

TEP Management Services Limited

REPORT AND FINANCIAL STATEMENTS

Year ended 30 June 2016



Company Registration No. 0717607

TEP Management Services Limited

COMPANY INFORMATION

DIRECTORS

K Spiteri
R Ezekiel
B Huntington
J Williams
P Richards

REGISTERED OFFICE & BUSINESS ADDRESS

Stanmore Business & Innovation Centre
Stanmore Place
Honeypot Lane
Stanmore
London HA7 1BT

AUDITOR

RSM UK Audit LLP
Chartered Accountants
25 Farringdon Street
London EC4A 4AB

BANKER

Barclays Bank plc
Head Office Branch
One Churchill Place
London E14 5HP

TEP Management Services Limited

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TEP Management Services Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of TEP Management Services Limited for the year ended 30 June 2016.

PRINCIPAL ACTIVITIES

The principal activities of the company during the year continued to be that of the provision of management, consultancy and valuation services.

DIRECTORS

The following directors have held office during the year:

K Spiteri
R Ezekiel
B Huntington (appointed 21 October 2015)
J Williams (appointed 21 October 2015)
P Richards (appointed 21 October 2015)

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Board believes the business performance over the year to be satisfactory.

The Board intend to establish a strategy which exploits the reputation of TIS Group and its subsidiaries as a provider of insurance-linked and alternative investment products, and will utilise the expertise of its workforce to diversify its offerings to include other investment products. Revenues from this strategy are intended to be earned from investment management and other investment service fees.

The Group's strategy will be underpinned by the need to provide investment solutions that maximise returns to third party investors by focusing on the following:

- Low or no correlation to capital markets;
- Low volatility; and
- A high degree of capital preservation.

Given the current straightforward nature of the business of the company the directors do not believe that analysis by KPIs is necessary to understand the development, performance or position of the company.

GOING CONCERN

The financial statements have been prepared on a going concern basis. TEP Management Services Limited is a subsidiary of TIS Group Limited. TIS Group Limited has provided the directors of the company assurance that the company and its subsidiaries will continue to be provided the required ongoing financial support so that the company will be able to meet its liabilities as they fall due. The Group's forecast and projections show that the Group will be trading profitably to be able to continue in operational existence for the foreseeable future.

THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS

The company currently has in place, and has done for the year ended 30 June 2016 Directors' and Officers' Liability insurance for the benefit of all directors of the company.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

TEP Management Services Limited

DIRECTORS' REPORT

AUDITOR

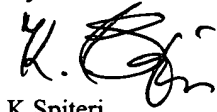
RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) has indicated its willingness to continue in office.

A resolution to re-appoint RSM UK Audit LLP, Chartered Accountants, as auditor will be put to members at the Annual General Meeting.

SMALL COMPANIES PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the board



K Spiteri

Director

20 October 2016

TEP Management Services Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

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

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. 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 requirements of 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.

TEP Management Services Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TEP MANAGEMENT SERVICES LIMITED

We have audited the financial statements on pages 7 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2016 and of the profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

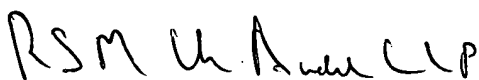
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept 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 take advantage of the small companies exemptions from the requirement to prepare a strategic report or in preparing the directors' report.



HOWARD FREEDMAN (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP (formerly BAKER TILLY UK AUDIT LLP), Statutory Auditor

Chartered Accountants

25 Farringdon Street

London EC4A 4AB

20 October 2016

TEP Management Services Limited
PROFIT AND LOSS ACCOUNT
for the year ended 30 June 2016

	Notes	2016 £	2015 £
TURNOVER	1	440,322	647,337
Operating expenses		(42,479)	(44,727)
Exceptional item: Provision against amount owed by immediate parent company	2	(213,712)	(604,725)
OPERATING PROFIT/(LOSS)		<u>184,131</u>	<u>(2,115)</u>
Interest receivable		-	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2	<u>184,131</u>	<u>(2,115)</u>
Taxation	4	(92,201)	(147,948)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	8	<u><u>91,930</u></u>	<u><u>(150,063)</u></u>

The operating profit for the year arises from the company's continuing operations.

No separate statement of total recognised gains and losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

TEP Management Services Limited

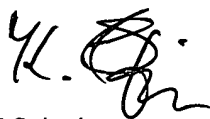
BALANCE SHEET

30 June 2016

Company Registration No. 0717607

	<i>Notes</i>	2016 £	2015 £
CURRENT ASSETS			
Debtors	5	90,612	81,191
Cash at bank and in hand		-	-
		<u>90,612</u>	<u>81,191</u>
CREDITORS: Amounts falling due within one year	6	(103,222)	(185,731)
NET LIABILITIES		<u>(12,610)</u>	<u>(104,540)</u>
CAPITAL AND RESERVES			
Called up share capital	7	100	100
Profit and loss account	8	(12,710)	(104,640)
SHAREHOLDER'S DEFICIT	9	<u>(12,610)</u>	<u>(104,540)</u>

The financial statements on pages 7 to 12 were approved by the board of directors and authorised for issue on 20 October 2016 and are signed on its behalf by:



K Spiteri
Director

TEP Management Services Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

Basis of preparation

The financial statements have been prepared under the historical cost accounting rules, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

Turnover

Turnover represents fees and commissions earned during the year stated net of value added tax.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Going concern basis

The financial statements have been prepared on a going concern basis. TIS Group Limited, the ultimate parent company, plans to grow the business primarily through the diversification of its product and client base in both the retail and institutional space whilst operating either more closely in existing markets or expanding into new territories as well as leveraging existing customer relationships. The Board continues to strictly manage and control operating expenses reporting a further reduction year-on-year.

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 3. The financial position of the company, its cash flows, and liquidity position currently remains stable. The Group's forecast and projections show that the Group will be trading profitably to be able to continue in operational existence for the foreseeable future. TIS Group Limited has provided an undertaking that it will provide the necessary financial support to allow the company to continue to trade for a minimum of twelve months from the date of approval of these financial statements.

TEP Management Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

1 TURNOVER

The company's turnover is derived from the company's principal activities wholly undertaken in the United Kingdom.

2 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

2016	2015
£	£

Operating profit/(loss) is stated after charging:
Auditor's remuneration

2,520	2,520
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EXCEPTIONAL COSTS

Intercompany balances were rationalised and any necessary provisions made.

3 EMPLOYEES

2016	2015
No.	No.

The average monthly number of persons (including directors) employed by the company during the year was:

Office and management

3	3
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2016	2015
£	£

Staff costs for above persons:

Wages and salaries

35,096	37,072
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Social security costs

4,843	5,116
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39,939	42,188
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Director's remuneration is borne by TIS Group Limited, the immediate parent company, as it was in the year ended 30 June 2015.

4 TAXATION

2016	2015
£	£

Based on the result for the period

UK corporation tax at 20.00% (2015: 20.75%)

92,201	138,735
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Adjustments in respect of previous periods

-	9,213
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Total current tax

92,201	147,948
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Deferred taxation:

Origination and reversal of timing differences

-	-
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Taxation payable

92,201	147,948
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TEP Management Services Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2016

4	TAXATION (continued)	2016 £	2015 £
	Profit/(Loss) on ordinary activities before tax	184,131	(2,115)
	Profit/(Loss) on ordinary activities multiplied by standard rate of 20.00% (2015: 20.75%)	36,826	(439)
	Expenses not deductible	42,743	125,485
	Adjustment in respect of previous periods	-	9,213
	Transfer pricing adjustments	12,632	13,689
	Current tax charge for year	92,201	147,948
5	DEBTORS	2016 £	2015 £
	Prepayments and accrued income	90,612	81,191
		90,612	81,191
6	CREDITORS: Amounts falling due within one year	2016 £	2015 £
	Amount owed to fellow subsidiaries	26,196	5,551
	Other tax and social security costs	25,844	36,405
	Accruals and deferred income	2,520	5,040
	Corporation tax	48,662	138,735
		103,222	185,731
7	SHARE CAPITAL	2016 £	2015 £
	Allotted, issued and fully paid:		
	100 ordinary shares of £1 each	100	100
8	PROFIT AND LOSS ACCOUNT	2016 £	2015 £
	1 July 2015	(104,640)	45,423
	Profit/(Loss) for the financial year	91,930	(150,063)
	30 June 2016	(12,710)	(104,640)

TEP Management Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2016

9	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2016 £	2015 £
	Profit/(Loss) for the financial year	91,930	(150,063)
	Net movement in shareholders' funds	<u>91,930</u>	<u>(150,063)</u>
	Opening shareholders' (deficit)/funds	(104,540)	45,523
	Closing shareholders' deficit	<u>(12,610)</u>	<u>(104,540)</u>

10 ULTIMATE PARENT COMPANY

The immediate parent undertaking is TIS Group Limited, a company incorporated in the United Kingdom. Consolidated accounts are prepared for TIS Group Limited. The ultimate controller from 8 October 2015 is Armour Group Holdings Limited, a company incorporated in Bermuda.

11 RELATED PARTY TRANSACTIONS

The company has taken advantage of the FRS 8 exemption from disclosing transactions with wholly owned members of the group.

During the year ended 30 June 2016 the company received valuation fees of £387,741 (2015: £572,017) from The Protected Asset TEP Fund Plc and £6,930 (2015: £16,119) from The Protected Capital Growth Fund Plc, companies in which TIS Group Limited and Absolute Assigned Policies Limited (a fellow subsidiary undertaking) owns management shares. At the balance sheet date, £20,831 (2015: £29,619) of valuation fees were accrued in prepayments and accrued income.