



## RFC Ambrian Limited

Company Number 04236075

Report and Financial Statements  
Period ended 30 June 2012



## **Report and financial statements for the period ended 30 June 2012**

---

### **Contents**

**Page**

1	Report of the directors
4	Independent auditor's report
6	Profit and loss account
7	Balance sheet
8	Notes forming part of the financial statements

---

#### **Directors**

R H Adamson  
S C Allen  
J M Harrison

#### **Registered office**

Registered office is Condor House, 10 St Paul's Churchyard London EC4M 8AL

#### **Company number**

04236075

#### **Auditors**

BDO LLP, 55 Baker Street, London, W1U 7EU

---

## **Report of the directors for the period ended 30 June 2012**

---

The directors present their report and the financial statements of the company for the 18 month period ended 30 June 2012

### **Results and dividends**

The loss for the period, after taxation, amounted to £3,079,475 (2010 profit of £147,186) The directors have not recommended a dividend

### **Principal activities and business review**

The company's principal activities continue to be that of corporate finance, equity research and corporate brokerage services During the period the company closed its principal trading and market making activities and adjusted its regulatory permission accordingly

Over the reporting period the company completed a number of notable transactions, the details of which can be found on the group's website As at 30<sup>th</sup> June 2012 RFC Ambrian Limited had 17 corporate clients who pay regular retainer fees RFC Ambrian is active in two industry sectors - mining and oil & gas The expertise of its sector focussed research teams and its affiliation with the Australian based business of its new parent company, RFC Ambrian Group Limited, has given the company a competitive edge when competing for corporate and institutional business

The company's business moved to new premises at Condor House, 10 St Paul's Churchyard, London EC4 during June 2012

### **Future Developments**

No changes are proposed to be made to the company's business

### **Financial instruments**

The company has taken advantage of the exemption conferred by Financial Reporting Standard No 29 Financial Instruments as detailed in note 19 to the financial statements

### **Pillar 3 disclosures**

Details of the company's unaudited Pillar 3 disclosures, required under Chapter 11 of the Financial Services Authority's Prudential Sourcebook for Banks, Building Societies and Investment Firms ("BIPRU"), may be found as an annexure to these accounts

### **Directors**

The directors who served the company during the period were as follows

W L Banks CBE	resigned 18/08/2011
R J Chase	resigned 17/05/2011
J M Coles	resigned 05/04/2012
C A Crick	resigned 05/04/2012
T B Gaffney	resigned 23/02/ 2011

## **Report of the directors for the period ended 30 June 2012 (continued)**

---

C J G Bendon	resigned 08/03/2012
R F Clegg	appointed 16/06/2011, resigned 05/04/2012
R H Adamson	appointed 30/03/2012
S C Allen	appointed 30/03/2012
J M Harrison	appointed 21/03/2012

No director has any beneficial interests in the share capital of the company. R H Adamson and S C Allen are also directors of the ultimate parent company, RFC Ambrian Group Limited and they have an interest in the share capital of that company.

### **Insurance**

The company has directors' and officers' liability insurance and it is intended to maintain such cover for the full term of their employment.

### **Directors' responsibilities**

The directors are responsible for preparing 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Auditors**

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

RFC AMBRIAN LIMITED  
Company Number 04236075

## Report of the directors for the period ended 30 June 2012 (continued)

---

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting

On behalf of the Board



Director

STEPHEN CHARLES ALLEN.

Date 3 OCTOBER 2012

## **Independent auditor's report**

---

### **TO THE MEMBERS OF RFC AMBRIAN LIMITED**

We have audited the financial statements of RFC Ambrian Limited for the period from 1 January 2011 to 30 June 2012 which comprise the profit and loss account, the balance sheet and the related notes. 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 auditors**

As explained more fully in the statement of directors' responsibilities, 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 APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

### **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 30 June 2012 and of its loss for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

## Independent auditor's report (continued)

---

### Matters on which we are required to report by exception

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

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

*Brou*

*Daniel Taylor (senior statutory auditor)*  
*For and on behalf of BDO LLP, statutory auditor*  
*London*  
*United Kingdom*

Date *30 June 2012*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

## Profit and loss account for the period ended 30 June 2012

	Note	Period ended 30 June 2012 £	Year ended 31 December 2010 £
Turnover	2	5,089,159	9,902,622
Cost of sales		<u>(20,000)</u>	<u>(234,291)</u>
Gross profit		5,069,159	9,668,331
Other operating charges	3	(8,308,501)	(9,458,944)
Other operating income		<u>-</u>	<u>108,638</u>
Operating (loss)/profit	4	(3,239,342)	318,025
Interest receivable	5	<u>5,288</u>	<u>-</u>
(Loss)/profit on ordinary activities before taxation		(3,234,054)	318,025
Tax on loss/(profit) on ordinary activities	7	<u>154,579</u>	<u>(170,839)</u>
(Loss)/profit for the financial period	16	<u>(3,079,475)</u>	<u>147,186</u>

All of the activities of the company are classed as continuing  
There are no recognized gains and losses other than the profit for period ended 30 June 2012

The notes on pages 8 to 19 form part of these financial statements



## Balance sheet as at 30 June 2012

<i>Company number 04236075</i>	Note	30 June 2012 £	30 June 2012 £	31 December 2010 £	31 December 2010 £
<b>Fixed assets</b>					
Tangible assets	8		366,235		141,812
<b>Current assets</b>					
Trading book positions	9	-		879,653	
Debtors	10	1,037,126		5,441,508	
Cash at bank and in hand		<u>77,807</u>		<u>3,090,182</u>	
		1,114,933		9,411,343	
<b>Creditors amounts falling due within one year</b>	11	<u>(229,136)</u>		<u>(2,235,693)</u>	
<b>Net current assets</b>			<u>885,797</u>		<u>7,175,650</u>
<b>Total assets less current liabilities</b>			<u>1,252,032</u>		<u>7,317,462</u>
<b>Capital and reserves</b>					
Called up equity share capital	13		5,014,045		8,000,000
Share premium account			1,220		1,220
Other reserves	14		30,000		30,000
Profit and loss account	15		<u>(3,793,233)</u>		<u>(713,758)</u>
<b>Shareholders' funds</b>	16		<u>1,252,032</u>		<u>7,317,462</u>

The financial statements were approved by the Board of Directors and authorised for issue on 3 October, 2012

Director



STEPHEN CHARLES ALLEN

Director



ROBERT HENRY ADAMSON

The notes on pages 8 to 19 form part of these financial statements

## Notes forming part of the financial statements for the period ended 30 June 2012

---

### 1 Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

#### *Turnover*

Turnover comprises fees invoiced to clients for corporate broking, NOMAD and advisory fees, fees earned on capital raisings and corporate finance advisory fees

#### *Fixed assets*

All fixed assets are initially recorded at cost

#### *Depreciation*

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold improvements – over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements

Fixtures, fittings and equipment - 3 years straight line

#### *Operating lease agreements*

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

#### *Taxation*

The charge for taxation is based on the profit for the period and takes into account taxation deferred

Current tax is measured as amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that are expected to result in an obligation to pay more, or a right to pay less or to receive more tax

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

## Notes forming part of the financial statements for the period ended 30 June 2012 (continued)

### 1 Accounting policies (continued)

#### *Foreign currencies*

Transactions in foreign currencies are translated at the 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. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are taken to the profit and loss account. Exchange differences arising on non-monetary items, carried at fair value, are included in the profit and loss account, except for the differences arising on the retranslation of non-monetary items in respect of which gains and losses are recorded in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

#### *Pension costs*

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the period in which they become payable.

#### *Financial assets and liabilities*

Financial assets comprise of debtors and cash in hand. These assets are measured initially and subsequently at amortised cost.

The company's financial liabilities comprising trade and other payables are all classified as other financial liabilities.

### 2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

### 3 Other operating charges

	Period ended 30 June 2012 £	Year ended 31 December 2010 £
Administrative expenses	<u>8,308,501</u>	<u>9,458,944</u>

## Notes forming part of the financial statements for the period ended 30 June 2012 (continued)

### 4 Operating profit

	Period ended 30 June 2012 £	Year ended 31 December 2010 £
This has been arrived at after charging/(crediting)		
Depreciation of owned fixed assets	61,243	206,588
Auditor's remuneration - Audit fees	36,000	20,000
Other operating lease rentals	430,664	284,664
Net gain on foreign currency translation	<u>(705)</u>	<u>(22,474)</u>

### 5 Interest receivable

Interest receivable was £5,288 (2010 £Nil) and represents interest on deposits held with banks

### 6 Directors and employees

	Period ended 30 June 2012 £	Year ended 31 December 2010 £
Staff costs consist of		
Wages and salaries	4,002,226	5,652,677
Social security costs	607,750	561,647
Other pension costs	<u>124,417</u>	<u>195,397</u>
	<u>4,734,393</u>	<u>6,409,721</u>

## Notes forming part of the financial statements for the period ended 30 June 2012 (continued)

### 6 Directors and employees (continued)

The average number of employees (including directors) during the period was 34 (2010 - 43)

	Period ended 30 June 2012 £	Year ended 31 December 2010 £
Directors' remuneration consist of		
Emoluments	493,995	444,996
Pension contributions to money purchase pension schemes	27,524	15,479
	<u>521,519</u>	<u>460,475</u>

During the period no (2010 - none) directors participated in defined benefit pension schemes and 2 (2010 - 4) directors participated in money purchase pension schemes

Remuneration in respect of the highest paid director was as follows

	Period ended 30 June 2012 £	Year ended 31 December 2010 £
Emoluments	228,817	190,000
Pension contributions to money purchase pension schemes	7,982	5,104
	<u>236,799</u>	<u>195,104</u>

## Notes forming part of the financial statements for the period ended 30 June 2012 (continued)

### 7 Taxation on ordinary activities

	Period ended 30 June 2012 £	Year ended 31 December 2010 £
Analysis of (credit)/charge in the period/year		
Current tax		
UK Corporation tax based on the results for the period at 26% (2010 - 28%)	(101,454)	-
Total current tax (credit)/charge	(101,454)	-
	Period ended 30 June 2012 £	Year ended 31 December 2010 £
Deferred tax		
Origination and reversal of timing differences		-
Tax on unrelieved losses carried forward	803,603	85,032
Adjustment to prior years	(958,182)	85,807
Tax on (loss)/profit on ordinary activities	(154,579)	170,839

## Notes forming part of the financial statements for the period ended 30 June 2012 (continued)

### 7 Taxation on ordinary activities (continued)

#### *Factors affecting current tax charge*

The tax assessed on the profit on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 26% (2010 - 28%). The difference is explained below

	Period ended 30 June 2012 £	Year ended 31 December 2010 £
(Loss)/Profit on ordinary activities before taxation	(3,234,054)	318,025
(Loss)/Profit on ordinary activities by rate of tax	(840,854)	89,047
Disallowed expenses	37,251	(4,015)
Tax on unrelieved losses carried forward	803,603	85,807
Over provision in relation to prior years	(101,454)	-
Total current tax (benefit)/expense	(101,454)	170,839

# Notes forming part of the financial statements for the period ended 30 June 2012 (continued)

## 8 Tangible fixed assets

	Fixtures fittings, equipment and leasehold improvements £
<i>Cost</i>	
At 1 January 2011	699,655
Additions	366,235
Disposals	(699,655)
At 30 June 2012	366,235
	Fixtures fittings and equipment £
<i>Depreciation</i>	
At 1 January 2011	557,843
Charge for the period	61,243
Released on disposal	(619,086)
At 30 June 2012	-
<i>Net book value</i>	
At 30 June 2012	366,235
At 31 December 2010	141,812

## 9 Trading Book Positions

	30 June 2012 £	31 December 2010 £
Trading book	-	164,652
Options	-	715,001
	-	879,653

The company's trading book represents positions in listed companies held to support market making activities. Positions are valued at market value by reference to the quoted market price at the balance sheet date. No positions were held at year end.



## Notes forming part of the financial statements for the period ended 30 June 2012 (continued)

### 10 Debtors

	30 June 2012 £	31 December 2010 £
Trade debtors	22,582	324,726
Amounts owed by group undertakings	237,643	1,930,716
Deferred tax asset (see note 12)	453,010	399,885
Other taxation and social security	143,352	-
Other debtors	18,858	2,605,481
Prepayments and accrued income	161,681	180,700
	<u>1,037,126</u>	<u>5,441,508</u>

All debtors fall due within one year except for the deferred tax asset of £453,010 (2010 - £399,885), the realisation of which is dependent on the timing of future profits

### 11 Creditors amounts falling due within one year

	30 June 2012 £	31 December 2010 £
Trade creditors	145,789	496,038
Corporation tax	-	108,612
Other taxation and social security	56,147	178,442
Other creditors	-	571,829
Accruals and deferred income	27,200	880,772
	<u>229,136</u>	<u>2,235,693</u>

## Notes forming part of the financial statements for the period ended 30 June 2012 (continued)

### 12 Deferred taxation

The movement in the deferred taxation provision during the period was

	30 June 2012 £	31 December 2010 £
Provision brought forward	399,885	563,624
Revaluation reserve movement	-	7,100
Profit and loss account movement arising during the period	53,125	(170,839)
Asset carried forward	<u>453,010</u>	<u>399,885</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	30 June 2012 £	31 December 2010 £
Excess of taxation allowances over depreciation on fixed assets	-	50,801
On losses carried forward	<u>453,010</u>	<u>349,084</u>
	<u>453,010</u>	<u>399,885</u>

### 13 Share capital

	Authorised			
	30 June 2012 Number	31 December 2010 Number	30 June 2012 £	31 December 2010 £
Ordinary shares of £1 each	<u>5,014,045</u>	<u>8,000,000</u>	<u>5,014,045</u>	<u>8,000,000</u>
	Allotted, called up and fully paid			
	30 June 2012 Number	31 December 2010 Number	30 June 2012 £	31 December 2010 £
Ordinary shares of £1 each	<u>5,014,045</u>	<u>8,000,000</u>	<u>5,014,045</u>	<u>8,000,000</u>

# Notes forming part of the financial statements for the period ended 30 June 2012 (continued)

## 14 Other reserves

	30 June 2012 £	31 December 2010 £
Capital redemption reserve	30,000	30,000

## 15 Profit and loss account

	Period ended 30 June 2012 £	Year ended 31 December 2010 £
At 1 January 2011	(713,758)	(860,944)
(Loss)/profit for the financial period	(3,079,475)	147,186
At 30 June 2012	(3,793,233)	(713,758)

## 16 Reconciliation of movements in shareholders' funds

	Period ended 30 June 2012 £	Year ended 31 December 2010 £
(Loss)/profit for the financial period	(3,079,475)	147,186
Capital Reduction	(2,985,955)	-
Net (reduction)/addition to shareholders' funds	(6,065,430)	147,186
Opening shareholders' funds	7,317,462	7,170,276
Closing shareholders' funds	1,252,032	7,317,462

The Company had an Intra Company Loan balance of £2,985,955 with the previous holding company at 31 December. This loan was eliminated by way of a capital reduction as part of the arrangements whereby the present controlling shareholder acquired the Company.

## Notes forming part of the financial statements for the period ended 30 June 2012 (continued)

---

### 17 Leasing commitments

The Company had annual commitments under non-cancellable operating leases as set out below

	Period ended 30 June 2012 £	Year ended 31 December 2010 £
Operating leases which expire		
Within one year	76,389	-
In two to five years	-	-
	<u>76,389</u>	<u>-</u>

### 18 Related party transactions

The company is a wholly owned subsidiary of RFC Ambrian Group Limited and has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related party disclosures" not to disclose transactions with RFC Ambrian Group Limited or other wholly owned subsidiaries within the group

There were no other related party transactions

### 19 Financial instruments

The company has taken advantage of the disclosures exemption conferred by FRS 29 on the grounds that at least 90% of the voting rights in the company are controlled within Group headed by RFC Ambrian Group Limited and the company is included in the publicly available consolidated financial statements which include disclosures that comply with this standard

### 20 Cash flow statement

The company has taken advantage of the exemption from the requirement of Financial Reporting Standard No 1 (revised) to prepare a cash flow statement as during the period as it was a wholly owned subsidiary undertaking of RFC Ambrian Group Limited, whose consolidated financial statements include those of the company and are publicly available

## Notes forming part of the financial statements for the period ended 30 June 2012 (continued)

---

### 21 Ultimate controlling party

The ultimate controlling party of this company is RFC Ambrian Group Limited, a company registered in Australia. RFC Ambrian Group Limited is considered to be the company's ultimate controlling party by virtue of its 100% ownership of the ordinary share capital of the company.

The largest group of undertakings for which group financial statements have been drawn up is headed by RFC Ambrian Group Limited. Copies of the group financial statements can be obtained from RFC Ambrian Group Limited, Level 14, 19-31 Pitt Street, Sydney NSW 2000, Australia.

The pages which follow do not  
form part of the statutory  
financial statements of the company

## Unaudited Pillar Three Disclosures for the period ended 30 June 2012

---

### 1 INTRODUCTION

RFC Ambrian Limited ("RFC Ambrian", "RFCA" or "the Firm") is subject to the regulatory capital rules of the Financial Services Authority. It is required to maintain capital resources in excess of its capital resources requirement and to make the following disclosures.

The Pillar 3 disclosure of RFCA provides information on the risk exposures faced by RFC Ambrian Limited and is complementary to the Firm's minimum capital requirement (Pillar 1) and the internal review of its capital adequacy (Pillar 2).

### 2. DISCLOSURE POLICY

RFCA makes Pillar 3 disclosures annually as at the accounting reference date. The information detailed herein has not been audited by external auditors and does not form part of the Firm's financial statements.

There is no UK consolidation group for regulatory purposes and consequently the disclosures are made on an individual basis under BIPRU 11.2.1. If the Firm deems any of the disclosures listed under BIPRU 11.5 to be immaterial, proprietary or confidential, it may be omitted from this statement.

### 3 RISK MANAGEMENT FRAMEWORK

The RFC Ambrian Limited board is the governing body responsible for the oversight of risk management and for determining RFCA's risk appetite or tolerance for risk.

It implements ongoing risk identification processes and assesses the potential impact of any such risks.

Executive Management is accountable to the board for implementing the day to day risk management activities of the Firm.

### 4 CAPITAL RESOURCES REQUIREMENT AND CAPITAL RESOURCES

RFCA is incorporated in the UK and is authorised and regulated by the FSA as a Corporate Finance firm. Its activities in the UK give it the BIPRU categorisation of a "Limited Licence" and a "BIPRU €50k" firm.

RFCA's capital must be maintained in excess of its regulatory capital requirement, which is the higher of,

- Its Fixed Overhead Requirement (FOR), or
- The sum of its Credit Risk Capital Requirement and its Market Risk Capital Requirement.

Typically the Firm's Pillar 1 requirement is determined by its Fixed Overhead Requirement as this is the largest of the variable factors considered.

## Unaudited Pillar Three Disclosures for the period ended 30 June 2012 (continued)

---

The Firm maintains Tier 1 regulatory Capital of £1,252,032 comprised of Permanent Share Capital, the profit and loss account and other reserves

	£	£
Total Tier 1 Capital		1,252,032
Base Capital Resources Requirement	40,000	
Credit Risk Capital Component	1,807	
Counterparty Risk Capital Component	-	
Market Risk Capital Requirement	-	
Fixed Overhead Requirement	<u>761,232</u>	
Capital Resources Requirement		<u>761,232</u>
Surplus Own Funds		490,800
Solvency Ratio		164%

### 5. CAPITAL ADEQUACY

RFC Ambrian has adopted the standardised approach in relation to risk calculations

**Credit Risk** – The Firm is exposed to credit risk in relation to the non-collectability of advisory and retainer fees. RFCA has adopted the simplified approach to Credit Risk calculations and calculates 8% of the risk weighted exposure amounts.

**Operational Risk** – The Firm's Fixed Overhead Requirement ("FOR") is disclosed as a proxy for the Pillar 1 Operational Risk Capital calculation (the higher of FOR vs the sum of the Market Risk and the Credit Risk components).

**Market Risk** – RFCA does not hold any positions (trading book or foreign exchange / commodity positions) and therefore has no Market Risk capital requirement.

**Pillar 2 ICAAP** – Executive Management prepares an ICAAP on an annual basis – or more frequently should a material change to the business occur - to ensure the Firm continually maintains sufficient resources to meet its regulatory capital requirements.