

Registration Number: 05555055

FOUNDING ASSET MANAGEMENT LIMITED

REPORT AND FINANCIAL STATEMENTS

31st DECEMBER 2016



Founding Asset Management Limited

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Founding Asset Management Limited**Directors**

C.S. Davis
B.L. Jenner
S.I. Davis

Company Secretary

Cornhill Secretaries Limited

Company Number

05555055

Registered Office

Vicarage House
58-60 Kensington Church Street, London, W8 4DB

Auditors

Moore Stephens LLP
Chartered Accountants
150 Aldersgate Street, London, EC1A 4AB

Bankers

Coutts & Co
440 Strand, London, WC2 0QS

UBS Financial Services Inc.
3455 Peachtree Road NE
Atlanta, GA 30326
USA

Founding Asset Management Limited

Strategic Report

The company conducts investment management and investment advisory business, principally for private clients. In addition, there has been an increased focus on generating corporate finance income through the placement of investments in carefully analysed and selected small companies, with no underwriting by Founding Asset Management Limited. The company does not anticipate any change in the nature of its business over the medium-term.

Review of the business

The company is authorised by the Financial Conduct Authority. Assets under Management (AuM) are US\$31 million. Assets have increased by just over 10% due to additional assets being transferred into managed portfolios.

Assets under Management have yet to reach a level where this core activity is self-sustaining, however we will continue make efforts in that regard.

Our profits for this year compared to a reasonably stable fixed expense base has enabled the payment of bonuses, and a pension contribution for the principal. An interim dividend was agreed although it would mean using some of the firm's retained earnings. However, with excess capital, it was felt that the firm could afford to do this for 2016. After these costs (but excluding the dividend), we have still achieved a pre-tax return of 25% on total revenues. This has been achieved through performance fees as well as fees for placement of investments in selected small companies.

Description of principal risks for the company

The directors are of the opinion that the primary risk for the business continues to be the ability to generate sufficient new Assets under Management and/or consultancy related to investment management to produce the desired level of returns over the medium-term.

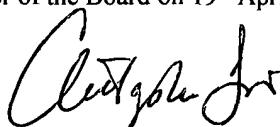
Furthermore, the directors are of the opinion that financial key performance indicators are not necessary or appropriate for the current business. Rather our strategy and objectives continue to be to increase the AuM, increase the revenue stream and control costs such that we are at no time within 10% of the threshold of the firm's capital resources requirement as established under our Financial Conduct Authority authorisation.

As regards financial instruments, the company does not undertake any hedging transactions as we hold no positions other than cash balances. Our cash flow is affected by our debtor and creditor positions. For the majority of our debtor positions, we have little exposure to non-payment as our agreements with the majority of clients allow us to claim payment directly from their investment accounts with third party banks. In those instances where we are dependent on the client to make the transfer/payment, our maximum length of receivable period is six months, but is almost always considerably less than this. If a client did not pay, we could immediately cease providing services and thereby limit our exposure. All expense invoices are approved by the appropriate person and payment is authorised by a director. Our standard payment time is 30 days unless payment terms are specifically shorter or are collected by direct debit.

Comments on results for the year 2016

For the year ended 31st December 2016, the company made profit after tax of £71,028 which compared to £211,179 for 2015. For comparative purposes, the total revenues for 2016 were £352,166 compared to £561,662 in 2015, a decrease of about one-third due to lower levels of performance and corporate finance fees generated in the year. The after tax return on assets for the year was 14.3% (2015: 36%).

By Order of the Board on 19th April 2017



C.S DAVIS

Director

Founding Asset Management Limited**Report of the Directors**

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

Directors

The directors who served during the year are as stated below:

C.S. Davis
B.L. Jenner
S.I. Davis

The review of business and the results for the period are noted in the Strategic Report.

A dividend of £131,250 (2015: £131,250) was paid during the year.

Disclosure of information to auditors

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

- (a) so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) each director has taken all the steps that ought to have been taken as a director, including making appropriate enquiries of fellow directors and the company's auditors for that purpose, in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Founding Asset Management Limited**Report of the Directors (Continued)*****Directors' Responsibilities Statement***

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

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

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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.

By Order of the Board on 19th April 2017



C.S DAVIS

Director

Independent Auditor's Report to the Members of Founding Asset Management

We have audited the financial statements of Founding Asset Management Limited for the year ended 31 December 2016 which are set out on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 (APB'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 web-site 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 company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Jeremy Watkins

Jeremy Watkins, Senior Statutory Auditor
For and on behalf of Moore Stephens LLP, Statutory Auditor
150 Aldersgate Street
London EC1A 4AB

21 April 2017

Founding Asset Management Limited

**Statement of total comprehensive income
for the year ended 31st December 2016**

	<u>Note</u>	<i>2016</i>	<i>2015</i>
		£	£
Turnover	2	352,166	561,662
Administrative expenses		(264,656)	(311,237)
Operating Profit	3	87,510	250,425
Interest receivable and similar income	5	769	565
Profit on Ordinary Activities before Tax		88,279	250,990
Tax on profit on ordinary activities	6	(17,251)	(39,811)
Profit on Ordinary Activities after Tax		71,028	211,179
Total Comprehensive Income		<u>71,028</u>	<u>211,179</u>

All activities are considered to be continuing.

The notes on pages 10 - 15 form part of these financial statements.

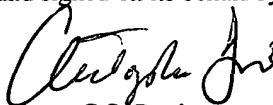
Founding Asset Management Limited

Company Registration Number 05555055

Statement of financial position 31st December 2016

	<u>Note</u>	2016		2015	
		£	£	£	£
Fixed Assets					
Tangible assets	7		3,685		697
Current Assets					
Debtors	9	46,508		34,642	
Cash in hand and at bank		445,282		551,312	
		<u>491,790</u>		<u>585,954</u>	
Creditors: amounts falling due within one year	11	(137,244)		(168,198)	
		<u>354,546</u>		<u>417,756</u>	
Net Current Assets					
Total Assets less Current Liabilities			358,231		418,453
			<u>358,231</u>		<u>418,453</u>
Net Assets					
Capital and Reserves					
Called up share capital	13	75,000		75,000	
Retained earnings		283,231		343,453	
		<u>358,231</u>		<u>418,453</u>	
Total Capital and Reserves			358,231		418,453

The financial statements were approved by the Board on 19th April 2017
and signed on its behalf by



C.S. Davis
Director

The notes on pages 10 - 15 form part of these financial statements.

Founding Asset Management Limited

**Statement of changes in equity
for the year ended 31st December 2016**

	Share capital	Retained earnings	Total
	£	£	£
Balance at the beginning of the period	75,000	343,453	418,453
Profit for the period	-	71,028	71,028
Total comprehensive income for the period	-	71,028	71,028
Transactions with owners – Dividends	-	(131,250)	(131,250)
Total transaction with owners recognised directly in equity	-	(131,250)	(131,250)
<i>Balance at the end of the period</i>	<i>75,000</i>	<i>283,231</i>	<i>358,231</i>

**Statement of changes in equity
for the year ended 31st December 2015**

	Share capital	Retained earnings	Total
	£	£	£
Balance at the beginning of the period	75,000	263,524	338,524
Profit for the period	-	211,179	211,179
Total comprehensive income for the period	-	211,179	211,179
Transactions with owners – Dividends	-	(131,250)	(131,250)
Total transaction with owners recognised directly in equity	-	(131,250)	(131,250)
<i>Balance at the end of the period</i>	<i>75,000</i>	<i>343,453</i>	<i>418,453</i>

The notes on pages 10 - 15 form part of these financial statements.

Founding Asset Management Limited

**Statement of cash flows
For the year ended 31st December 2016**

	<u>Note</u>	<u>2016</u>	<u>2015</u>
Cash generated from operating activities	16	72,761	63,755
Tax paid		<u>(44,161)</u>	<u>(87,641)</u>
Net cash flow from operating activities		28,600	(23,886)
Cash flows from investing activities:			
Interest received		769	565
Purchase of tangible fixed assets		<u>(4,149)</u>	<u>-</u>
Net cash flow from investing activities		(3,380)	565
Cash flow from financing activities:			
Dividends paid		(131,250)	(131,250)
Net cash outflows from financing activities		(131,250)	(131,250)
Net cash (decrease) in cash and cash equivalents		(106,030)	(154,571)
Cash and cash equivalent at the beginning of the period		551,312	705,883
Cash and cash equivalents at the end of the period		<u>445,282</u>	<u>551,312</u>

The notes on pages 10 - 15 form part of these financial statements.

Founding Asset Management Limited

Financial Statements for the year ended 31st December 2016

Notes

1. Accounting Policies

(a) *General Information*

Founding Asset Management Limited is a company limited by shares registered in England and Wales with company number 05555055. The registered office and principal place of business is Vicarage House, 58-60 Kensington Church Street, London, W8 4DB.

(b) *Accounting convention*

The financial statements are prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and specifically in accordance with the Financial Reporting Standard 102 (FRS 102) as issued by the Financial Reporting Council, the historical cost convention and the Companies Act 2006.

Judgements in applying accounting policies 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 year end 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.

Due to the simplicity of the company's transaction streams and year-end financial position, the directors consider there to be no critical judgements, estimates or assumptions in the preparation of these financial statements, with one exception of the judgement made on transactions not complete at the year end. See note 1 (c) below.

Financial instruments

General

Financial instruments are recognised on the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value. Subsequent to initial recognition, they are measured as set out below.

Classification

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS 102. All of the company's financial instruments are classified as basic.

Subsequent measurement

At the end of each reporting period, debt instruments classified as basic are measured at amortised cost using the effective interest rate method.

Founding Asset Management Limited

Financial Statements for the year ended 31st December 2016

Notes (Continued)

Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the company has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

(c) Turnover

Turnover comprises fee income (excluding value added tax) from the provision of professional advisory services, falling within the company's principal activities. Fees earned on the negotiating of finance or arranging a transaction for a third party are recognised within turnover on completion. For transactions not complete at the year end, judgement is exercised to assess when the transaction is 'substantially complete' and hence when it is appropriate to recognise within turnover.

(d) Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	-	33% straight line
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(e) Foreign currencies

The company's functional and presentational currency is pounds Sterling (GB£).

Monetary assets and liabilities, including debtors and creditors, denominated in foreign currencies are translated into sterling at the rate of exchange prevailing at the accounting reference date. Transactions in foreign currencies are recorded at the date of transactions. All differences are taken to profit or loss.

(f) Deferred taxation

Deferred tax is provided in full using the liability method on timing differences which result in an obligation at the reporting period and date to pay more tax, or a right to pay less tax, at a future date, at rates that are expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered against future taxable profit.

(g) Pension costs

Pension contributions are made to the private pension scheme of the directors on a discretionary basis and are charged to profit or loss as incurred.

(h) Operating leases

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

Founding Asset Management Limited

Financial Statements for the year ended 31st December 2016

Notes (Continued)

2. Turnover

The total turnover of the company for the year has been derived from the rendering of services wholly undertaken in the UK.

3. Operating Profit

Operating profit is stated after charging/(crediting):

	<u>2016</u> £	<u>2015</u> £
Depreciation	1,161	406
Auditors' remuneration:		
Audit fees	12,000	12,000
Tax fees	3,500	3,000
Compliance	6,252	8,058
Office licence fee	21,600	20,579
Foreign exchange (gain)	(19,116)	(11,480)
	<u> </u>	<u> </u>

4. Directors and Employees

	<u>2016</u> £	<u>2015</u> £
Directors' remuneration	156,200	156,200
Pension contributions	<u>10,000</u>	<u>40,000</u>
	<u>166,200</u>	<u>196,200</u>

Pension contributions are paid on behalf of one of the directors.

Staff costs

Wages and salaries	156,200	157,024
Social security costs	16,317	17,230
Pension costs	10,000	40,000
	<u>182,517</u>	<u>214,254</u>

There were two employees during the year (both directors) (2015: two) and there are no other key management personnel.

5. Interest receivable and similar income

	<u>2016</u> £	<u>2015</u> £
Bank interest receivable	769	565
	<u>769</u>	<u>565</u>

Founding Asset Management Limited

Financial Statements for the year ended 31st December 2016

Notes (Continued)

6. Analysis of tax charge in period

	<u>2016</u> £	<u>2015</u> £
Current tax		
UK corporation tax	17,382	44,291
Over provision in prior year	(131)	(4,480)
	<u>17,251</u>	<u>39,811</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015: lower) the standard rate of corporation tax in the UK of 20% (2015: 21.5%) as set out below:

	<u>2016</u> £	<u>2015</u> £
Profit on ordinary activities before tax	<u>88,279</u>	<u>250,990</u>
Profit on ordinary activities multiplied by the Standard rate of corporation tax in the UK of 20% (2015: 20%)	17,656	50,198
Effects of:		
Expenses not deductible for tax purposes	193	2,012
Capital allowances in excess of depreciation	(467)	81
Short term timing differences	-	(8,000)
Current tax charge for the year (see above)	<u>17,382</u>	<u>44,291</u>

7. Tangible Fixed Assets

Furniture, Fixtures and Equipment

Cost	£
At 1st January 2016	5,873
Additions	4,149
	<u>10,022</u>
At 31st December 2016	
Depreciation	
At 1st January 2016	5,176
Charge for the year	1,161
	<u>6,337</u>
At 31st December 2016	
Net book value	
At 31st December 2016	<u>3,685</u>
At 31st December 2015	<u>697</u>

Founding Asset Management Limited

Financial Statements for the year ended 31st December 2016

Notes (Continued)

8. Basic financial assets measured at amortised cost:

	<u>2016</u> £	<u>2015</u> £
Cash	445,282	551,312
Trade debtors (note 9)	43,872	31,179
	<u>489,154</u>	<u>582,491</u>

9. Debtors

	<u>2016</u> £	<u>2015</u> £
Trade debtors	43,872	31,179
Prepayments and accrued income	2,636	3,463
	<u>46,508</u>	<u>34,642</u>

10. Basic financial liabilities measured at amortised cost

	<u>2016</u> £	<u>2015</u> £
Trade creditors (note 11)	2,021	5,313
Directors' accounts (note 11)	1	649
Accruals (note 11)	16,389	15,000
Net wages (note 11)	53,564	50,836
	<u>71,975</u>	<u>71,798</u>

11. Creditors

	<u>2016</u> £	<u>2015</u> £
Trade creditors	2,021	5,313
Corporation tax	17,381	44,291
Directors' accounts	1	649
Accruals and deferred income	16,389	15,000
Social security taxes	47,888	52,109
Net wages	53,564	50,836
	<u>137,244</u>	<u>168,198</u>

12. Commitments

Non-cancellable operating lease rentals are payable as follows:

	<u>2016</u> £	<u>2015</u> £
Amount due in less than 1 year	5,400	5,400

Founding Asset Management Limited

Financial Statements for the year ended 31st December 2016

Notes (Continued)

13. Share Capital

	<u>2016</u> £	<u>2015</u> £
Allotted, called up and fully paid 75,000 ordinary shares of £1 each	75,000	75,000

14. Controlling Interest

The company was under the control of the C.S. Davis by way of his 100% shareholding.

15. Related Party

During the year, business expenses of £614 (2015: £1,043) were paid by Christopher Davis on behalf of the company. At the year end there is an amount of £1 (2015: £649) owed to Christopher Davis.

During the year, no investment management fees were received from a family member of Mr C Davis (2015: £3,547).

16. Cash Generated from Operations

	<u>2016</u> £	<u>2015</u> £
Operating profit	87,510	250,425
Depreciation	1,161	406
(Increase) in debtors	(11,866)	(16,821)
(Decrease) in creditors	(4,044)	(170,255)
	<u>72,761</u>	<u>63,755</u>

**PILLAR 3 DISCLOSURE
FOR YEAR-ENDED 31ST DECEMBER 2016**

The Capital Requirements Directive ('the Directive') of the European Union establishes a revised regulatory capital framework across Europe governing the amount and nature of capital credit institutions and investment firms must maintain. In the United Kingdom, the Directive has been implemented by the Financial Conduct Authority ('FCA') in its regulations through the General Prudential Sourcebook ('GENPRU') and the Prudential Sourcebook for Banks, Building Societies and Investment Firms ('IFPRU').

The FCA framework consists of three 'Pillars':

- Pillar 1 sets out the minimum capital amount that meets the firm's credit, market and operational risk;
- Pillar 2 requires the firm to assess whether its Pillar 1 capital is adequate to meet its risks and is subject to annual review by the FCA; and
- Pillar 3 requires disclosure of specified information about the underlying risk management controls and capital position.

The rules in BIPRU 11 set out the provision for Pillar 3 disclosure. This document is designed to meet those Pillar 3 obligations as well as our obligations under IFPRU.

We are permitted to omit required disclosures if we believe that the information is immaterial such that omission would be unlikely to change or influence the decision of a reader relying on that information.

In addition, we may omit required disclosures where we believe that the information is regarded as proprietary or confidential. In our view, proprietary information is that which, if it were shared, would undermine our competitive position. Information is considered to be confidential where there are obligations binding us to confidentiality with our customers, suppliers and counterparties.

We have made no omissions on the grounds that it is immaterial, proprietary or confidential.

Scope and application of the requirements

Founding Asset Management Limited ("the Firm") is authorised and regulated by the Financial Conduct Authority and as such is subject to minimum regulatory capital requirements. The Firm is categorised as a limited licence firm by the FCA for capital purposes. It is an investment management firm and as such has no trading book exposures.

**Founding Asset Management Limited, Vicarage House, 58-60 Kensington Church Street
London W8 4DB, United Kingdom**

tel: +44 (0) 20 3051 1522 / fax: +44 (0) 20 3051 1577 / FAM@foundingam.com

Registered in England and Wales 5555055 Authorised and Regulated by the Financial Conduct Authority.



The Firm undertakes investment management and investment advisory business for primarily private individuals, although corporations may also be a target. The Firm's philosophy is based on advice specifically tailored to an individual client and with an emphasis on service.

The Firm is not a member of any group and so is not required to prepare consolidated reporting for prudential purposes

Risk management

The Firm is governed by its directors ("Principals") who determine its business strategy and risk appetite. They are also responsible for establishing and maintaining the Firm's governance arrangements along with designing and implementing a risk management framework that recognises the risks that the business faces.

The Principals also determine how the risks our business faces may be mitigated and assess on an ongoing basis the arrangements to manage those risks. The Principals meet on a regular basis and discuss current projections for profitability, cash flow, regulatory capital management, and business planning and risk management. The Principals manage the Firm's risks through a framework of policy and procedures having regard to relevant laws, standards, principles and rules (including FCA principles and rules) with the aim to operate a defined and transparent risk management framework. These policies and procedures are updated as required.

The Principals have identified that business and operational risks are the main areas of risk to which the Firm is exposed. Annually the Principals formally review their risks, controls and other risk mitigation arrangements and assess their effectiveness. Where the Principals identify material risks they consider the financial impact of these risks as part of our business planning and capital management and conclude whether the amount of regulatory capital is adequate (through the ICAAP).

Regulatory capital

The Firm is a Limited Liability Company and its capital arrangements are established in its Articles.

The main features of the Firm's capital resources as at 31st December 2016 for regulatory purposes are as follows:

Capital item	£'000
Tier 1 capital less innovative tier 1 capital	379
Total tier 2, innovative tier 1 and tier 3 capital	0
Deductions from tier 1 and tier 2 capital	0
Total capital resources, net of deductions	379

Our Firm is small with a simple operational infrastructure. Its market risk is limited to foreign exchange risk on its accounts receivable in foreign currency, and credit risk from management and performance fees receivable from the funds under its management. The Firm follows the standardised approach to market risk and the simplified standard approach to credit risk. The Firm is subject to

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the Fixed Overhead Requirement and is not required to calculate an operational risk capital charge though it considers this as part of its process to identify the level of risk-based capital required.

As discussed above the firm is a limited licence firm and as such its capital requirements are the greater of:

- Its base capital requirement of €50,000; or
- The sum of its market and credit risk requirements; or
- Its Fixed Overhead Requirement (FOR) of £45,203.

We have not identified credit risk exposure classes or the minimum capital requirements for market risk as we believe that they are immaterial. Historically, it is the Firm's experience that the base capital requirement of €50,000 establishes its capital requirements as this has exceeded its FOR. However, we have been more aggressive this year with our net costs for wind down over three months and therefore, it exceeds the base capital requirement of €50,000 (£42,663). Additionally, market and credit risks are considered not to be material; however, our ICAAP does provide for some market and credit risk.

The audited capital resources as at 31st December 2016 were £358,231.

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