813
Taxation paid		(16,978,081)	(14,412,991)
Net cash generated from operating activities		71,276,978	64,523,822
Cash flow from investing activities			
Interest received		20,661	40,653
Purchase of tangible fixed assets		(14,177)	(24,240)
Net cash used in investing activities		6,484	16,413
Cash flow from financing activities			
Interest paid		(1,181)	-
Issue of share capital	16	716,150	-
Dividends paid		(71,500,000)	(39,300,000)
Net cash used in financing activities		(70,785,031)	(39,300,000)
Net increase in cash and cash equivalents		498,431	25,240,235
Exchange loss on cash and cash equivalents		(174,942)	(111,462)
Cash and cash equivalents at the beginning of the year		45,380,715	20,251,942
Cash and cash equivalents at the end of the year		45,704,204	45,380,715

The notes on pages 12 to 24 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 October 2017

1. ACCOUNTING POLICIES

General information
The principal activity of the group and company is the provision of investment management and advisory services.

The company is limited by shares and is incorporated in England and Wales, United Kingdom. The address of its registered office is Suite 1, 3rd Floor, 11-12 St James's Square, London SW1Y 4LB.

Statement of compliance
The group and the individual financial statements of Cedar Rock Capital Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006, including the Amendments to FRS 102 (issued in July 2015).

Summary of significant accounting policies
The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of accounting
The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost convention except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

b) Going concern
On the basis of their assessment of the company's financial position and resources, the directors believe that the group is well placed to manage its business risks and they have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Therefore they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

c) Basis of consolidation
The consolidated financial statements have been prepared in accordance with section 9 of FRS 102. The consolidated financial statements consolidate the results and the position of the company and its subsidiary undertakings for the year ended 31 October 2017.

Subsidiaries are entities that are directly or indirectly controlled by the group. Control exists where the group has the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account.

Any subsidiary undertakings sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively. Where control of a subsidiary is lost, the gain or loss is recognised in the consolidated income statement. The cumulative amounts of any exchange differences on translation, recognised in equity, are not included in the gain or loss on disposal and are transferred to retained earnings. The gain or loss also includes amounts included in other comprehensive income that are required to be reclassified to profit or loss but excludes those amounts that are not required to be reclassified.

1. ACCOUNTING POLICIES (CONTINUED)

c) Basis of consolidation (continued)

Uniform accounting policies have been used across the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

d) Turnover

Turnover comprises monthly management fees that are recognised when earned by the group at the end of each month, and are stated net of Value Added Tax.

e) Administrative expenses

Expenses relate to cost incurred by the group in relation to the administration and business of the group and are recognised on an accruals basis.

f) Foreign currency

Functional and presentation currency:
The financial statements are presented in the currency of the primary economic environment in which the group and the company operates. The group's functional and presentation currency is pound sterling.

Transactions and balances:
Transactions denominated in foreign currencies are translated at the exchange rate at the date of the transaction. At each year 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated income statement within the operating profit.

g) Taxation

Current tax, including UK corporation tax and foreign tax, is provided using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date on the excess of taxable income and allowable expenses.

h) Deferred taxation

Deferred tax is accounted for on an undiscounted basis at expected tax rates on all timing differences that have originated but not reversed at the balance sheet date where transactions and events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements other than differences regarded as permanent. A deferred tax asset is only recognised where it is more likely than not that the asset will be recoverable in the foreseeable future out of taxable profits from which the reversal of timing differences can be deducted.

i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts, when applicable, are shown within creditors in current liabilities.

1. ACCOUNTING POLICIES (CONTINUED)

j) Financial instruments

The group has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets:
Basic financial assets, including debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. 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 the statement of comprehensive income immediately.

If there is a 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 the statement of comprehensive income immediately.

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.

Financial liabilities:
Basic financial liabilities, including trade and other payables and bank loans, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

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.

1. ACCOUNTING POLICIES (CONTINUED)

k) Investment in subsidiary
Investments in the subsidiary companies are held at cost less accumulated impairment losses.

l) Tangible fixed assets and depreciation
Tangible fixed assets are stated at historic cost less accumulated depreciation and accumulated impairment losses. They are depreciated so as to write off the cost or valuation of each asset over its estimated useful life. Costs include those costs which are directly attributable to bringing the asset into working condition for its intended use.

Depreciation is provided to write off the cost, less estimated residual value, of all tangible fixed assets, over their estimated useful lives. It is calculated on a straight-line basis over the following period:

Office equipment	-	3 years
Furniture & fixtures	-	3 years
Computer equipment	-	3 years
Leasehold improvements	-	5 years

m) Investments
Investments comprise an investment in an unquoted Delaware limited liability company incorporated in the United States which is measured at fair value. Changes in fair value are recognised in the profit or loss. Fair value is considered to equate to the independent valuation obtained on a monthly basis.

n) Impairment of non-financial assets
At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable as a result of the asset's (or asset's cash generating unit) continued use. The pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the consolidated income statement, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the consolidated income statement.

1. ACCOUNTING POLICIES (CONTINUED)

o) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Group. All other leases are classified as operating leases.

Payments under operating leases are charged to the consolidated income statement on a straight-line basis over the period of the lease.

Incentives received to enter into an operating lease are credited to the income statement, to reduce the lease expense, on a straight-line basis over the period of the lease.

p) Critical judgements and estimates in applying the accounting policy

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2. TURNOVER

The turnover for the year is solely attributable to fees arising from the group's investment management of eight segregated accounts, three Irish domiciled funds (Cedar Rock Capital Fund Plc, Cedar Rock Capital ICAV and Cedar Rock Capital CCF) and one Delaware limited liability company (Cedar Rock Capital Partners LLC). These fees are fully derived from the United Kingdom.

3. SUBSIDIARY COMPANIES

The company is the sole member of Cedar Rock Capital LLC ("the LLC"), a Delaware limited liability company incorporated in the United States. The LLC manages Cedar Rock Capital Partners LLC, another Delaware limited liability company incorporated in the United States, from which the company receives an investment management fee for providing investment management advice. For the year ended 31 October 2017, the LLC made no profit after tax (2016: £Nil).

The company is the sole member of Cedar Rock Capital Management Limited ("CRCM Limited"), a limited company incorporated in Ireland. CRCM Limited manages Cedar Rock Capital CCF, a single strategy common contractual fund constituted under the laws of Ireland, from which it received an investment management fee for providing investment management advice. For the year ended 31 October 2017, CRCM Limited made a loss after tax of equivalent £1,007 (2016: loss of equivalent £635).

The LLC and CRCM Limited are the company's principal wholly owned subsidiaries included in the consolidation.

4. OPERATING PROFIT

	Group Year ended 31 October 2017 £	Group Year ended 31 October 2016 £
The operating profit is stated after charging:		
Auditors' remuneration -		
Fees payable to the company's auditor for the audit of the annual financial statements	22,145	21,630
Fees payable to the company's auditor and its associates for other services:		
– other services relating to taxation	7,210	7,210
– other services	-	12,000
Operating lease rentals – property	278,958	238,764
Depreciation	29,776	25,070
Foreign exchange differences	(279,025)	(856,084)

5. DIRECTORS' REMUNERATION

	Group and Company Year ended 31 October 2017 £	Group and Company Year ended 31 October 2016 £
Emoluments	190,000	183,750

The highest paid director received earnings of £190,000 (2016: £183,750).

Key management includes the directors and members of senior management, who were paid £1,022,754 compensation during the year (2016: £840,641).

6. STAFF COSTS (INCLUDING DIRECTORS)

	Group and Company Year ended 31 October 2017 £	Group and Company Year ended 31 October 2016 £
Wages and salaries	1,125,383	939,127
Social security costs	152,199	118,809
	1,277,582	1,057,936
The average monthly number of employees and directors for the group and company was as follows:		
Office and management	10	10

7. TAXATION

a) Tax on profit	Group Year ended 31 October 2017 £	Group Year ended 31 October 2016 £
Current tax:		
Corporation tax at 19.41% (2016: 20.00%)	17,129,437	16,029,841
Tax charge in respect of current year	17,129,437	16,029,841
Deferred tax	(2,308)	656
Total tax charge	17,127,129	16,030,497

b) Reconciliation of tax charge	Group Year ended 31 October 2017 £	Group Year ended 31 October 2016 £
Profit before taxation	88,054,906	80,143,766
Theoretical tax at UK corporation tax rate of 19.41% (2016: 20.00%)	17,094,714	16,028,753
Effects of:		
- Expenses not deductible for tax purposes	32,365	2,070
- Difference in tax rates	50	(326)
Total tax charge	17,127,129	16,030,497

c) Tax rate changes

The standard rate of corporation tax in the UK changed from 20% to 19% with effect from 1 April 2017. Accordingly, the group's profits for year are taxed at an effective rate of 19.41% (2016: 20.00%). Corporation tax rates will reduce to 17% from 1 April 2020. Deferred tax has been recognised at a rate of 19% because of uncertainty as to the average rate of tax that will apply when the underlying timing differences reverse.

8. DIVIDENDS

	Group Year ended 31 October 2017 £	Group Year ended 31 October 2016 £
"A" ordinary (£143.01 per share)	43,248,542	24,506,780
"B" ordinary (£143.01 per share)	28,251,458	14,793,220
	71,500,000	39,300,000

9. FIXED ASSETS
Group and Company

	Furniture & fixtures	Office equipment	Computer equipment	Leasehold improvements	Total
	£	£	£	£	£
Cost:					
At 1 November 2016	119,531	30,365	72,836	205,163	427,895
Additions	-	8,384	5,793	-	14,177
Disposal	-	(180)	(4,408)	-	(4,588)
At 31 October 2017	119,531	38,569	74,221	205,163	437,484
Depreciation:					
At 1 November 2016	98,698	28,533	48,546	204,706	380,483
Charge for year	15,042	2,883	11,394	457	29,776
Disposal	-	(180)	(4,408)	-	(4,588)
At 31 October 2017	113,740	31,236	55,532	205,163	405,671
Net book value:					
At 31 October 2017	5,791	7,333	18,689	-	31,813
At 31 October 2016	20,833	1,832	24,290	457	47,412

10. INVESTMENTS

	Group 31 October 2017	Company 31 October 2017	Group 31 October 2016	Company 31 October 2016
	£	£	£	£
Investment in subsidiaries (note 3)	-	171,131	-	171,131
Other fixed asset investments	18,930	-	17,147	-
	18,930	171,131	17,147	171,131

Investment in subsidiaries

Company name	Country of incorporation	Nature of business	Interest
Cedar Rock Capital LLC	US	Investment management	100% participation
Cedar Rock Capital Management Limited	Ireland	Investment management	100% ordinary shares

The directors consider the value of the investments to be supported by their underlying assets.

10. INVESTMENTS (CONTINUED)

Other fixed asset investments
Group

	Unquoted investments £
Valuation:	
At 1 November 2016	17,147
Change in fair value during the year	1,783
At 31 October 2017	18,930

11. DEBTORS

	Group 31 October 2017 £	Company 31 October 2017 £	Group 31 October 2016 £	Company 31 October 2016 £
Trade debtors	8,252,108	8,252,108	8,016,351	8,016,351
Other debtors	1,435,204	1,435,204	2,150,819	2,150,819
Amounts owed by Cedar Rock Capital Management Limited	-	33	-	34
Amounts owed by Cedar Rock Capital LLC	-	2,787	-	-
Prepayments and accrued income	1,143,107	1,143,107	1,348,953	1,348,953
	10,830,419	10,833,239	11,516,123	11,516,157

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 31 October 2017 £	Company 31 October 2017 £	Group 31 October 2016 £	Company 31 October 2016 £
Trade creditors	87,102	87,102	102,161	102,161
Other creditors	72,519	72,519	9,090	-
Corporation tax payable	8,592,223	8,592,223	8,440,867	8,440,867
VAT	61,883	61,883	218,988	218,988
Other taxes and social security	45,689	45,689	45,581	45,581
Amounts owed to Cedar Rock Capital LLC	-	-	-	27,091
Accruals and deferred income	808,342	795,706	652,571	639,398
	9,667,758	9,655,122	9,469,258	9,474,086

13. PROVISION FOR LIABILITIES AND CHARGES

	Group 31 October 2017 £	Company 31 October 2017 £	Group 31 October 2016 £	Company 31 October 2016 £
Deferred tax provided:				
- Accelerated capital allowances	(3,319)	(3,319)	(5,627)	(5,627)
The movement in the provision is as follows:				
At 1 November 2017	(5,627)	(5,627)	(4,971)	(4,971)
Deferred tax expense	2,308	2,308	(656)	(656)
At end of year	(3,319)	(3,319)	(5,627)	(5,627)

Deferred tax has been recognised at 19% (2016: 20%) because of uncertainty as to the average rate of tax that will apply when the underlying timing differences will reverse.

14. FINANCIAL RISK MANAGEMENT

The group has exposure to four main areas of financial risk: foreign exchange risk, credit risk, capital risk and, to a lesser extent, liquidity risk.

Foreign exchange risk
The group is exposed to currency exchange rate risk due to a significant proportion of its receivables being denominated in US dollars compared to an expense base that is predominantly pound sterling. The net currency exposure is closely monitored and the current policy is to exchange US dollars into pound sterling on receipt or as soon as practicable thereafter, taking into account any US dollar denominated expenses that are due to be paid.

Credit risk
The group is at risk to the extent that its clients do not pay the investment management fees that have been earned by the group. This risk is mitigated by regular review of aged debtors and strong on-going client relationships.

Capital risk
There is the risk that the group has insufficient capital to support its level of operations and absorb unexpected business shocks. Historically the group has maintained capital and reserves that comfortably exceed its regulatory capital requirements.

Liquidity risk
The objective of the group in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The group expects to meet its financial obligations through operating cash flows. As the group is consistently in a strong net positive operating cash flow position, it is more than able to meet its commitments and obligations as they fall due.

15. FINANCIAL INSTRUMENTS BY CATEGORY

	Group 31 October 2017 £	Company 31 October 2017 £	Group 31 October 2016 £	Company 31 October 2016 £
Financial assets at fair value through profit and loss	-	-	-	-
Financial assets that are debt instruments measured at amortised cost	10,657,592	10,660,412	11,293,701	11,293,735
Financial liabilities at fair value through profit and loss	-	-	-	-
Financial liabilities measured at amortised cost	895,444	955,326	754,732	768,650

16. CALLED UP SHARE CAPITAL

Group and Company	31 October 2017 £	31 October 2016 £
Allotted -		
"A" ordinary shares of £1 each	302,406	302,406
"B" ordinary shares of £1 each	197,542	197,542
	499,948	499,948
Called up and fully paid -		
"A" ordinary shares of £1 each	302,406	302,406
"B" ordinary shares of £1 each	187,544	182,544
	489,950	484,950

There are two classes of ordinary shares: "A" ordinary shares and "B" ordinary shares. The "B" ordinary shares rank pari passu with the "A" ordinary shares for dividends but carry no voting rights. There are no restrictions on the distribution of dividends and the repayment of capital. During the year 5,000 "B" ordinary shares were called up and fully paid.

17. RESERVES

Called up share capital represents the nominal value of shares that have been issued. Capital redemption reserve reflects the nominal value of those shares that the company has repurchased and cancelled. Share premium account comprises any premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium. Profit and loss account includes all current and prior period retained profits and losses.

18. RECONCILIATION OF PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group Year ended 31 October 2017 £	Group Year ended 31 October 2016 £
Profit for the financial year	70,927,777	64,113,269
Adjustments for:		
Tax on profit	17,127,129	16,030,497
Net interest receivable	(16,197)	(46,600)
Gain on investments	(1,783)	(3,694)
Operating profit	88,036,926	80,093,472
Depreciation of tangible assets	29,776	25,070
Foreign exchange differences	174,942	111,462
Working capital movements:		
Increase in debtors	(33,728)	(1,535,020)
Increase in creditors	47,143	241,829
Net cash inflow from operating activities	88,255,059	78,936,813

19. CONTROLLING PARTY

Mr Andrew Brown is the ultimate controlling party of the company.

20. FINANCIAL COMMITMENTS – OPERATING LEASES

As at 31 October 2017 the company had future minimum lease payments under non-cancellable operating leases for land and buildings expiring as follows:

	31 October 2017 £	31 October 2016 £
Within one year	326,600	82,333
Between one and two years	326,600	-
Between two and five years	979,800	-
After five years	1,415,267	-
	3,048,267	82,333

21. TRANSACTIONS

Mr Andrew Brown is a member of Cedar Rock Capital Partners LLC ("the LLC"), a Delaware limited liability company incorporated in the United States, from which the company earned investment management fees of £59,515,358 (2016: £48,730,601) during the year. As at 31 October 2017 Mr Andrew Brown's interest in the LLC amounted to US$171,405,594 (2016: US$143,078,191) (total net asset value of the LLC US$8,219,471,527 (2016: US$6,629,610,069)). At 31 October 2017 Cedar Rock Capital Partners LLC owed the company £5,158,611 (2016: £4,516,650) in investment management fees.

Ms Joy-Isabelle Besse is a director of Cedar Rock Capital Fund Plc ("the UCITs") from which the company earned investment management fees of £8,760,794 (2016: £11,052,701). At 31 October 2017 the UCITs owed the company £221,130 (2016: £985,990) in investment management fees. At 31 October 2017 Ms Joy-Isabelle Besse held units in the UCITs valued at £4,320,520 (2016: £3,889,545) (total net asset value of the UCITs US$361,624,393 (2016: US$1,410,259,710)).

Ms Joy-Isabelle Besse is a director of Cedar Rock Capital ICAV ("the ICAV") from which the company earned investment management fees of £4,463,849 (2016: £Nil). At 31 October 2017 the ICAV owed the company £1,097,345 (2016: £Nil) in investment management fees. At 31 October 2017 Ms Joy-Isabelle Besse held units in the ICAV valued at £84,219 (2016: £Nil) (total net asset value of the ICAV US$1,661,057,751 (2016: US$Nil)).

Ms Joy-Isabelle Besse is a director of Cedar Rock Capital Management Limited, the manager of Cedar Rock Capital CCF ("the CCF") from which the company earned investment management fees of £3,311,492 (2016: £4,549,443). At 31 October 2017 the CCF owed the company £Nil (2016: £484,094) in investment management fees.

During the year there have been expenses of £1,650,000 (2016: £1,560,000) for professional services rendered to the company by Meteora Partners LLP, of which Ms Joy-Isabelle Besse and Mr David Miller are designated members. At 31 October 2017, £733,333 (2016: £560,000) was due to be paid to Meteora Partners LLP.

The company has taken advantage of the FRS102 exemption and chosen not to disclose transactions with its wholly owned subsidiaries.

APPENDIX: PILLAR 3 AND REMUNERATION DISCLOSURE

The following Appendix does not form part of the audited financial statements:

Pillar 3 disclosure fulfils the obligation of Cedar Rock Capital Limited (the "Company") to disclose publicly key information on the Company's capital, risk exposures and risk assessment and remuneration processes in accordance with the FCA's Prudential Sourcebook for Banks, Building Societies and Investment Firms ("BIPRU"), Chapter 11.

The Company was incorporated with limited liability in England and Wales on 20 June 2002 and is authorised and regulated by the Financial Conduct Authority (the "FCA") as a full scope Alternative Investment Fund Manager providing discretionary investment management services to regulated collective investment schemes, alternative investment funds and segregated managed accounts. The Company is categorised by the FCA as a collective portfolio management investment firm ("CPMI") and a BIPRU investment firm for regulatory capital purposes.

I. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Directors of the Company determine its business strategy and risk appetite. They have designed and implemented a risk management framework that recognizes the risks that the business faces. The Directors of the Company also determine how those risks may be mitigated and assess on an ongoing basis the controls and procedures necessary to manage those risks. The Directors of the Company (including the Compliance Officer) meet on a regular basis, generally monthly, to discuss projections for profitability, liquidity, regulatory capital, business planning and risk management.

As an investment manager, the Company considers the following to represent the key risks to its business:

1. Corporate Governance Risks

In order to manage its business affairs effectively the Company must have adequate internal arrangements including a proper organisational structure and well defined lines of responsibility for its staff; and the ability to oversee any outsourced functions and identify and manage conflicts of interests. These risks are largely mitigated through the Company having a very small number of staff and a simple business model.

2. Business and Market Risks

The Company considers that its key resource is the quality and experience of its staff and therefore is exposed to the business risk inherent in staff turnover. This risk is mitigated by the fact that all of the Company's full time employees are also shareholders of the Company. The Company relies upon the investment performance of its client portfolios in order to retain business and generate revenue; consequently the Company is exposed to the risk of loss of client mandates or investor redemptions from the funds that it manages and/or a material decline in the value of client portfolios due to adverse market conditions. The Company mitigates these risks by maintaining high levels of capital relative to its operating costs.

3. Operational Risks

The Company is exposed to risks inherent in a possible failure of its operational controls resulting for example in trading errors or incorrect client valuations; failure or errors of an third party service provider; systems failures and cybersecurity threats. The Company mitigates these risks through the ongoing review of its operational procedures, holding professional indemnity insurance and implementing a business continuity plan.

4. Prudential and Credit Risks

The Company is exposed to the risk of non-payment of management fees by its clients and counterparty exposure relating to the Company's trade debtors, bank accounts and exposure to any other debtors. Management fees are paid monthly or quarterly and the Company maintains appropriate cash levels to mitigate against a possible default by a client. The Company holds its own funds with a large regulated UK bank. See II. Capital Resources below for the Company's approach to calculating its risk weighted exposures.

5. Legal and Reputational Risks

The Company operates in regulated markets and is exposed to the potential risk of a material regulatory breach and/or market abuse. It aims to mitigate such risks through its compliance policies and procedures and ensuring that its staff are very aware of their responsibilities in this respect. All investment decisions are taken by the Chief Investment Officer. The Company also holds professional indemnity insurance.

6. Liquidity Risks

The Company is required to maintain sufficient levels of liquidity to ensure that it can meet its liabilities as they fall due. The Company has a formal written liquidity risk policy. The Company maintains sufficient cash reserves to meet its working capital requirements in case of an unexpected shortfall. Debtors have historically settled promptly and the Company considers the risk of a cash flow deficit due to be minimal. Cash positions are monitored by senior management monthly.

7. Interest Rate Risks

The Company has not historically financed itself with debt, nor has it held interest rate sensitive investments for its own account.

The above risks are assessed and mitigated as part of the Internal Capital Adequacy Assessment Process ("ICAAP").

II. CAPITAL RESOURCES

As a CPMI firm the Company is subject to both the regulatory capital regimes of the Alternative Investment Fund Managers Directive ("AIFMD"), in respect of its Alternative Investment Funds ("AIFs"), and relevant provisions applicable to investment firms contained in the Capital Requirement Directive ("CRD"), as amended.

Capital requirements arising from the Pillar 1 and Pillar 2 of the CRD are compared to any higher requirements arising from the AIFMD asset based and professional indemnity insurance elements to derive the total regulatory capital required by the Company.

Pillar 1 capital requirement is the greatest of:

1. a base capital requirement of Euro 50,000;
2. the sum of Credit and Market Risk Requirements; and
3. the Fixed Overhead Requirement, representing a quarter of the Company's audited fixed annual expenditure.

The Company applies a standardised approach to credit risk, applying 8% to the Company's risk weighted exposure amounts, consisting mainly of management fees due but not paid, and bank balances. The Position Risk Requirement arising on the Company's foreign currency exposures, excluding assets attributable to its AIFs, constitutes the Company's Market Risk Requirement element.

Pillar 2 capital requirement is calculated by the Company as representing any additional capital to be maintained against any risks not adequately covered under the requirement in Pillar 1 as part of its ICAAP. Based on its ICAAP, it is the Company's opinion that no additional capital is required in excess of its Pillar 1 capital requirement.

As at the 31 October 2017 the Company's combined regulatory capital position is:

Capital item	**£000**
Tier 1 Capital: Share Capital and Audited Reserves	4,440
Total capital requirements	2,397

III. MANAGEMENT OF THE ICAAP

The approach of the Company to assessing the adequacy of its internal capital to support current and future activities is contained in the ICAAP. This process includes an assessment of the specific risks to the Company and the internal controls in place to mitigate those risks. Finally, an assessment is made of the probability of occurrence and the potential impact, in order to arrive at a level of required capital, as relevant.

The Company's ICAAP is formally reviewed by the directors of the Company annually or in the event of any material change to the Company's business or risk profile.

IV. THE REMUNERATION CODE

The aim of the Remuneration Code (the "Code") is to ensure that firms have risk focussed remuneration policies which promote and are consistent with effective risk management, and do not expose firms to excessive risk.

Under the Code, the Company is classified as a Level 3 firm, the lowest risk category as the Company does not manage or trade proprietary positions. This means that the Company can dis-apply many of the technical requirements of the Code and proportionately apply the Code's rules and principles.

In accordance with BIPRU 11 (Pillar 3) the Company is required to disclose the Company's remuneration policy and practices, as well as aggregate quantitative disclosure for staff whose actions are deemed to have a material impact on the firm's risk, including senior management ("Code Staff").

The disclosure obligations applicable to remuneration subject to the Code ("Remuneration") includes all forms of fixed remuneration and variable remuneration but excludes dividends paid to such individuals as shareholders of the Company.

1. Remuneration Policies

The Company has established a Remuneration Policy which addresses potential conflicts of interest arising from remuneration arrangements by taking into account the controls in place to guard against the Company's authorised persons being rewarded for taking inappropriate levels of risk. The Company is satisfied that the policies in place are appropriate to its size, internal organization and the nature, scope and complexity of its activities.

2. The Decision Making Process

The majority shareholder of the Company determines remuneration arrangements and individual awards. The Board of Directors provides oversight of the overall remuneration arrangements to ensure that they are consistent with the Company's level of tolerated risk.

3. Code Staff and Senior Management

During its financial year ending 31 October 2017, the Company had a total of 8 Code Staff of which 2 are directors but not employees of the Company and received no Remuneration subject to the Code as their own firm is engaged to provide outsourced services to the Company.

Code Staff that are employees and receive Remuneration totalled 6. Senior Management comprises the Company's 3 directors.

4. Link between Pay and Performance

Remuneration is based on an assessment of the profitability of the Company, an individual's performance and contribution to the overall business of the Company.

In addition to a fixed salary, the Company's Code Staff who are employees are eligible to receive a discretionary bonus as determined by the directors. Code Staff are also equity shareholders in the Company and their shares all rank pari passu in terms of rights to dividends. This ownership structure ensures that the long term interests of such Code Staff is aligned with the overall profitability of the Company and is not tied to individual financial metrics or the performance of any single client portfolio. Due to the size, nature and complexity of the Company's business (including operating a single investment strategy and the fact that it does not charge any performance fees to its clients) relevant Code Staff do not earn variable Remuneration attributable to any single client.

4. Quantitative Remuneration Data

For the Company's financial year ended 31 October 2017 Code Staff received fixed Remuneration totalling £1,022,754 of which £190,000 was paid to Senior Management.