ACHP PLC

(formerly Pro Global Insurance Solutions plc)

Annual Report and Accounts

31 December 2017

CONTENTS

STRATEGIC REPORT

The Directors present their Strategic Report for ACHP plc ("the Company") for the year ended 31 December 2017.

Principal activity and review of business

The Company is listed on the AIM market and owns 33% of the voting shares and 30% of the economic rights in Asta Capital Limited ("Asta"). Asta is one of the best performing third party managing agency service providers in the Lloyd's market.

The Company was formerly known as Pro Global Insurance Solutions plc and was renamed ACHP plc on 30 June 2017. On 22 December 2016, the Company announced that it had conditionally agreed to sell the shares in its subsidiaries operating its outsourcing and consulting business to Pro Global Holdings Limited. Following the approval of shareholders and receipt of all required regulatory approvals, the sale was completed on 30 June 2017. The final consideration was £7.0 million comprising an initial headline consideration of £8.3 million less £1.3 million contractual closing adjustments. £6.6 million from the funds received were used to fully repay the loan from Natixis on 3 July 2017.

Change in accounting framework

Following the sale of the Company's subsidiaries, the Company is no longer required to prepare consolidated group accounts and therefore the financial information presented in the accounts as at 31 December 2017 and the comparative information for 2016 relates to ACHP plc as a single company.

Previously the financial statements were prepared in accordance with International Accounting Standards ("IAS"). This year the Directors voluntarily elected to apply United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice "UK GAAP") including FRS 102, as the Directors are of the opinion that these accounting standards present the financial performance and position of the Company in the most meaningful way.

Development and financial performance during the year

The principal key performance indicators for the Company are:

- Changes in the valuation of the investment in Asta;
- Results of operating activities during the period comprising dividends received from the investment in Asta less expenses incurred in operating the Company;
- Changes in cash and cash equivalents; and
- Changes in borrowings.

Operating loss from operations before finance costs for the year to 31 December 2017 was £(0.3) million (2016: £(1.3) million) and finance costs comprising interest payable on borrowings were £(0.3) million (2016: £(0.5) million). The loss recognised in these financial statements from the sale of the Company's subsidiaries was £(0.5) million (2016: £(2.1) million) comprising agreed adjustments to the sale's price and other costs relating to the sale. Total loss for the period was £(1.2) million (2016: £(3.3) million).

The proceeds from the sale of subsidiaries and the redemption of the preference shares held in Asta have enabled the Company to reduce its borrowings from £9.0 million to £1.6 million.

As a consequence of the transactions listed above, cash and cash equivalents have increased by £0.3 million to £0.4 million.

Financial position at the reporting date

The investment in Asta is valued at the end of 2017 at £18.0 million compared to £19.6 million, being the restated balance at the end of 2016 due to the change in accounting framework. This change of £1.6 million is primarily due to the redemption of the preference shares held in Asta

Borrowings from the Company's bank and parent company have reduced to £1.6 million; cash held has increased to £0.4 million; other net current assets have increased to £0.7 million.

Net assets are £17.0 million compared to £17.7 million as at the end of 2016.

STRATEGIC REPORT (continued)

Principal risks and uncertainties

In the ordinary course of business, the Company is exposed to several financial risks including valuation risk, credit risk and liquidity risk.

Valuation risk

The Company's sole investment in Asta is held at fair value. Determining its fair value requires estimation and exposes the Company to potential gains or losses as a result of any changes in this valuation.

As this investment is not traded in an active market and no quoted market price is available, the valuation, as determined by an external party, and the suitability of the pricing methodologies are reported to and considered by the Company's management to manage this risk.

Credit risk

The Company's principal financial assets exposed to credit risk are cash and cash equivalents.

The credit risk on these liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Liquidity risk

The Company is exposed to liquidity risk arising from the need to fund its day-to-day operations as a holding company for a single investment, its shareholding in Asta. The Company relies on dividends or capital distributions from Asta to fund its business-as-usual costs of operation. Such costs are reducing over time.

The Company has benefited from an €8 million revolving facility provided by its largest shareholder, Financière Pinault, on 31 December 2017 the balance outstanding is €1.9 million. The normal repayment schedule for this facility is full repayment on 30 September 2019. It is expected this schedule will be met through ordinary dividends or capital distributions from Asta in the normal course of business or possibly, if the shareholding in Asta were to be sold in whole or in part, through the proceeds of such sale. It is also expected that the Company would renegotiate the payment schedule with Financière Pinault if distributions from Asta do not provide sufficient funds to match the schedule. The Company has not had discussions with Financière Pinault at this stage and there is no guarantee such negotiations would be successful, but, if required, in the view of the Directors such a renegotiation would be in the commercial interests of both parties.

As the Company does not control Asta, there is uncertainty over the timing and quantum of ordinary dividends or capital distributions flowing from Asta. However, the underlying business of Asta has consistently performed well and generated cash flows that have enabled preference dividend payments of £2.3 million and the redemption of all £6.5 million preference shares previously owned by the Company over the last four years. Also, in the current year Asta paid its first ordinary dividend of £0.8 million. The Directors are of the view that the performance of Asta in the future will be sufficient to generate dividends required to finance the operations of this Company.

Future developments

The Company continues to review the performance of its investment in Asta and is assessing the best route to maximise the value of the asset to be returned to shareholders. The Directors are actively exploring and assessing options to dispose of this investment at the right time and at an appropriate price. The Directors are also focused on minimising the ordinary expenses of the Company.

By Order of the Board

Gilles Erulin
Chief Executive Officer
12 April 2018

REPORT OF THE DIRECTORS

The Directors present their annual report, together with the financial statements of ACHP plc ("the Company") for the year ended 31 December 2017.

Directors

The Directors of the Company are listed on page 4 and all served throughout the year, unless otherwise noted.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, the Report of the Directors 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 Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" 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 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 to 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.

Risk management objectives and policies

Details of the Company's risk management objectives and policies can be found in the Strategic Report on page 2 and form part of this report by cross-reference.

Going concern

The Directors are satisfied that the Company has sufficient resources to continue for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the annual report and accounts. Further details regarding the adoption of the going concern basis can be found in note 1 to the financial statements.

As of this date, there are no subsequent events that suggest any going concern issues.

Directors' indemnities

The Company is a beneficiary of insurance cover for its Directors and Officers against liabilities which may be incurred by them while acting as Directors and Officers. As at the date of this report, indemnities are in force under which the Company has agreed to indemnify its Directors and Officers, to the extent permitted by law and the Company's articles of association, against all costs, charges, losses, liabilities and expenses that they may incur in the execution of their duties, powers and offices as Directors and Officers of the Company. Copies of these indemnities are kept at the Company's office and are open for inspection by any member of the Company without charge.

Dividends

No dividends were paid to the shareholders during the year (2016: £nil).

Future developments and events after the balance sheet date

Details of future developments and events that have occurred after the financial year end can be found in the Strategic Report on page 2 and form part of this report by cross-reference.

Auditor

The Directors who held office at the date of approval of this Report of the Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The auditor has expressed willingness to continue in office as auditor and a resolution to reappoint the auditor will be proposed at the forthcoming Annual General Meeting. Mazars LLP will continue as auditor in accordance with s487(2) of the Companies Act 2006.

By Order of the Board

Gilles Erulin
Chief Executive Officer
12 April 2018

COMPANY INFORMATION

Directors

Tim Carroll
Independent Non-Executive Chairman

Artur Niemczewski
Chief Executive Officer (resigned 30 June 2017)

Gilles Erulin
Non-Executive Director (resigned 30 June 2017)
Chief Executive Officer (appointed 30 June 2017)

Andrew Donnelly
Chief Financial Officer (resigned 30 June 2017)

Stephen Baxter
Chief Financial Officer (appointed 30 June 2017)

Marvin Mohn
Executive Director (appointed 30 June 2017)

Loïc Brivezac
Non-Executive Director (resigned 3 April 2018)

Secretary

Michael Dalzell (resigned 30 June 2017)
Martha Bruce (appointed 30 June 2017)

Registered Office

118 Pall Mall
London, SW1Y 5ED

Company Registration Number

4200676

Nominated Advisor and Broker

Peel Hunt LLP
120 London Wall
London, EC2Y 5ET

Auditor

Mazars LLP
Tower Bridge House
St Katharine's Way
London, E1W 1DD

Solicitors

DLA Piper UK LLP
3 Noble Street
London, EC2V 7EE

Principal Bankers

Barclays Bank plc
1 Churchill Place
Canary Wharf
London, E14 5HP

Registrars

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACHP PLC

Opinion

We have audited the financial statements of ACHP plc (the 'Company') for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, the Statement of Cash Flows 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 FRS 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 31 December 2017 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 as applied to SME listed entities 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.

Use of the audit 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.

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.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Area of focus	How our audit addressed the area of focus
Valuation of associated undertaking The carrying value of the associate is £17.96m and the largest balance in the financial statements. As noted in accounting policy 1i management have adopted an accounting policy of carrying an investment in associate (Asta) at fair value. As Asta is a private company, there is significant management judgement around the valuation of the shares held in Asta. Management have used a third-party valuation of Asta as the basis for the carrying value at year end.	We performed the following procedures: • We have considered management's assessment of the valuation provided to them by a third-party expert. • We assessed management's expert's competence, capabilities and objectivity in preparing the valuation report. • Reviewed the methodology used by the expert in producing the valuation and made appropriate challenge where necessary, including performing a sensitivity analysis. • Obtained additional corroborative evidence from management to support the valuation proposed by the third party. *We found that the approach taken in the valuation of the associate to be consistent with the requirements of FRS102.*

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACHP PLC (continued)

Area of focus	How our audit addressed the area of focus
Loss on disposal of subsidiary undertakings As at 30 June 2017, ACHP plc sold its investments in subsidiaries to a third party. This resulted in a loss related to the sale when comparing the proceeds to the book value of investments in subsidiary and other sales related costs. The sale of the subsidiaries is a significant non-routine transaction.	We performed the following procedures to verify the loss on disposal recognised in the statement of comprehensive income: • reviewed the sale documentation and other ancillary agreements, used to determine the inputs to the calculation for the loss on disposal; • agreed the cash proceeds to bank statements; • obtained corroborating evidence for adjustments to the sale calculation; • considered whether there are any additional adjustments identified post the date of sale; and • considered whether any additional factors should be taken into account by management when performing the loss on disposal calculation. *We found that the loss on sale was appropriately calculated.*
Change in accounting framework Following the sale of the subsidiaries the Directors have elected to apply United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice "UK GAAP"). A change in GAAP requires consideration of the changes required in adopting the new accounting framework for each of the balances in the financial statements and restatement of the comparatives. The impact of the change needs to assessed and disclosed.	We considered management's assessment of the transitional impact of adopting FRS102 for completeness and accuracy. Additionally, we engaged an internal specialist as part of the audit team to perform a technical review of the adequacy of the disclosures made in the year end financial statements. *We found that the transitional adjustments were applied and disclosed appropriately.*
Going concern The Company is exposed to liquidity risk arising from the need to fund its day-to-day operations as a holding company for a single investment, its shareholding in Asta. The Company relies on dividends or capital distributions from Asta to fund its business-as-usual costs of operation. The Directors have summarised their assessment of the applicability of the going concern basis of preparation within the Strategic Report on page 2, Report of the Directors on page 3 and in the summary of significant accounting policies on page 13.	Our audit procedures over the applicability of the going concern basis of preparation of the financial statements and the adequacy and appropriateness of the related financial statement disclosures included, but were not limited to, the following: • review of management's cashflow projections, including consideration of the key assumptions; • consideration of management's ability to extend financing; and • consideration as to whether, in light of the results of the above procedures, the related financial statement disclosures are adequate and appropriate. *The Directors assessment and disclosure of their considerations in regards to going concern was sufficient.*

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACHP PLC (continued)

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£511,000
How we determined it	3% of net assets
Rationale for benchmark applied	In determining our materiality, we considered financial metrics which we believed to be relevant, and concluded that net assets was the most relevant benchmark. We believe that the benchmark of net assets reflects the nature and focus of the Company's operations which is primarily to act as a holding company for one financial asset. A financial position metric has been chosen as the Income statement is subject to volatility which is dependent on dividend receipts.
Performance Materiality	Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. Performance materiality of £383,000 was applied in the audit.
Reporting threshold	We agreed with the Board that we would report to them misstatements identified during our audit above £15,000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

An overview of the scope of our audit

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole, taking into account the Company's accounting processes and controls, and the industry in which it operates. We used the outputs of a risk assessment, our understanding of the Company, and we also considered qualitative factors in order to ensure that we obtained sufficient coverage across all financial statement line items.

Our audit involved obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are discussed under "Key audit matters" within this report

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACHP PLC (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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

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

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 3, 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.

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.

Raymond Tidbury (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House, St Katharine's Way, London, E1W 1DD
12 April 2018

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2017

	Notes	31 Dec 2017 £000's	31 Dec 2016 £000's
Income from investment in associated undertaking	4	**822**	208
Administrative expenses		**(1,167)**	(1,476)
Results of operating activities		**(345)**	(1,268)
Loss on disposal/impairment of subsidiary undertakings	3	**(525)**	(2,072)
Interest payable and similar expenses	5	**(299)**	(511)
Loss on ordinary activities before taxation	6	**(1,169)**	(3,851)
Taxation	10	**-**	543
Loss for the year		**(1,169)**	(3,308)
Earnings per share	11		
Basic: Ordinary shares (pence per share)		**(1.01)**	(2.91)
Diluted: Ordinary shares (pence per share)		**(1.01)**	(2.91)

The notes on pages 13 to 26 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

As at 31 December 2017

	Called up share capital £000's	Reval-uation reserve £000's	Other reserves: Share based payments ("SBP") reserve £000's	Other reserves: Capital redemp-tion reserve £000's	Other reserves: Total other res-erves £000's	Profit and loss account £000's	Total £000's
Balance at 1 January 2016, as previously stated	2,264	-	2,691	256	2,947	(1,683)	3,528
Changes on transition to FRS 102	-	14,376	-	-	-	2,945	17,321
Loss for the year	-	-	-	-	-	(3,308)	(3,308)
Total comprehensive losses for the year	-	-	-	-	-	(3,308)	(3,308)
Issue of share capital	16		-	-	-	-	16
Credit to equity for equity settled SBP	-	-	125	-	125	-	125
Balance at 31 December 2016	2,280	14,376	2,816	256	3,072	(2,046)	17,682
Balance at 1 January 2017 (restated)	**2,280**	**14,376**	**2,816**	**256**	**3,072**	**(2,046)**	**17,682**
Loss for the year	**-**	**-**	**-**	**-**	-	**(1,169)**	**(1,169)**
Total comprehensive losses for the year	**-**	**-**	**-**	**-**	**-**	**(1,169)**	**(1,169)**
Issue of share capital	**82**	**-**	**(45)**	**-**	**(45)**	**-**	**37**
Credit to equity for equity settled SBP	**-**	**-**	**484**	**-**	**484**	**-**	**484**
Transfer of lapsed and issued equity settled SBP	**-**	**-**	**(3,255)**	**-**	**(3,255)**	**3,255**	**-**
Balance at 31 December 2017	**2,362**	**14,376**	**-**	**256**	**256**	**40**	**17,034**

The notes on pages 13 to 26 form part of these financial statements.

Share-based payments reserve: The Company operated share schemes providing for the grant of awards over ordinary shares. Awards were recorded in this reserve.

Capital redemption reserve: The nominal value of share capital cancelled is recorded in this reserve.

The profit and loss account reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

	Notes	31 Dec 2017 £000's	31 Dec 2016 £000's
Fixed assets			
Investment in subsidiary undertakings	3	**-**	8,300
Investment in associated undertaking	12	**17,964**	19,621
		17,964	27,921
Current assets			
Debtors - amounts falling due within one year	13	**467**	75
Cash and cash equivalents		**396**	83
		863	158
Current liabilities			
Creditors - amounts falling due within one year	14	**(148)**	(3,886)
Net current assets		**715**	(3,728)
Total assets less current liabilities		**18,679**	24,193
Creditors - amounts falling due after one year	14	**(1,645)**	(6,511)
Net assets		**17,034**	17,682
Capital and reserves			
Called up share capital	15	**2,362**	2,280
Revaluation reserve		**14,376**	14,376
Other reserves		**256**	3,072
Profit and loss account		**40**	(2,046)
Total shareholders' funds		**17,034**	17,682

The notes on pages 13 to 26 form part of these financial statements.

The financial statements of ACHP plc (Company number: 4200676) were approved by the Board of Directors and authorised for issue on 9 April 2018 and were signed on its behalf on 12 April 2018 by:

Gilles Erulin
Chief Executive Officer

STATEMENT OF CASH FLOWS

For the year ended 31 December 2017

	Note	31 Dec 2017 £000's	31 Dec 2016 £000's
Net cash from operating activities	16	**(730)**	(994)
Taxation received		**-**	543
Net cash used in operating activities		**(730)**	(451)
Cash flow from investing activities			
Disposal of subsidiary undertakings		**6,963**	-
Purchase of further shares in associate undertaking		**(643)**	-
Receipts from redemption of associated undertakings preference shares		**2,300**	1,700
Dividends received from associated undertaking		**822**	208
Net cash generated from investing activities		**9,442**	1,908
Cash flow from financing activities			
Proceeds on issue of shares		**37**	16
Repayment of borrowings		**(8,130)**	(1,175)
Interest paid		**(304)**	(511)
Net cash used in financing activities		**(8,397)**	(1,670)
Net increase in cash and cash equivalents		**315**	(213)
Cash and cash equivalents at the beginning of the year		**83**	296
Exchange gains on cash and cash equivalents		**(2)**	-
Cash and cash equivalents at the end of the year		**396**	83

The notes on pages 13 to 26 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

1. Significant accounting policies

The principal accounting policies are summarised below. The accounting policies have all been applied consistently throughout the year and the preceding year in dealing with items which are considered material in relation to the Company's financial statements.

a. General information and basis of accounting

ACHP plc is a Company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 4. The nature of the Company's operations and its principal activities are set out in the Strategic Report on page 1.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and are in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice "UK GAAP"), Financial Reporting Standard (FRS 102) issued by the Financial Reporting Council.

In 2016 the Company presented, in its consolidated financial statements, results from the sale of subsidiary undertakings as discontinued operations. In 2017 the Company is only presenting standalone Company financial statements, and as a holding company, the holding, and subsequent sale, of investments is considered part of its normal operations. As such the loss on sale of subsidiary undertakings has been presented within continuing operations in the Company only financial statements.

The prior year's financial statements were prepared in accordance with International Accounting Standards (IAS). The Directors voluntarily changed the accounting framework to United Kingdom Accounting Standards UK GAAP in the current year. The prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current year. For more information see note 21.

ACHP plc meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to financial instruments and remuneration of key management personnel.

b. Segment reporting

As the Company currently has no identified reportable segments no segmental analysis has been prepared.

c. Going concern

The Company's activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The Strategic Report also details: the financial position of the Company; its cash flows and liquidity position. In addition, the section on principal risks and uncertainties includes an analysis of the risks the Company faces and its policies for mitigating those risks.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the annual report and accounts. There are no subsequent events to suggest any going concern issues.

d. Foreign currencies

The Company's functional currency is pound sterling, as this is the currency of the primary economic environment in which the entity operates.

The financial statements are presented in pound sterling and rounded to the nearest thousand.

Transactions in foreign currencies are initially recorded using the rates of exchange ruling at the date the transaction occurs. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the income statement.

Monetary assets and liabilities denominated in foreign currencies at the period end date are translated using the rates of exchange prevailing at the period end date. Any gains or losses arising on translation are included in the income statement.

e. Revenue recognition

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established. Dividend income is shown as investment return in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

1. Significant accounting policies (continued)

f. Employee benefits

Share-based payments

The Company issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of its original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payment reserve.

Fair value is measured by use of two stochastic valuation models, namely the Monte Carlo method and the Black-Scholes valuation model. The expected life used in the models has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restriction, and behavioural considerations.

g. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the period end date.

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

Deferred taxation is provided in full on timing differences between recognition of gains and losses in the financial statements and the recognition for taxation purposes. Deferred taxation liabilities are provided in relation to transactions that have occurred by the period end date. Deferred taxation assets are recognised when it is considered that the benefit is more likely than not to accrue to the Company. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and tax laws that have been enacted or substantively enacted by the period end date. Deferred tax is measured on a non-discounted basis.

h. Investment in subsidiary undertakings

Investments in subsidiary undertakings were stated at cost less, where appropriate, provisions for impairment.

i. Investment in associated undertakings

Investment in associated undertakings are initially recognised at the transaction price, including transaction costs.

The Company has elected to subsequently account for its investment in associated undertakings at fair value, with changes in fair value recognised in other comprehensive income.

j. Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

k. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

The Company has chosen to apply the provisions of both Section 11 and Section 12, of FRS 102, in full to account for all of its financial instruments.

Financial assets and liabilities

Basic financial assets, include loans and receivables and cash and cash equivalents. Basic financial liabilities, include borrowings and other liabilities.

Financial assets and liabilities are initially measured at the transaction price including transaction costs, unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the transaction is measured at the present value of the future receipts / payments discounted at a market rate of interest for a similar debt instrument.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

1. Significant accounting policies (continued)

Financial assets and liabilities that are due within one year

Financial assets and liabilities which meet the conditions of basic financial instruments that are classified as payable or receivable within one year on initial recognition are subsequently measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment. Any losses arising from impairment are recognised in the income statement in administrative expenses.

Financial assets and liabilities that are due after one year

Financial assets and liabilities which meet the conditions of basic financial instruments that are classified as payable or receivable after one year on initial recognition are subsequently measured at amortised cost using the effective interest method. As the Company revises its estimates of payments or receipts, the carrying amount of these financial assets or financial liabilities is adjusted to reflect actual and revised estimated cash flows. The Company recalculates the carrying amount by computing the present value of estimated future cash flows at the financial instrument's original effective interest rate. The resulting adjustment is recognised as income or expense in the income statement at the date of the revision.

Derecognition of financial assets and liabilities

Financial assets are derecognised when and only when the contractual rights to the cash flows from the financial asset expire or are settled, the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

l. Impairment of assets

Assets are assessed for indicators of impairment at each period end date. If there is objective evidence of impairment, an impairment loss is recognised in the income statement as described below.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

m. Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, and it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date that is the amount that the entity would rationally pay to settle the obligation at the balance sheet date or to transfer it to a third party.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Valuation of investment in associated undertaking

Determining the fair value of the Company's investment in its associated undertaking requires estimation. As the investment is not quoted in an active market and the price of a recent transaction for an identical asset is unavailable, the Company is required to estimate the fair value by means of a valuation technique. The valuation technique is to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations.

The valuation applies judgement and makes assumptions when determining what maintainable annual profits are reasonably expected to be should the associated undertaking operate at its current size and capacity, without making any allowances for risk or growth.

Judgement and assumptions are similarly made when deciding what multiples to apply to the maintainable profits. The multiples should reflect the combination of the growth prospects of the business and the inherent risks of the industry as a whole and the Company in particular. The Company's applied multiples were agreed by the Directors and reflect Asta's risk and growth prospects.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

3. Sale of subsidiary undertakings

The Company announced the sale of all its subsidiary undertakings to Pro Global Holdings Limited on 22 December 2016. Following regulatory approval, the sale completed on 30 June 2017. Details of the subsidiary undertakings wholly disposed of are below:

Subsidiary undertakings disposed	**Portion of ownership held and disposed**
C.I.R.A.S Limited	100.00%
Chiltington Holdings Limited *	100.00%
Chiltington Internacional S.A de CV	85.00%
Chiltington International Holding GmbH *	100.00%
Chiltington International Inc	100.00%
Chiltington International Limited	100.00%
Hermes People Limited	100.00%
P.I.R Holder S.L. (formerly Chiltington Internacional S.L.)	100.00%
Pro Claims Solutions GMBH	100.00%
PRO Insurance Solutions Limited *	100.00%
Pro Insurance Solutions S.A. (formerly Chiltington Internacional S.A.)	98.00%
Pro Insurance Solutions GmbH	100.00%
PRO IS, Inc *	100.00%
Pro US Holdings, Inc *	100.00%
Professional Resources Limited	100.00%
Professional Resources SA	85.00%
STRIPE Global Services Limited *	100.00%
Tasca Consulting Limited	100.00%

** Held directly by ACHP plc*

The assets disposed of and the related sale proceeds were as follows:

	30 Jun 2017 £000's
Investment in subsidiary undertakings disposed	**8,300**
Loss on disposal of operations	**(1,337)**
Sale proceeds	**6,963**
Satisfied by:	
Cash and cash equivalents	**6,963**

The consideration was settled in cash by the purchaser on 30 June 2017. The loss on disposal/impairment of subsidiary undertakings is:

	31 Dec 2017 £000's	31 Dec 2016 £000's
Impairment of investment in subsidiary undertakings	**-**	(2,072)
Loss on disposal of operations	**(1,337)**	-
Intercompany write-backs and costs directly related to the sale	**812**	-
Loss on disposal/impairment of subsidiary undertakings	**(525)**	(2,072)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

4. Income from investment in associated undertaking

	31 Dec 2017	31 Dec 2016
	£000's	£000's
Ordinary share dividends received from associated undertaking	**714**	-
Preference share dividends received from associated undertaking	**108**	208
Total income from interest in associated undertaking	**822**	208

5. Interest payable and similar expenses

	31 Dec 2017	31 Dec 2016
	£000's	£000's
Interest payable on bank borrowings	**(164)**	(379)
Interest payable on other borrowings	**(91)**	(108)
Commitment fee payable on other borrowings	**(44)**	(24)
Total finance costs	**(299)**	(511)

6. Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging/(crediting):

	31 Dec 2017	31 Dec 2016
	£000's	£000's
Net foreign exchange losses	**(153)**	(265)
Share-based payments	**(484)**	(125)

7. Auditor's remuneration

An analysis of auditor's remuneration is as follows:

	31 Dec 2017	31 Dec 2016
	£000's	£000's
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**30**	40
Fees payable to the Company's auditor for audit related assurance services	**22**	20
Total auditor's remuneration	**52**	60

There were no non-audit services provided to the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

8. Staff numbers and costs

The average monthly number of employees including Executive Directors was:

	31 Dec 2017	31 Dec 2016
Executive and management	**1.4**	6.0
Other	**-**	-
Average number of employees	**1.4**	6.0

Their aggregate remuneration comprised:

	31 Dec 2017 £000's	31 Dec 2016 £000's
Salaries	**548**	254
Social security costs	**10**	64
Pension costs	**-**	-
Redundancy payments	**206**	-
Total employees' remuneration	**764**	318

Included in salaries is a share-based payments expense of £484k (2016: £125k) which arose from transactions accounted for as equity settled share-based payment transactions.

9. Directors' remuneration and transactions

	31 Dec 2017 £000's	31 Dec 2016 £000's
Directors' remuneration:		
Emoluments	**150**	544
Company contributions to pension schemes	**-**	34
Share-based payments	**365**	75
	515	653

Two Directors were awarded shares during the year (2016: one). Two Directors exercised share options during the year (2016: none).

Retirement benefits are accruing to no Directors under the Company's defined contribution pension scheme (2016: two).

	31 Dec 2017 £000's	31 Dec 2016 £000's
Remuneration of the highest paid Director:		
Emoluments	**62**	487
Company contributions to pension schemes	**-**	34
	62	521

The highest paid Director did not exercise any share options during the year and also received no shares under the Company's share schemes.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

10. Taxation

	31 Dec 2017 £000's	31 Dec 2016 £000's
Current taxation on loss on ordinary activities:		
UK Corporation tax on loss for the year	-	-
Group relief surrendered at non-standard rates	-	543
Total taxation	-	543
Loss for the year	**(1,169)**	(3,851)
Taxation at standard UK corporation tax rate of 19.25% (2016: 20%)	**225**	770
Effects of:		
(Income)/expenses not taxable/deductible for tax purposes	**386**	(450)
Effect of unutilised losses	**(611)**	(83)
Group relief recoverable at non-standard rates	-	(237)
Group relief surrendered at non-standard rates	-	543
UK Corporation tax on loss for the year	-	543

Effective 1 April 2017 the UK corporation tax rate reduced from 20% to 19%. A further reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted in March 2016, and has therefore been considered when calculating deferred tax at the reporting date. Deferred tax balances at the reporting date are measured at 17% (2016: 17%).

There is an unrecognised net deferred tax asset of £589k (2016: £379k) in respect of accumulated losses and gains that has not been recognised, as it is not certain that the Company will be able to realise this asset by generating sufficient future taxable profits. The Company has a deferred tax liability of £2,945k (2016: £2,945k) which has been offset against a deferred tax asset of £2,945k (2016: £2,945k). These have been netted in the Statement of Financial Position.

11. Earnings per share

	31 Dec 2017 £000's	31 Dec 2016 £000's
Earnings		
Earnings for the purposes of basic earnings per share being net loss attributable to equity holders of the Company	**(1,169)**	(3,308)

	31 Dec 2017	31 Dec 2016
Number of shares		
Weighted average number of Ordinary Shares for the purposes of basic earnings per share	**115,906,970**	113,637,418
Effect of dilutive potential Ordinary Shares: Share options	-	-
Weighted average number of Ordinary Shares for the purposes of diluted earnings per share	**115,906,970**	113,637,418

Basic earnings per share	31 Dec 2017 UK pence	31 Dec 2016 UK pence
Basic: Ordinary Shares (pence per share)	**(1.01)**	(2.91)
Diluted: Ordinary Shares (pence per share)	**(1.01)**	(2.91)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

12. Investment in associated undertaking

The Company has a 30% interest in Asta Capital Limited ("Asta"), a private company incorporated in Great Britain. The Company owns 300 £1 ordinary shares and 1,064 1p B shares (2016: 300 £1 ordinary shares and 2,299,700 £1 preference shares). Asta is a leading turnkey managing services company in Lloyds.

The Company previously accounted for its investment at cost, less any provisions for impairment. When the Company transitioned to FRS 102, it elected to value its investment at fair value through other comprehensive income, as explained in accounting policy note 1i.

		31 Dec 2017		31 Dec 2016
	Carrying value	**Cost**	Carrying value	Cost
	£000's	**£000's**	£000's	£000's
Balance at 1 January, as previously stated	**19,621**	**2,300**	4,000	4,000
Change on transition to FRS 102	**-**	**-**	17,321	-
Balance at 1 January, (restated)	**19,621**	**2,300**	21,321	4,000
1,064 1p B shares acquired	**643**	**643**	-	-
Redemption of preference shares	**(2,300)**	**(2,300)**	(1,700)	(1,700)
Balance at 31 December	**17,964**	**643**	19,621	2,300

Asta's shares are not traded in an active market, and there is no quoted market price available. An independent valuation was carried out on 30 November 2016 which valued the Company's equity investment at £17,321k. For the purpose of these financial statements, this was taken as the value at 31 December 2016 and 31 December 2017.

The valuation was prepared on an earnings basis by applying multiples to adjusted maintainable earnings before interest tax, depreciation and amortisation ("EBITDA"). This basis was chosen as Asta has a history of making profits. The maintainable EBITDA is the sustainable profit figure which could reasonably be expected to be produced annually by Asta operating at its current size and capacity, without any allowances for risk or growth. The multiples used were agreed by the Directors and reflect Asta's risk and growth prospects.

On 2 August 2017 Asta redeemed its remaining preference shares realising £2,300k.

13. Debtors

			31 Dec 2017			31 Dec 2016
	Due within one year	**Due after one year**	**Total**	Due within one year	Due after one year	Total
	£000's	**£000's**	**£000's**	£000's	£000's	£000's
Due from: parent company	**75**	**-**	**75**	75	-	75
Due from: related parties	**338**	**-**	**338**	-	-	-
Other debtors	**54**	**-**	**54**	-	-	-
Total debtors	**467**	**-**	**467**	75	-	75

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

14. Creditors

	Due within one year £000's	Due after one year £000's	31 Dec 2017 Total £000's	Due within one year £000's	Due after one year £000's	31 Dec 2016 Total £000's
Bank borrowings	**-**	**-**	**-**	(2,828)	(2,944)	(5,772)
Other borrowings due to: parent company	**-**	**(1,645)**	**(1,645)**	-	(3,220)	(3,220)
Interest on borrowings	**(4)**	**-**	**(4)**	(388)	(347)	(735)
Other liabilities and provisions						
Due to: group undertakings	**-**	**-**	**-**	(275)	-	(275)
Due to: related parties	**(97)**	**-**	**(97)**	-	-	-
Accruals	**(47)**	**-**	**(47)**	(395)	-	(395)
Total creditors	**(148)**	**(1,645)**	**(1,793)**	(3,886)	(6,511)	(10,397)

Bank borrowings - The Company had a secured loan facility with Natixis Bank which was secured by the Company's investment in Asta. The rate of interest for the loan was 6 month LIBOR plus a margin of 4.5%. On 3 July 2017, this facility was fully repaid (2016: balance £6,432k).

Other borrowings - An €8 million facility is in place for an unsecured revolving facility with the Company's ultimate parent company, Financière Pinault. The rate of interest for the loan is 3.5% per annum above LIBOR and the facility's final maturity date is 30 September 2019. On 31 August 2017, €1,981k of the outstanding balance was repaid. At 31 December 2017 the balance payable including interest was £1,649k (2016: £3,295k).

15. Called up share capital

	Number	31 Dec 2017 £000's	Number	31 Dec 2016 £000's
Allotted and fully paid ordinary shares of £0.02				
Balance at 1 January	**113,977,782**	**2,280**	113,977,782	2,280
Settlement of share-based payments	**4,146,066**	**82**	-	-
Balance at 31 December	**118,123,848**	**2,362**	113,977,782	2,280

The Company has one class of ordinary shares which carry no right to fixed income.

On 11 July 2017 and 6 November 2017 the Company issued 4,018,566 £0.02 ordinary shares and 127,500 £0.02 ordinary shares respectively, relating to shares vesting under certain award schemes. There are no ongoing share based payment arrangements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

16. Net cash from operating activities

	31 Dec 2017 £000's	31 Dec 2016 £000's
Loss for the year	**(1,169)**	(3,308)
Adjustments for:		
Taxation	**-**	(543)
Finance costs	**299**	511
Income from investment in associated undertaking	**(822)**	(208)
Effect of foreign exchange rate changes	**50**	133
Loss on disposal/impairment of subsidiary undertakings	**1,337**	2,072
Share-based payment charge	**484**	125
Operating cash flow before movements in working capital	179	(1,218)
(Increase)/decrease in debtors	**(392)**	2,675
Decrease in creditors	**(517)**	(2,451)
Net cash from operating activities	**(730)**	(994)

17. Contingent liabilities

At 31 December 2017, the Company did not have any material contingent liabilities.

18. Subsequent events

There are no significant non-adjusting events after the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

19. Share-based payments

Until 30 June 2017 the Company operated various share schemes designed to align the interests of senior management, staff and shareholders to deliver outstanding results.

A written resolution, that all outstanding share awards were to vest on completion of the sale of the Company's subsidiaries, was passed on 22 June 2017. The sale completed on 30 June 2017 and the resolution was effected on that date. All the outstanding share awards were therefore exercised on 30 June 2017. Following this the Company is not intending to issue any new shares under any scheme.

Details of the shares outstanding are as follows:

	31 Dec 2017 Number of share awards	31 Dec 2016 Number of share awards
Outstanding at the beginning of the year	**4,593,366**	5,927,100
Granted during the year	**1,225,000**	2,041,666
Modifications made during the year	**(1,672,300)**	-
Exercised during the year	**(4,146,066)**	(793,300)
Lapsed during the year	**-**	(2,582,100)
Outstanding at the end of the year	**-**	4,593,366

No share options were exercisable at the end of the year (2016: £nil).

The Company recognised total expenses of £484k (2016: £125k) related to share based payments in 2017:

	31 Dec 2017 £000's	31 Dec 2016 £000's
Recognised in administrative expenses	**(156)**	125
Recognised in loss on disposal of subsidiary undertakings	**(328)**	-
Total share-based payment expense	**(484)**	125

For the 1,225,000 options that were granted on 1 June 2017, and exercised on 30 June 2017. The share price on date of grant, being 14 pence per share, was used to determine their fair value.

20. Related party transactions

The following have been identified as related parties to the Company for the periods presented:

- Subsidiary undertakings;
- Associate undertaking Asta Capital Limited and its subsidiaries ("Asta");
- A company subject to common control, Tawa Associates Limited;
- Directors of the Company;
- Key management personnel: and
- Parent company and ultimate controlling party.

Subsidiary undertakings

FRS 102 paragraph 33.1A exempts disclosure of transactions entered into between members of the same group, provided that the subsidiary undertakings party to the transactions are wholly owned by the Company. Therefore, transactions and balances between the Company and wholly owned subsidiary undertakings are not disclosed in this note.

Associated undertaking

During the year to 31 December 2017 the Company received dividends of £822k (2016: £208k) from Asta and its preference shares were redeemed for £2,300k (2016: £1,700k).

Company subject to common control

During the year to 31 December 2017 the Company was charged a management fee of £97k (2016: £nil) by Tawa Associates Limited. At 31 December 2017 the Company owed Tawa Associates Limited £97k (2016: £nil).

Directors of the Company

Directors' remuneration is fully disclosed in note 9**.**

Key management personnel

The Company has taken advantage of the FRS 102 paragraph 1.12(e) disclosure exemption available to it in respect of remuneration to key management personnel.

Parent company and ultimate controlling party

The ultimate parent company is Financière Pinault S.C.A., a Société en commandite simple incorporated in France. The parent undertaking of the largest group which includes the Company and for which group accounts are prepared is Financière Pinault S.C.A., a company incorporated in France. Copies of the group financial statements of Financière Pinault S.C.A. may be obtained from the Tribunal de Commerce de Paris, 1 Quai de Corse, 75004, Paris, France.

During the year to 31 December 2017 Financière Pinault S.C.A. charged the Company fees and interest of £135k (2016: £70k being £145k fees and interest less a credit note of £75k). As at 31 December 2017 the Company owed Financière Pinault S.C.A. £1,649k (2016: £3,295k), full details are disclosed in note 14. As at 31 December 2017 the Company was due £75k (2016: 75k) from Financière Pinault S.C.A., full details are disclosed in note 13.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

21. Transition to Financial Reporting Standard 102 ("FRS 102")

The Directors have voluntarily elected to apply United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice "UK GAAP") including FRS 102 as the Directors are of the opinion that these accounting standards present the financial performance and position of the Company in the most meaningful and accessible way.

This is the first year the Company has presented its financial statements using Financial Reporting Standard 102 (FRS 102) as issued by the Financial Reporting Council. The financial statements were prepared in accordance with International Accounting Standards ("IAS") for the year ended 31 December 2016. The date of transition to FRS 102 is therefore 1 January 2016. As a consequence of adopting FRS 102, a number of accounting policies have changed to comply with that standard. The changes that have an impact all relate to the change to the Company's investment in associated undertakings accounting policy. Previously this investment was held at cost less any provisions for impairment. On a UK GAAP basis, the Company has chosen to subsequently account for its investment in associated undertakings at fair value through other comprehensive income. There is also a deferred tax liability recognised in relation to the unrealised gain and, as the Company has brought forward tax losses, an equivalent deferred tax asset has been recognised.

	At 1Jan 2016 £000's	At 31 Dec 2016 £000's
Equity reported under previous UK GAAP	**361**	**17,682**
Adjustments		
Change in the fair valuation of associate undertaking	17,321	-
Deferred tax liability on change in the fair valuation of associated undertaking	(2,945)	-
Deferred tax asset recognised	2,945	-
Equity reported under FRS 102	**17,682**	**17,682**

	31 Dec 2016 £000's
Loss for the financial year under previous UK GAAP	**(3,308)**
No changes on transition to FRS 102	-
Loss for the financial year under FRS 102	**(3,308)**