

TEP Management Services Limited

REPORT AND FINANCIAL STATEMENTS

Year ended 30 June 2017



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 2017.

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
J Williams
P Richards

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 T.I.S. 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 T.I.S. Group Limited. T.I.S. 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 2017 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

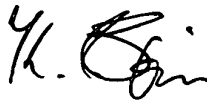
RSM UK Audit LLP has indicated its willingness to continue in office.

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

23 October 2017

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

Opinion

We have audited the financial statements of TEP Management Services Limited (the 'company') for the year ended 30 June 2017 which comprise statement of income and retained earnings, statement of financial position 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 30 June 2017 and of its profit 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

TEP Management Services Limited

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

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 the 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, 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 from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out 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, 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: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's 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.



HOWARD FREEDMAN (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London, EC4A 4AB
23 October 2017

TEP Management Services Limited
STATEMENT OF INCOME AND RETAINED EARNINGS
for the year ended 30 June 2017

	Notes	2017 £	2016 £
TURNOVER	1	271,252	440,322
Operating expenses		(51,011)	(42,479)
Exceptional item:			
Provision against amount owed by immediate parent company	2	-	(213,712)
TOTAL OPERATING EXPENSES		<u>(51,011)</u>	<u>(256,191)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	220,241	184,131
Taxation	4	(52,623)	(92,201)
PROFIT FOR THE FINANCIAL YEAR	8	<u>167,618</u>	<u>91,930</u>
Retained earnings brought forward		(12,710)	(104,640)
Retained earnings carried forward		154,908	(12,710)

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

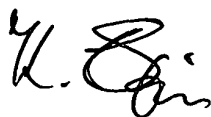
No separate statement of total recognised gains and losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

TEP Management Services Limited
STATEMENT OF FINANCIAL POSITION
30 June 2017

	Notes	2017 £	2016 £
CURRENT ASSETS			
Debtors	5	223,027	90,612
CREDITORS: Amounts falling due within one year	6	(68,019)	(103,222)
NET ASSETS/(LIABILITIES)		<u>155,008</u>	<u>(12,610)</u>
CAPITAL AND RESERVES			
Called up share capital	7	100	100
Profit and loss account	8	154,908	(12,710)
SHAREHOLDER'S FUNDS/(DEFICIT)	9	<u>155,008</u>	<u>(12,610)</u>

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

The financial statements on pages 8 to 15 were approved by the board of directors and authorised for issue on 23 October 2017 and are signed on its behalf by:



K Spiteri
Director

TEP Management Services Limited

ACCOUNTING POLICIES

for the year ended 30 June 2017

GENERAL INFORMATION

TEP Management Services Limited ("the Company") is a private company limited by shares incorporated in England.

The registered office address of the Company is disclosed on page 1 of this report.

The principal activities of the Company are disclosed in the Directors' Report.

BASIS OF ACCOUNTING

Basis of preparation

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the requirements of the Companies Act 2006 as applicable to companies subject to the small companies' regime, and under the historical cost convention. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are presented in sterling which is also the functional currency of the Company. Monetary amounts are rounded to the nearest £.

FIRST TIME ADOPTION OF FRS 102

These financial statements are the first financial statements the Company has prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) as applied to smaller entities by the adoption of Section 1A of FRS 102. The financial statements of the Company for the year ended 30 June 2016 were prepared in accordance with "Financial Reporting Standard for Smaller Entities (effective January 2015)" ("FRSSE").

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from the FRSSE. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'. Adjustments are recognised directly in retained earnings at the transition date.

The effect of the transition to FRS 102 has had no impact on;

- (i) equity at the date of transition to FRS 102;
- (ii) equity at the end of the comparative period; and
- (iii) profit or loss for the comparative period reported previously under FRSSE.

Turnover

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

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

TEP Management Services Limited

ACCOUNTING POLICIES

for the year ended 30 June 2017

Taxation (continued)

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments', in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Trade, group and other debtors

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Trade, group and other creditors

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Going concern basis

The financial statements have been prepared on a going concern basis. T.I.S. 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.

TEP Management Services Limited

ACCOUNTING POLICIES

for the year ended 30 June 2017

Going concern basis (continued)

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. T.I.S. 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 2017

1 TURNOVER

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

2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2017 £	2016 £
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Profit on ordinary activities before taxation is stated after charging:
Auditor's remuneration

2,520	2,520
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EXCEPTIONAL COSTS

In the prior year, exceptional costs relate to the rationalisation of intercompany balances and any necessary provisions made.

3 EMPLOYEES

	2017 No.	2016 No.
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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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Director's remuneration is borne by T.I.S. Group Limited, the immediate parent company, as it was in the year ended 30 June 2016.

4 TAXATION

	2017 £	2016 £
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Based on the result for the period

UK corporation tax at 19.75% (2016: 20.00%)

52,623	92,201
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Adjustments in respect of previous periods

-	-
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Total current tax

52,623	92,201
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Deferred taxation:

Origination and reversal of timing differences

-	-
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Taxation payable

52,623	92,201
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TEP Management Services Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

4	TAXATION (continued)	2017	2016
		£	£
	Profit on ordinary activities before tax	220,241	184,131
	Profit on ordinary activities multiplied by standard rate of 19.75% (2016: 20.00%)	43,498	36,826
	Expenses not deductible	-	42,743
	Transfer pricing adjustments	9,125	12,632
	Current tax charge for year	52,623	92,201
5	DEBTORS	2017	2016
		£	£
	Amount owed from fellow subsidiary	202,583	-
	Prepayments and accrued income	20,444	90,612
		223,027	90,612
6	CREDITORS: Amounts falling due within one year	2017	2016
		£	£
	Amount owed to fellow subsidiaries	26,196	26,196
	Other tax and social security costs	20,434	25,844
	Accruals and deferred income	2,520	2,520
	Corporation tax	18,869	48,662
		68,019	103,222
	Amounts owed to fellow subsidiaries are repayable on demand and are non-interest bearing.		
7	SHARE CAPITAL	2017	2016
		£	£
	Allotted, issued and fully paid:		
	100 ordinary shares of £1 each	100	100

8 PROFIT AND LOSS RESERVES

The profit and loss account represents cumulative profits and losses net of distributions to shareholders.

9 ULTIMATE PARENT COMPANY

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

The smallest and largest group in which the company's accounts are consolidated is T.I.S. Group Limited, the immediate parent, who's registered address is the same as the company.

TEP Management Services Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2017

10 RELATED PARTY TRANSACTIONS

TEP Management Services Limited have taken advantage of the exemption granted under FRS 102 Section 33 Related Party Disclosures that transactions do not need to be disclosed with companies where the voting rights are wholly owned within the group.