



RFC Ambrian Limited

Company Number 04236075

Report and Financial Statements
Year ended 30 June 2019



Report and financial statements for the year ended 30 June 2019

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Directors

R H Adamson
S C Allen

Registered office

Octagon Point, 5 Cheapside, London EC2V 6AA

Company number

04236075

Auditors

Crowe U.K. LLP St Bride's House, 10 Salisbury Square, London, EC4Y 8EH

Report of the directors for the year ended 30 June 2019

The directors present their report and the financial statements of the company for the year ended 30 June 2019.

Results and dividends

The loss for the year, after taxation, amounted to £1,301,858 loss (2018 loss after taxation: £844,201).

Principal activities and business review

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

The expertise of its research team 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.

Strategic Report

The directors have taken advantage of the small companies exemption as defined under the Companies Act 2006 from the requirement to prepare a strategic report.

Pillar 3 disclosures

Details of the company's unaudited Pillar 3 disclosures, required under Chapter 11 of the Financial Conduct 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

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.

Report of the directors for the year ended 30 June 2019 (continued)

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; 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.

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



Stephen Charles Allen
On behalf of the Board
Director
Date 21 October 2019

Independent auditor's report

Opinion

We have audited the financial statements of RFC Ambrian Limited for the year ended 30 June 2019 which comprise of the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

Independent auditor's report (continued)

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; 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 directors' report.

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

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report (continued)

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

Use of our report

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.



John Glasby
Senior Statutory Auditor
For and on behalf of Crowe U.K. LLP
Statutory Auditor

St Brides House
10 Salisbury House
London EC4Y 8EH

21/10/2019

Statement of comprehensive income for the year ended 30 June 2019

	Note	Year ended 30 June 2019 £	Year ended 30 June 2018 £
Turnover	3	331,557	868,369
Investment (losses)	8	<u>(670,590)</u>	<u>(232,525)</u>
Gross (loss)/profit		(339,033)	635,844
Administrative expenses		<u>(1,218,525)</u>	<u>(1,658,483)</u>
Operating (loss)	4	(1,557,558)	(1,022,639)
Interest receivable		<u>20</u>	<u>78</u>
(Loss) on ordinary activities before taxation		(1,557,538)	(1,022,561)
Tax on (loss) on ordinary activities	6	<u>255,680</u>	<u>178,360</u>
(Loss) for the financial period		<u>(1,301,858)</u>	<u>(844,201)</u>

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 2019.

The notes on pages 9 to 19 form part of these financial statements.

Statement of financial position as at 30 June 2019

<i>Company number 04236075</i>	<i>Note</i>	30 June 2019 £	30 June 2019 £	30 June 2018 £	30 June 2018 £
Fixed assets					
Tangible assets	7	2,893		38,680	
Investments	8	-	2,893	1,341,178	1,379,858
Current assets					
Investments	8	670,588		-	
Debtors	9	1,155,807		1,656,896	
Cash at bank and in hand		35,285		4,500	
		1,861,680		1,661,396	
Creditors: amounts falling due within one year	10	(213,538)		(88,361)	
Net current assets			<u>1,648,142</u>		<u>1,573,035</u>
Total assets less current liabilities			<u>1,651,035</u>		<u>2,952,893</u>
Capital and reserves					
Called up equity share capital	12		1,000,000		1,000,000
Profit and loss account			651,035		1,952,893
Shareholders' funds			<u>1,651,035</u>		<u>2,952,893</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 21 October, 2019.



Stephen Charles Allen
Director

The notes on pages 9 to 19 form part of these financial statements.

Statement of changes in equity for the year ended 30 June 2019

	Share Capital £	Share Premium account £	Other Reserves £	Profit and Loss account £	Total £
Balance at 30 June 2017	1,000,000	-	-	2,797,094	3,797,094
Comprehensive income for the year					
Loss for the year	-	-	-	(844,201)	(844,201)
Total comprehensive income for the year	-	-	-	(844,201)	(844,201)
Balance at 30 June 2018	1,000,000	-	-	1,952,893	2,952,893
Comprehensive income for the year					
Loss for the year	-	-	-	(1,301,858)	(1,301,858)
Total comprehensive income for the year	-	-	-	(1,301,858)	(1,301,858)
Balance at 30 June 2019	1,000,000	-	-	651,035	1,651,035

The notes on pages 9 to 19 form part of these financial statements

Notes forming part of the financial statements for the year ended 30 June 2019

1 Accounting policies

The Company is a limited Company incorporated and registered in England and Wales with registered Company number 04236075 and its registered office situated in England and Wales with its registered office at Octagon Point, 5 Cheapside, London EC2V 6AA.

Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 2).

The date of transition to FRS 102 was 1 July 2014.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of RFC Ambrian Group Limited as at 30 June 2019 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

The following principal accounting policies have been applied:

Going Concern

The company has net assets of £1,651,031 (2018: £2,952,893) at the end of the year and has made a loss of £1,301,858 (2018: £844,201) during the year then ended. At 30 June 2019 the company had £35,285 in cash and cash equivalents and £552,235 receivable from RFC Ambrian Group Limited. The Directors believe the company remains a going concern and can continue to meet cash flow requirements through existing operations as well as the collection of the outstanding receivable and further advances from RFC Ambrian Group Limited.

Turnover

Turnover comprises fees invoiced to clients for corporate broking 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.

Notes forming part of the financial statements for the year ended 30 June 2019

1 Accounting policies (continued)

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	9% - 20%
Office equipment	20%
Computer equipment	33%
Computer software	40%

Operating lease agreements

Annual rentals are charged to the statement of comprehensive income on a straight-line basis over the term of the lease.

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 statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position 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 statement of financial position 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

Notes forming part of the financial statements for the year ended 30 June 2019

1 Accounting policies (continued)

Foreign currencies (continued)

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 income statement 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 income statement: The company classes fixed asset investments at fair value through income statement with changes in fair value being recognised in the company's income statement. 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 statement of financial position date. Options are valued using the price of an identical financial asset.

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.

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

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the statement of financial position date.

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.

Notes forming part of the financial statements for the year ended 30 June 2019

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis;
- The most critical estimates, assumptions and judgements relate to the determination of carrying value of unlisted investments at fair value through profit and loss. In determining this amount, the Group applies the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, the facts and circumstance of the investment drives the valuation methodology; and
- The company makes an estimate of the fair value of investments in options. When assessing fair value of the investments in options management considers factors including recent capital raisings, the capital required to exercise the share options and the possibility of a corporate transaction affording the exercise of the options before the expiration date. See note 8 for the net carrying amount of the debtors and associated impairment provision.

3 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 2019 £	Year ended 30 June 2018 £
Advisory fees	342,980	729,223
Other income	1,152	227,967
Loss on foreign currency	(12,575)	(88,821)
Turnover	<u>331,557</u>	<u>868,369</u>

Notes forming part of the financial statements for the year ended 30 June 2019

4 Operating profit

	Year ended 30 June 2019 £	Year ended 30 June 2018 £
This has been arrived at after charging/(crediting):		
Depreciation of owned fixed assets	9,093	9,023
Auditor's remuneration:		
Audit fees	13,000	13,000
Non - audit fees	3,500	3,500
Other operating lease rentals	357,180	375,522
Net loss/(gain) on foreign currency translation	<u>12,575</u>	<u>88,821</u>

5 Directors and Employees

	Year ended 30 June 2019 £	Year ended 30 June 2018 £
Staff costs consist of:		
Wages and salaries	497,091	823,155
Social security costs	50,394	93,891
Other pension costs	<u>8,628</u>	<u>11,903</u>
	<u>556,113</u>	<u>928,949</u>

The average number of employees (including directors) during the period was 7 (2018 - 10).

Notes forming part of the financial statements for the year ended 30 June 2019

6 Taxation on ordinary activities

	Year ended 30 June 2019 £	Year ended 30 June 2018 £
Analysis of charge/(credit) in the year/period		
Current tax:		
UK Corporation tax based on the results for the period at 19 % (2018 - 19 %)	-	(22,256)
Adjustments in respect of previous periods	-	42
Total current tax (credit)/charge	-	(22,214)
	Year ended 30 June 2019 £	Year ended 30 June 2018 £
Deferred tax:		
Origination and reversal of timing differences	(279,312)	(156,146)
Effect of tax rate change on opening balance	23,632	-
Total deferred tax charge	(255,680)	(156,146)
Taxation on (loss)/profit on ordinary activities	(255,680)	(178,360)

Notes forming part of the financial statements for the year ended 30 June 2019

6 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 19 % (2018 - 19 %). The difference is explained below.

	Year ended 30 June 2019 £	Year ended 30 June 2018 £
(Loss)/profit on ordinary activities before taxation	<u>(1,557,538)</u>	<u>(1,022,561)</u>
(Loss)/profit on ordinary activities by rate of tax	(295,932)	(194,287)
Expenses not deductible for tax purposes	29	21,593
Fixed asset differences	-	(22,256)
Adjustments to tax charge in respect of prior periods	-	42
Adjustments to tax charge in respect of prior periods - deferred tax	30,079	(7,084)
Movement due to changes in deferred tax rates	<u>10,144</u>	<u>23,632</u>
Total tax (benefit)/expense for the year	<u>(255,680)</u>	<u>(178,360)</u>

Notes forming part of the financial statements for the year ended 30 June 2019

7 Tangible fixed assets

	Fixtures fittings, equipment and leasehold improvements £
<i>Cost</i>	
At 30 June 2018	307,061
Disposals	(72,144)
Additions	-
At 30 June 2019	<u>234,917</u>
	Fixtures fittings and equipment £
<i>Depreciation</i>	
At 30 June 2018	268,381
Write back of disposals	(45,450)
Charge for the year	9,093
At 30 June 2019	<u>232,024</u>
<i>Net book value</i>	
At 30 June 2018	<u>38,680</u>
At 30 June 2019	<u>2,893</u>

8 Investments

	30 June 2019 £	30 June 2018 £
Opening investments in options	1,341,178	1,573,703
Revaluation of investments	(670,590)	(232,525)
Closing investments in options	<u>670,588</u>	<u>1,341,178</u>

Notes forming part of the financial statements for the year ended 30 June 2019

9 Debtors

	30 June 2019 £	30 June 2018 £
Trade debtors	39,000	13,750
Amounts owed by group undertakings	552,235	1,238,375
Deferred tax asset (see note 11)	456,550	200,870
Other debtors	35,373	11,508
Work in progress	43,301	183,211
Prepayments and accrued income	29,348	9,182
	<u>1,155,807</u>	<u>1,656,896</u>

All debtors fall due within one year except for the deferred tax asset of £456,550 (2018 - £200,870), 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.

10 Creditors: amounts falling due within one year

	30 June 2019 £	30 June 2018 £
Trade creditors	154,184	60,244
Current tax	(22,214)	(22,214)
Other taxation and social security	(10)	(10)
Accruals and deferred income	81,578	50,341
	<u>213,538</u>	<u>88,361</u>

Notes forming part of the financial statements for the year ended 30 June 2019

11 Deferred taxation

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

	30 June 2019 £	30 June 2018 £
Provision brought forward	200,870	44,724
Profit and loss account movement arising during the year	255,680	156,146
Asset carried forward	456,550	200,870

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

	30 June 2019 £	30 June 2018 £
Losses carried forward	456,550	200,870
	456,550	200,870

12 Share capital

	30 June 2019 Number	Authorised 30 June 2018 Number	30 June 2019 £	30 June 2018 £
Ordinary shares of £1 each	1,000,000	1,000,000	1,000,000	1,000,000
Allotted, called up and fully paid				
	30 June 2019 Number	30 June 2018 Number	30 June 2019 £	30 June 2018 £
Ordinary shares of £1 each	1,000,000	1,000,000	1,000,000	1,000,000

Notes forming part of the financial statements for the year ended 30 June 2019

13 Leasing Commitments

As at 30 June 2019 the company did not have any future minimum lease payments under cancellable operating leases.

	Year ended 30 June 2019 £	Year ended 30 June 2018 £
Operating leases which expire:		
Within one year	-	155,513
In two to five years	-	345,112
	<u>-</u>	<u>500,625</u>

14 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 12, Gateway, 1 Macquarie Place, Sydney NSW 2000, Australia.

Unaudited Pillar Three Disclosures for the year ended 30 June 2019

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 2019

1. INTRODUCTION

RFC Ambrian Limited ("RFC Ambrian", "RFCA" or "the Firm") is subject to the regulatory capital rules of the Financial Conduct 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 firm's 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 £1,651,035 comprised of Permanent Share Capital, the profit and loss account and other reserves.

Unaudited Pillar Three Disclosures for the year ended 30 June 2019

	£ '000	£ '000
Total Tier 1 Capital		1,652
Base Capital Resources Requirement	43	
Credit Risk Capital Component	6	
Counterparty Risk Capital Component	-	
Market Risk Capital Requirement	54	
Fixed Overhead Requirement	305	
Capital Resources Requirement		305
Surplus Own Funds		1,347
Solvency Ratio		442%

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 comprises two directors, one executive and one non-executive, both of whom are also directors of 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 2019

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 2019	556,114
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Total Remuneration of code staff for the year ended 30 June 2019	
	£
Fixed Remuneration	472,985
Variable Remuneration	-
Total Remuneration of code staff	472,985
<hr/>	
Total number of code staff	6