RFC Ambrian

RFC Ambrian Limited

Company Number 04236075

Report and Financial Statements
Year ended 30 June 2015

RFC AMBRIAN LIMITED
Company Number 04236075

Report and financial statements for the year ended 30 June 2015

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Directors

R H Adamson
S C Allen
J M Harrison
A S Millar appointed on 25 November 2014
S K Murphy

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 year ended 30 June 2015

The directors present their report and the financial statements of the company for the year ended 30 June 2015.

Results and dividends

The profit for the year, after taxation, amounted to £1,005,723 (2014: £1,240,127). On 13 August 2015 the directors recommended the payment of a £1,200,000 (2014:Nil) dividend to RFC Ambrian Group Limited.

Principal activities and business review

The company's principal activities continue to be that of corporate finance, equity research and corporate brokerage services.

Over the year the company completed a number of notable transactions, the details of which can be found on the group's website. As at 30 June 2015 RFC Ambrian Limited had 21 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 parent company, RFC Ambrian Group Limited, has given the company a competitive edge when competing for corporate and institutional business.

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 21 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 year were as follows:

R H Adamson

S C Allen

J M Harrison

A S Millar

S K Murphy

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. Although they are not directors of RFC Ambrian Group Limited, J M Harrison, A S Millar and S K Murphy also have an interest in the share capital of that company.

The directors have taken the small company exemption from preparing a strategic report.

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 year.

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.

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 13/10/2015

Independent auditor's report

TO THE MEMBERS OF RFC AMBRIAN LIMITED

We have audited the financial statements of RFC Ambrian Limited for the year ended 30 June 2015 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 Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2015 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.

Emphasis of matter – Dividend payment

We draw attention to Note 17 in the financial statements which describes the dividend payment in the year as being in excess of distributable profits at the time, determined in accordance with the Companies Act 2006. The company has since taken steps to reduce share capital and other reserves with the effect of eliminating the shortfall in distributable profits. Our opinion is not qualified in respect of this matter

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year 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.

BDO LLP.

Danie Taylor (Senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
Date 13/10/2015

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

Profit and loss account for the year ended 30 June 2015

	Note	Year ended 30 June 2015 £	Year ended 30 June 2014 £
Turnover	2	3,596,445	3,895,142
Cost of sales		-	-
Gross profit		3,596,445	3,895,142
Administrative expenses	3	(2,568,915)	(2,655,208)
Operating profit	4	1,027,530	1,239,934
Interest receivable	5	183	241
Profit on ordinary activities before taxation		1,027,713	1,240,175
Tax on profit on ordinary activities	7	(21,990)	(48)
Profit for the financial period	17	1,005,723	1,240,127

All of the activities of the company are classed as continuing.

There are no recognised gains and losses other than the profit for year ended 30 June 2015.

The notes on pages 7 to 18 form part of these financial statements.

RFC AMBRIAN LIMITED
Company Number 04236075

Balance sheet as at 30 June 2015

	Note	30 June 2015	30 June 2015	30 June 2014	30 June 2014
		£	£	£	£
Fixed assets					
Tangible assets	8	142,198		226,275	
Fixed asset investments	9	459,115	601,313	138,441	364,716
Current assets					
Current asset investments	10	120,796		-	
Debtors	11	1,817,093		2,316,852	
Cash at bank and in hand		41,542		30,881	
		1,979,431		2,347,733	
Creditors: amounts falling due within one year	12	(240,152)		(143,142)	
Net current assets			1,739,279		2,204,591
Total assets less current liabilities			2,340,592		2,569,307
Provisions for liabilities	13	-		(34,438)	
			-		(34,438)
			2,340,592		2,534,869
Capital and reserves					
Called up equity share capital	15		5,014,045		5,014,045
Share premium account			1,220		1,220
Other reserves	16		30,000		30,000
Profit and loss account	17		(2,704,673)		(2,510,396)
Shareholders' funds	18		2,340,592		2,534,869

The financial statements were approved by the Board of Directors and authorised for issue on , 2015.

Director

STEPHEN CHARLES ALLEN

The notes on pages 7 to 18 form part of these financial statements.

Notes forming part of the financial statements for the year ended 30 June 2015

1 Accounting policies

With the exception of investments the financial statements are 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 on an accruals basis net of value added tax. Capital raisings and corporate finance advisory fees are recognised once a transaction is regarded as substantially complete.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated on a straight line basis over the useful economic life of the asset commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired year of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation Rate
Furniture and fittings and leasehold improvements	7.5% - 20%
Office equipment	5% - 20%
Computer equipment	24% - 33%
Computer software	33% - 40%

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 year of the lease term.

Taxation

The charge for taxation is based on the profit for the year 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.

Notes forming part of the financial statements for the year ended 30 June 2015

1 Accounting policies (continued)

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 years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

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 employee pension schemes are charged to the profit and loss account in the year in which they become payable.

Financial assets and liabilities

The company classifies its financial assets into one of the following categories depending on the purpose for which they were acquired.

Fair value through profit and loss: The company classes fixed asset investments at fair value through profit and loss with changes in fair value being recognised in the company's profit and loss account. The fair value of financial assets that are quoted in an active market is determined by reference to the official exchange settlement prices at the close of business on the balance sheet date. Options are valued using the Black Scholes model.

Loan and receivables: These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade debtors, other debtors and cash at bank). These assets are measured initially and subsequently at amortised cost.

Notes forming part of the financial statements for the year ended 30 June 2015

1 Accounting policies (continued)

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

Provisions – Employee benefits

The employee benefits provision relates to staff bonuses. The company recognises a liability and an expense for bonuses based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Work in Progress

WIP occurs where the company has billable time posted against a client but milestones to invoice have not been reached at year end. WIP is calculated as the hours worked multiplied by the relevant staff charge-out rate and recognised in the accounts to the extent that the directors believe the WIP is recoverable through post year end billing.

2 Turnover

Turnover is wholly attributable to the principal activities of the company and is derived from clients in a range of jurisdictions throughout the world.

	Year ended 30 June 2015 £	Year ended 30 June 2014 £
Advisory fees	3,144,635	3,508,559
Other income	407,182	439,839
Trading gain/(loss)	44,628	(53,256)
Turnover	3,596,445	3,895,142

3 Other operating charges

	Year ended 30 June 2015 £	Year ended 30 June 2014 £
Administrative expenses	2,568,915	2,655,208

Notes forming part of the financial statements for the year ended 30 June 2015

4 Operating profit

	Year ended 30 June 2015 £	Year ended 30 June 2014 £
This has been arrived at after charging/(crediting):		
Depreciation of owned fixed assets	84,077	87,780
Auditor's remuneration:		
Audit fees	12,750	12,750
Non - audit fees	3,500	11,083
Other operating lease rentals	190,039	190,044
Net gain on foreign currency translation	(115,216)	(502)

5 Interest receivable

Interest receivable was £183 (2014: £241) and represents interest on deposits held with banks.

6 Directors and Employees

	Year ended 30 June 2015 £	Year ended 30 June 2014 £
Staff costs consist of:		
Wages and salaries	1,490,347	1,402,547
Social security costs	157,916	163,474
Other pension costs	7,538	32,343
	1,655,801	1,598,364

The average number of employees (including directors) during the period was 14 (2014 - 16).

Notes forming part of the financial statements for the year ended 30 June 2015

6 Directors and Employees (continued)

	Year ended 30 June 2015 £	Year ended 30 June 2014 £
Directors' remuneration consists of:		
Emoluments	230,000	163,489
Pension contributions to money purchase pension schemes	-	22,000
	230,000	185,489

During the period no (2014 - none) directors participated in defined benefit pension schemes and no (2014 - 1) director participated in money purchase pension schemes.

Remuneration in respect of the highest paid director was as follows:

	Year ended 30 June 2015 £	Year ended 30 June 2014 £
Emoluments	125,000	132,239
Pension contributions to money purchase pension schemes	-	22,000
	125,000	154,239

7 Taxation on ordinary activities

	Year ended 30 June 2015 £	Year ended 30 June 2014 £
Analysis of charge/(credit) in the year/period		
Current tax:		
UK Corporation tax based on the results for the period at 20.75 % (2014 - 22.5%)	(11)	48
Total current tax charge/(credit)	(11)	48

Notes forming part of the financial statements for the year ended 30 June 2015

7 Taxation on ordinary activities (continued)

	Year ended 30 June 2015 £	Year ended 30 June 2014 £
Deferred tax:		
Origination and reversal of timing differences	22,001	-
Tax on (loss)/profit on ordinary activities	22,001	-
Total tax charge/(credit) for the year/period	21,990	48

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 20.75 % (2014 - 22.5%). The difference is explained below.

	Year ended 30 June 2015 £	Year ended 30 June 2014 £
Profit/(loss) on ordinary activities before taxation	1,027,713	1,240,175
Profit/(loss) on ordinary activities by rate of tax	213,257	279,040
Disallowed expenses	9,297	1,125
Capital allowance in excess of depreciation	(7,338)	19,751
Tax losses utilised	(215,216)	(299,861)
Difference in tax rates	(11)	(7)
Total current tax expense/(benefit)	(11)	48

Notes forming part of the financial statements for the year ended 30 June 2015

8 Tangible fixed assets

	Fixtures fittings, equipment and leasehold improvements
	£
Cost	
At 30 June 2014	390,274
Additions	-
At 30 June 2015	390,274

	Fixtures fittings and equipment
	£
Depreciation	
At 30 June 2014	163,999
Charge for the year	84,077
At 30 June 2015	248,076
Net book value	
At 30 June 2014	226,275
At 30 June 2015	142,198

9 Fixed asset investments

	2015	2014
	£	£
Opening investments in options	138,441	-
Additions to options investments	146,047	138,441
Revaluation of investments	174,627	-
Closing investments in options	459,115	138,441

Notes forming part of the financial statements for the year ended 30 June 2015

10 Current asset investments

	30 June 2015 £	30 June 2014 £
Opening investments in listed shares	-	113,481
Additions to investments	135,000	-
Disposal of investments	-	(60,225)
Realised loss of investments	-	(53,256)
Revaluation of investments	(14,204)	-
Closing investments in listed shares	120,796	-

Positions are valued at market value by reference to the quoted market price at the balance sheet date.

11 Debtors

	30 June 2015 £	30 June 2014 £
Trade debtors	207,410	116,962
Amounts owed by group undertakings	930,872	1,611,014
Deferred tax asset (see note 14)	420,930	442,861
Other debtors	9,209	2,679
Work in progress	77,950	-
Prepayments and accrued income	170,722	143,336
	1,817,093	2,316,852

All debtors fall due within one year except for the deferred tax asset of £ 420,930 (2014 - £442,861), the realisation of which is dependent on the timing of future profits.

The amount owed by group undertakings is interest free, unsecured and repayable on demand.

Notes forming part of the financial statements for the year ended 30 June 2015

12 Creditors: amounts falling due within one year

	30 June 2015 £	30 June 2014 £
Trade creditors	65,086	45,715
Prepaid income	10,906	-
Other taxation and social security	51,410	63,367
Accruals and deferred income	112,750	34,060
	240,152	143,142

13 Provisions

	30 June 2015 £	30 June 2014 £
Employee benefits	-	34,438

14 Deferred taxation

The movement in the deferred taxation provision during the year was:

	30 June 2015 £	30 June 2014 £
Provision brought forward	442,861	442,861
Profit and loss account movement arising during the year	(21,931)	-
Asset carried forward	420,930	442,861

Notes forming part of the financial statements for the year ended 30 June 2015

14 Deferred taxation (continued)

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

	30 June 2015 £	30 June 2014 £
On losses carried forward	420,930	442,861
	420,930	442,861

15 Share capital

	Authorised			
	30 June 2015 Number	30 June 2014 Number	30 June 2015 £	30 June 2014 £
Ordinary shares of £1 each	**5,014,045**	5,014,045	**5,014,045**	5,014,045

	Allotted, called up and fully paid			
	30 June 2015 Number	30 June 2014 Number	30 June 2015 £	30 June 2014 £
Ordinary shares of £1 each	**5,014,045**	5,014,045	**5,014,045**	5,014,045

Notes forming part of the financial statements for the year ended 30 June 2015

16 Other reserves

	30 June 2015 £	30 June 2014 £
Capital redemption reserve	30,000	30,000

17 Profit and Loss Account

	Year ended 30 June 2015 £	Year ended 30 June 2014 £
At 1 July 2014	(2,510,396)	(3,750,523)
Payment of dividend	(1,200,000)	-
Profit for the financial period	1,005,723	1,240,127
At 30 June 2015	(2,704,673)	(2,510,396)

Dividends paid during the year were higher in value than the retained profits disclosed in the Company Balance Sheet as at 30 June 2014. The Company inadvertently overlooked the requirement under the Companies Act 2006 to have sufficient distributable profits before declaring the dividend, but rectified this issue on 19 August 2015 when the board passed a resolution to reduce the paid up share capital, share premium and other reserves of the company from £5,045,265 to £1,000,000 which resulted in an increase in the retained profits of £4,045,265.

18 Reconciliation of movements in shareholders' funds

	Year ended 30 June 2015 £	Year ended 30 June 2014 £
Profit for the financial period	1,005,723	1,240,127
Net addition to shareholders' funds	1,005,723	1,240,127
Payment of dividend	(1,200,000)	-
Opening shareholders' funds	2,534,869	1,294,742
Closing shareholders' funds	2,340,592	2,534,869

Notes forming part of the financial statements for the year ended 30 June 2015

19 Leasing commitments

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

	Year ended 30 June 2015 £	Year ended 30 June 2014 £
Operating leases which expire:		
Within one year	190,039	-
In two to five years	-	190,044
	190,039	190,044

20 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.

21 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 the 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.

22 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 during the year 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.

23 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. There is no ultimate controlling party above RFC Ambrian Group Limited due to it having numerous shareholders each with no controlling interest.

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.

Unaudited Pillar Three Disclosures for the year ended 30 June 2015

The pages which follow do not

form part of the statutory

financial statements of the company

Unaudited Pillar Three Disclosures for the year ended 30 June 2015

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 INPRU 11.2.1. If the Firm deems any of the disclosures listed under INPRU 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 FCA as a Corporate Finance Firm. Its activities in the UK give it the INPRU categorisation of a "Limited Licence" and an "INPRU €50k" firm.

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

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

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

The Firm maintains Tier 1 regulatory Capital of £2,340,592 comprised of Permanent Share Capital, the profit and loss account and other reserves.

Unaudited Pillar Three Disclosures for the year ended 30 June 2015

	£ 000'	£ 000'
Total Tier 1 Capital		2,341
Base Capital Resources Requirement	37	
Credit Risk Capital Component	20	
Counterparty Risk Capital Component	10	
Market Risk Capital Requirement	-	
Fixed Overhead Requirement	642	
Capital Resources Requirement		642
Surplus Own Funds		1,699
Solvency Ratio		265%

5. CAPITAL ADEQUACY

The Firm has adopted the standardised approach in relation to risk calculations.

Credit Risk – The Firm is exposed to credit risk in relation to the potential non-collectivity of advisory fees. RFC Ambrian has adopted the simplified approach to credit risk calculations and calculates 8% of the risk weighted exposure amounts.

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

Market Risk – The Firm is exposed to Market Risk on its investments and has calculated risk exposure at 8%.

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 that the Firm maintains sufficient resources to meet its regulatory capital requirements.

6. REMUNERATION

Overview. The Firm is subject to the provisions of the FCA's remuneration code (SYSC 19A). It is a small firm only recently established in the UK and in accordance with FCA guidance is categorised as a Level 3 firm in relation to the implementation of the remuneration code.

Decision making process

The Firm has put in place policies, procedures and practices relating to remuneration which, to the extent required, apply the principles of the remuneration code. As a small firm, the Firm may dis-apply the requirement to establish a remuneration committee.

The full board is responsible for supervision and oversight of the firm's pay and reward / remuneration policy. The board is comprised of the Chairman, 2 executive directors and 2 other directors that represent the firm's parent undertaking. No individual within the firm is able to approve his/her own remuneration.

Unaudited Pillar Three Disclosures for the year ended 30 June 2015

The link between pay and performance

Remuneration is made up of fixed/basic salary and discretionary bonus awards from a variable bonus pool which is designed to reward performance. Individuals can be rewarded from the bonus pool based on an assessment of their contribution to the Firm's profitability in the widest sense. No individual is rewarded on a formula basis that might encourage excessive risk taking.

Aggregate Remuneration Disclosures

	£
Total remuneration for the year ended 30 June 2014	1,655,801

Total Remuneration of code staff for the year ended 30 June 2014

	£
Fixed Remuneration	1,467,861
Variable Remuneration	22,060
Total Remuneration of code staff	1,489,921
Total number of code staff	14