

Registered Number: 06444708 (England and Wales)

Cunningham Lindsey Holdings II (UK) Limited  
Annual report and audited financial statements  
For the year ended 31 December 2016

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# **Cunningham Lindsey Holdings II (UK) Limited**

## **Annual report and financial statements For the year ended 31 December 2016**

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# **Cunningham Lindsey Holdings II (UK) Limited**

## **Company information**

### **Director**

J. Sutton  
M. Odedra  
D. Di Cicco

### **Company secretary**

J. Sutton  
Corporation Service Company (UK) Limited

### **Registered office**

C/o Cunningham Lindsey  
60 Fenchurch Street  
London, England  
EC3M 4AD

### **Registered number**

06444708 (England and Wales)

### **Independent auditors**

Ernst & Young LLP  
Apex Plaza  
Forbury Road  
Reading  
Berkshire  
RG1 1YE

**Cunningham Lindsey Holdings II (UK) Limited**  
**Registered number: 06444708**

**Strategic report for the year ended 31 December 2016**

The directors present their strategic report for the year ended 31 December 2016.

**Business review**

The Company's profit before tax for the year is \$37,724,000 (2015: \$12,835,000). The net profit after tax of \$34,673,000 (2015: \$13,132,000) will be transferred to reserves. The Company's net assets at the year-end are \$88,298,000 (2015: \$67,979,000).

**Principal risks and uncertainties**

From the perspective of the Company, the principal risks and uncertainties are integrated with those of the Cunningham Lindsey Group and are not managed separately.

**Key performance indicators**

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

**Financial risk management**

The Company has considered the risks of credit and pricing and their potential impact on the business. The directors do not consider such risks to be applicable or to have any significant impact on the business.

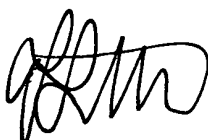
*Liquidity risk:*

The Company maintains short-term facilities with other group companies to ensure it has sufficient funds for operations.

*Interest rate risk:*

The Company's interest rate risk arises from both interest bearing assets and interest bearing liabilities, which bear interest at various rates. Interest bearing liabilities relate primarily to amounts owed to group undertakings. The Company has not used interest rate swaps or cash flow hedges of future interest payments as this risk is managed at the group level.

On behalf of the board



J. Sutton  
**Director**

26 September 2017

# **Cunningham Lindsey Holdings II (UK) Limited**

## **Registered number: 06444708**

### **Directors' report for the year ended 31 December 2016**

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2016.

#### **Principal activities**

The principal activity of the Company in the year under review was that of a holding company.

#### **Directors**

The directors, who have held office during the whole of the period from 1 January 2016 to the date of signing of these financial statements, unless otherwise stated, are given below:

D. Di Cicco (appointed 30 March 2016)  
M. Odedra (appointed 8 April 2016)  
J. Sutton (appointed 14 September 2016)  
E. Tubb (resigned 8 April 2016)  
D. Bruce (resigned 14 September 2016)

#### **Going concern**

The financial statements have been prepared on the going concern basis as the ultimate parent company, CL Acquisition Holdings Limited, has indicated that it will not seek repayment of intercompany funding provided directly or indirectly to the Company for a period of at least 12 months from the date of signing of these financial statements, where such repayment would restrict the ability of Cunningham Lindsey Holdings II (UK) Limited to meet its liabilities as they fall due.

#### **Dividends**

A dividend of \$14,354,000 was distributed for the year ended 31 December 2016 (2015: \$14,299,000). The directors do not recommend a final dividend (2015: \$nil).

#### **Future developments**

The Company will continue to be a holding company for the foreseeable future.

#### **Charitable and political donations**

The Company made no charitable donations during the year (2015: \$nil). No donations were made to political parties (2015: \$nil).

#### **Directors' indemnities**

The Company's ultimate parent Company maintains liability insurance for the Company's directors and officers. The liability insurance includes an indemnity for the Company's directors and officers, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

#### **Directors' statement of disclosure of information to the auditors**

The directors who were members of the board at the time of approving the directors' report are listed on page 1.

Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that:

- To the best of each director's knowledge and belief, there is no information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware; and
- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

This statement is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

**Cunningham Lindsey Holdings II (UK) Limited**  
**Registered number: 06444708**

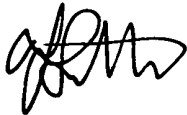
**Directors' report for the year ended 31 December 2016 (continued)**

**Re-appointment of auditors**

In accordance with section 485 of the Companies Act 2006, Ernst & Young LLP will continue in office as auditor of the Company.

On behalf of the board

J. Sutton  
Director



26 September 2017

# **Cunningham Lindsey Holdings II (UK) Limited**

## **Statement of directors' responsibilities For the year ended 31 December 2016**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **Independent auditor's report to the members of Cunningham Lindsey Holdings II (UK) Limited**

We have audited the financial statements of Cunningham Lindsey Holdings II (UK) Limited for the year ended 31 December 2016 which comprise the Income statement, the Statement of changes in equity, the Balance sheet, and the related notes 1 to 17. 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), including FRS 101 "Reduced Disclosure Framework".

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 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. 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 Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

An audit involves 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. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

# **Independent auditor's report to the Cunningham Lindsey Holdings II (UK) Limited (continued)**

## **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 identified no material misstatements in the Strategic Report or Directors' Report.

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

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

*Ernst & Young LLP*

Ken Griffin (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Reading

*26 September* 2017

# Cunningham Lindsey Holdings II (UK) Limited

## Income Statement

For the year ended 31 December 2016

|                                                      | Notes | 2016<br>\$'000 | 2015<br>\$'000 |
|------------------------------------------------------|-------|----------------|----------------|
| <b>Turnover</b>                                      |       |                |                |
| Administrative expenses                              |       | (154)          | (21)           |
| <b>Operating loss</b>                                | 4     | (154)          | (21)           |
| Income from fixed asset investments                  |       | 14,354         | 14,299         |
| Interest receivable and similar income               | 6     | 45,304         | 25,878         |
| Interest payable and similar charges                 | 7     | (21,780)       | (27,321)       |
| <b>Profit on ordinary activities before taxation</b> |       | 37,724         | 12,835         |
| Tax (expense) / credit on ordinary activities        | 9     | (3,051)        | 297            |
| <b>Profit for the financial year</b>                 |       | 34,673         | 13,132         |

All operations of the Company relate to continuing activities.

### Total comprehensive income statement

The Company has no other comprehensive income for the year other than those included in the profit and loss account. Therefore, no separate statement of total comprehensive income has been prepared.

The notes on pages 11 to 23 form part of these financial statements.

# Cunningham Lindsey Holdings II (UK) Limited

## Statement of changes in equity For the year ended 31 December 2016

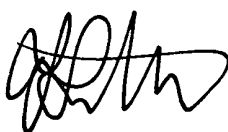
|                               | Share<br>Capital<br>\$'000 | Capital<br>Reserve<br>\$'000 | Retained<br>Earnings<br>\$'000 | Total Equity<br>\$'000 |
|-------------------------------|----------------------------|------------------------------|--------------------------------|------------------------|
| At 1 January 2015             | 44,938                     | 17,216                       | 6,992                          | 69,146                 |
| Profit for the financial year | -                          | -                            | 13,132                         | 13,132                 |
| Other comprehensive income    | -                          | -                            | -                              | -                      |
| Total comprehensive income    | -                          | -                            | 13,132                         | 13,132                 |
| Dividends paid (note 8)       | -                          | -                            | (14,299)                       | (14,299)               |
| At 31 December 2015           | 44,938                     | 17,216                       | 5,825                          | 67,979                 |
| Profit for the financial year | -                          | -                            | 34,673                         | 34,673                 |
| Other comprehensive income    | -                          | -                            | -                              | -                      |
| Total comprehensive income    | -                          | -                            | 34,673                         | 34,673                 |
| Dividends paid (note 8)       | -                          | -                            | (14,354)                       | (14,354)               |
| <b>At 31 December 2016</b>    | <b>44,938</b>              | <b>17,216</b>                | <b>26,144</b>                  | <b>88,298</b>          |

**Cunningham Lindsey Holdings II (UK) Limited**  
**Registered number: 06444708**

**Balance sheet**  
**As at 31 December 2016**

|                                                            | Notes | 2016<br>\$'000 | 2015<br>\$'000 |
|------------------------------------------------------------|-------|----------------|----------------|
| <b>Fixed assets</b>                                        |       |                |                |
| Investments                                                | 10    | 266,458        | 266,458        |
|                                                            |       | <b>266,458</b> | 266,458        |
| <b>Current assets</b>                                      |       |                |                |
| Debtors                                                    | 11    | 352,263        | 290,008        |
| Cash at bank and in hand                                   |       | 7,151          | 18,185         |
|                                                            |       | <b>359,414</b> | 308,193        |
| Creditors - amounts falling due within one year            | 12    | (212,262)      | (188,326)      |
| <b>Net current assets</b>                                  |       | <b>147,152</b> | 119,867        |
| <b>Total assets less current liabilities</b>               |       | <b>413,610</b> | 386,325        |
| <br>Creditors-amounts falling due after more than one year | 13    | <br>(325,312)  | <br>(318,346)  |
| <b>Net assets</b>                                          |       | <b>88,298</b>  | 67,979         |
| <br><b>Capital and reserves</b>                            |       |                |                |
| Called-up share capital                                    | 14    | 44,938         | 44,938         |
| Capital reserve                                            | 15    | 17,216         | 17,216         |
| Retained earnings                                          |       | 26,144         | 5,825          |
| <b>Total equity</b>                                        |       | <b>88,298</b>  | 67,979         |

The financial statements on pages 8 to 23 were approved by the board of directors on 26 September 2017 and were signed on its behalf by:



J. Sutton

**Director**  
**Cunningham Lindsey Holdings II (UK) Limited**

# Cunningham Lindsey Holdings II (UK) Limited

## Notes to the financial statements For the year ended 31 December 2016

### 1. Authorisation of financial statements and statement of compliance with FRS 101

These financial statements are prepared in accordance with 'Financial Reporting Standard (FRS) 101 Reduced Disclosure Framework' and in accordance with applicable accounting standards.

The financial statements of the Company for the year ended 31 December 2016 were authorised for issue by the board of directors on 26 September 2017 and the balance sheet was signed on the board's behalf by J. Sutton.

The Company is incorporated and domiciled in England and Wales. The Company's financial statements are presented in US Dollar and all values are rounded to the nearest thousand (\$'000) except when otherwise indicated.

#### Exemption from preparing consolidated financial statements

The financial statements present information about Cunningham Lindsey Holdings II (UK) Limited as an individual undertaking and not about its group. The Company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it is a wholly owned subsidiary of CL Intermediate Holdings I B.V. in whose consolidated financial statements the Company and its subsidiaries are included, and which are publicly available (see note 17).

The Company's registered office is 60 Fenchurch Street, London, England, EC3M 4AD.

### 2. Significant accounting policies

#### Basis of preparation

The Company has taken advantage of the following disclosure exemptions under FRS101:

- (i) The requirements of IAS 7 *Statement of Cash Flows*;
- (ii) The requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*;
- (iii) The requirements of paragraphs 17 and 18A of IAS 24 *Related Party Disclosures*;
- (iv) Para 79(a)(iv), 10(d), 10(f), 16, 28, 38A, 40A, 40B, 40C, 40D, 134, 135 and 136 of IAS1 *Presentation of Financial Statements*;
- (v) IFRS 7 *Financial Instruments: Disclosure*;
- (vi) Para 91 to 99 of IFRS 13 *Fair Value Measurement*;
- (vii) Para 61, 62 and B67 of IFRS 3 *Business Combinations*;
- (viii) Para 134(d) and 134(f) of IAS36 *Impairment of Assets*.

A summary of the significant accounting policies which have been consistently applied in the current and preceding year is set out below.

# **Cunningham Lindsey Holdings II (UK) Limited**

## **Notes to the financial statements For the year ended 31 December 2016**

### **2. Significant accounting policies (continued)**

#### **Going concern**

The financial statements have been prepared on the going concern basis as the ultimate parent company, CL Acquisition Holdings Limited, has indicated that it will not seek repayment of inter-company funding provided directly or indirectly to the Company for a period of at least 12 months from the date of signing of these financial statements, where such repayment would restrict the ability of Cunningham Lindsey Holdings II (UK) Limited to meet its liabilities as they fall due.

#### **Taxation**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the Company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income.

#### **Financial Instruments**

##### **Financial assets**

The Company's financial assets include cash and cash equivalents and inter-company loans and receivables. All financial assets are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provision of the instrument.

##### **i) Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and deposits held at call with banks.

##### **ii) Inter-company loans and receivables**

Inter-company loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Inter-company loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

# **Cunningham Lindsey Holdings II (UK) Limited**

## **Notes to the financial statements For the year ended 31 December 2016**

### **2. Significant accounting policies (continued)**

#### **Financial Instruments (continued)**

##### **Financial liabilities and Equity Instruments**

Financial liabilities and equity instruments are classified 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.

The Company's financial liabilities comprise trade payables and intercompany loans and payables. All financial liabilities are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

##### **i) Trade payables**

Trade payables are non-interest bearing and are stated at amortised cost.

##### **ii) Inter-company loans and payables**

Inter-company loans and payables are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market. These are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### **Foreign currencies**

The Company's financial statements are presented in US Dollar, which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

#### **Interest income**

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

#### **Investments**

Investments are stated at cost less any permanent diminution in value. The company assesses at each reporting date whether or not there is an indication of impairment. If any such indication exists, or when annual impairment testing is required, the Company makes an estimate of the recoverable amount in order to determine the extent of the impairment loss. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses on continuing operations are recognised in the Income Statement.

# Cunningham Lindsey Holdings II (UK) Limited

## Notes to the financial statements For the year ended 31 December 2016

### 3. Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements have had the most significant effect on amounts recognised in the financial statements:

#### *Taxation*

Management judgement is required to determine the amount of deferred tax assets that can be recognised based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 9.

### 4. Auditors' remuneration

Auditors' remuneration is borne by Cunningham Lindsey United Kingdom, a fellow group company, and is not recharged to the Company. The amount of auditors' remuneration applicable to the Company is deemed to be \$4,572 (2015: \$4,689).

Fees payable to the Company's auditor and their associates for other services to the Company was \$nil (2015: \$nil).

### 5. Staff costs and directors' emoluments

There were no staff costs for the year ended 31 December 2016 (2015: \$nil). The Company had no employees during the year (2015: nil).

The directors are remunerated by another group company in respect of their services to the group as a whole and it is not possible to apportion this remuneration against the companies in the group.

### 6. Interest receivable and similar income

|                                             | 2016<br>\$'000 | 2015<br>\$'000 |
|---------------------------------------------|----------------|----------------|
| Interest receivable from group undertakings | 8,780          | 12,027         |
| Foreign exchange gain                       | 36,524         | 13,851         |
|                                             | 45,304         | 25,878         |

# Cunningham Lindsey Holdings II (UK) Limited

## Notes to the financial statements For the year ended 31 December 2016

### 7. Interest payable and similar income

|                                        | 2016   | 2015   |
|----------------------------------------|--------|--------|
|                                        | \$'000 | \$'000 |
| Interest payable to group undertakings | 21,780 | 27,321 |
|                                        | 21,780 | 27,321 |

### 8. Dividends paid

|                                                        | 2016   | 2015   |
|--------------------------------------------------------|--------|--------|
|                                                        | \$'000 | \$'000 |
| Declared and paid during the year:                     |        |        |
| Equity dividends on ordinary shares:                   |        |        |
| - Interim dividend for 2016 of \$0.005 (2015: \$0.005) | 14,354 | 14,299 |
|                                                        | 14,354 | 14,299 |

### 9. Taxation

#### (a) Tax charged / (credited) in the income statement

|                                                       | 2016         | 2015           |
|-------------------------------------------------------|--------------|----------------|
|                                                       | \$'000       | \$'000         |
| Current tax:                                          |              |                |
| - UK Corporation tax on profit for the year           | 4,155        | 1,104          |
| - Adjustment to tax charge in respect of prior year   | (1,104)      |                |
| <b>Total current tax</b>                              | <b>3,051</b> | <b>1,104</b>   |
| Deferred tax:                                         |              |                |
| - Origination and reversal of timing differences      | -            | (1,401)        |
| <b>Total deferred tax</b>                             | <b>-</b>     | <b>(1,401)</b> |
| <b>Tax expense / (credit) in the income statement</b> | <b>3,051</b> | <b>(297)</b>   |

# Cunningham Lindsey Holdings II (UK) Limited

## Notes to the financial statements For the year ended 31 December 2016

### 9. Taxation (continued)

#### (b) Reconciliation of the tax expense / (credit)

The actual tax rate assessed for the year is lower than (2015: lower than) the standard rate of Corporation tax in the UK of 20.00% (2015: 20.25%). The differences are explained below:

|                                                                                | 2016<br>\$'000 | 2015<br>\$'000 |
|--------------------------------------------------------------------------------|----------------|----------------|
| <b>Profit on ordinary activities before tax</b>                                | <b>37,724</b>  | <b>12,835</b>  |
| Tax calculated at UK standard rate of Corporation tax of 20%<br>(2015: 20.25%) | <b>7,545</b>   | <b>2,599</b>   |
| Effects of:                                                                    |                |                |
| - Adjustment to tax charge in respect of prior year                            | <b>(1,104)</b> | <b>-</b>       |
| - Utilisation of losses brought forward, not recognised                        | <b>(519)</b>   | <b>-</b>       |
| - Dividends received not subject to corporation tax                            | <b>(2,871)</b> | <b>(2,896)</b> |
| <b>Total tax expense / (credit) for the year</b>                               | <b>3,051</b>   | <b>(297)</b>   |

#### (c) Change in the Corporation tax rate

In the Summer Budget 2015, the government announced a reduction in the Corporation tax rate from 20% to 19% from 1 April 2017, with a further reduction from 19% to 18% from 1 April 2020. The March 2016 Budget further introduced measures to reduce the Corporation tax rate to 17% from 1 April 2020. These rates were enacted at the balance sheet date and therefore the Company's deferred tax assets and liabilities have been measured at these rates.

#### (d) Deferred tax

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on tax rates that have been substantively enacted at the balance sheet date.

There are no recognised or unrecognised deferred tax assets or liabilities (2015: \$200,000).

# Cunningham Lindsey Holdings II (UK) Limited

## Notes to the financial statements For the year ended 31 December 2016

### 10. Fixed asset investments

|                            | Shares in group undertakings<br>\$'000 |
|----------------------------|----------------------------------------|
| <b>Cost</b>                |                                        |
| At 1 January 2016          | 266,458                                |
| <b>At 31 December 2016</b> | <b>266,458</b>                         |
| <b>Net book value</b>      |                                        |
| <b>At 31 December 2016</b> | <b>266,458</b>                         |
| At 31 December 2015        | 266,458                                |

The Company's investments at the balance sheet date in the ordinary share capital of companies comprise the following undertakings that are held directly:

| Name of undertaking                                  | Country of<br>incorporation or<br>registration | Principal activity | Proportion<br>of ordinary<br>shares held |
|------------------------------------------------------|------------------------------------------------|--------------------|------------------------------------------|
| Cunningham Lindsey Canada Claims<br>Services Limited | Canada                                         | Loss adjusting     | 100%                                     |
| Cunningham Lindsey Holdings<br>(Delaware) LLC        | USA                                            | Holding company    | 100%                                     |

# Cunningham Lindsey Holdings II (UK) Limited

## Notes to the financial statements For the year ended 31 December 2016

### 10. Fixed asset investments (continued)

The following undertakings are held indirectly:

| Name of undertaking                                   | Country of incorporation or registration | Principal activity | Proportion of ordinary shares held |
|-------------------------------------------------------|------------------------------------------|--------------------|------------------------------------|
| Cunningham Lindsey Research Services, Inc             | Canada                                   | Loss adjusting     | 100%                               |
| Lindsey Morden Acquisitions                           | England and Wales                        | Holding company    | 100%                               |
| Cunningham Group Overseas Limited                     | England and Wales                        | Holding company    | 100%                               |
| Cunningham Lindsey Finance Holdings (Luxembourg) Sarl | Luxembourg                               | Holding company    | 100%                               |
| Cunningham Lindsey Europe BV                          | Netherlands                              | Holding company    | 100%                               |
| Cunningham Lindsey Netherland Holding NV              | Netherlands                              | Holding company    | 100%                               |
| Cunningham Lindsey Dutch Caribbean NV                 | Dutch Antilles                           | Loss adjusting     | 100%                               |
| Cunningham Lindsey Aruba NV                           | Netherlands                              | Loss adjusting     | 100%                               |
| Relet B.V.                                            | Netherlands                              | Loss adjusting     | 100%                               |
| CLARC Risk Management Services B.V.                   | Netherlands                              | Loss adjusting     | 100%                               |
| Cleris SAS (France)                                   | France                                   | Loss adjusting     | 100%                               |
| Cunningham Lindsey Nederland B.V.                     | Netherlands                              | Loss adjusting     | 100%                               |
| InTrust Nederland BV                                  | Netherlands                              | Loss adjusting     | 100%                               |
| Stichting Beheer Derdengelden                         | Netherlands                              | Holding company    | 100%                               |
| Cunningham Lindsey Nederland Holding                  |                                          |                    |                                    |
| Cunningham Lindsey France Holdings SAS                | France                                   | Holding company    | 100%                               |
| CL France SAS                                         | France                                   | Loss adjusting     | 100%                               |
| Cunningham Lindsey France SA                          | France                                   | Loss adjusting     | 100%                               |
| Cunningham Lindsey Marine B.V.                        | Netherlands                              | Loss adjusting     | 100%                               |
| Cunningham Lindsey Russia Limited                     | Russia                                   | Loss adjusting     | 93%                                |
| Cunningham Marine Limited                             | England and Wales                        | Dormant company    | 100%                               |
| Cunningham Lindsey Marine Limited                     | England and Wales                        | Dormant company    | 100%                               |
| Cunningham Lindsey Belgium NV                         | Belgium                                  | Loss adjusting     | 100%                               |
| Cunningham Lindsey Leif Hansen A/S                    | Denmark                                  | Loss adjusting     | 20%                                |
| Cunningham Lindsey Nordic ApS                         | Sweden                                   | Loss adjusting     | 55%                                |
| Cunningham Lindsey Sweden AB                          | Sweden                                   | Loss adjusting     | 100%                               |
| Cunningham Lindsey Iberia S.L.                        | Spain                                    | Loss adjusting     | 100%                               |
| Oterin Portugal                                       | Portugal                                 | Loss adjusting     | 60%                                |
| Cunningham Lindsey Investment Holdings Limited        | South Africa                             | Holding company    | 100%                               |

# Cunningham Lindsey Holdings II (UK) Limited

## Notes to the financial statements For the year ended 31 December 2016

### 10. Fixed asset investments (continued)

The following undertakings are held indirectly:

| <b>Name of undertaking</b>                         | <b>Country of incorporation or registration</b> | <b>Principal activity</b> | <b>Proportion of ordinary shares held</b> |
|----------------------------------------------------|-------------------------------------------------|---------------------------|-------------------------------------------|
| Cunningham Lindsey South Africa (Pty) Limited      | South Africa                                    | Loss adjusting            | 100%                                      |
| CLI Insurance Services Limited                     | Ireland                                         | Loss adjusting            | 100%                                      |
| GAB Robbins Deutschland GmbH                       | Germany                                         | Loss adjusting            | 100%                                      |
| Cunningham, Lindsey Zorn GmbH                      | Germany                                         | Loss adjusting            | 100%                                      |
| Cunningham Lindsey China Co. Limited               | China                                           | Loss adjusting            | 100%                                      |
| Cunningham Lindsey Polska Sp.z.O.O                 | Poland                                          | Loss adjusting            | 25%                                       |
| Cunningham Lindsey Iberica                         | Spain                                           | Loss adjusting            | 100%                                      |
| Cunningham Lindsey Lercari s.r.l.                  | Italy                                           | Loss adjusting            | 51%                                       |
| Lindsey Morden                                     | England and Wales                               | Group management company  | 100%                                      |
| Cunningham IAP Limited                             | England and Wales                               | Holding company           | 100%                                      |
| Cunningham Lindsey International Limited           | England and Wales                               | Loss adjusting            | 100%                                      |
| Cunningham Lindsey (Singapore) Pte Limited         | Singapore                                       | Loss adjusting            | 100%                                      |
| Cunningham Lindsey International GmbH              | Germany                                         | Loss adjusting            | 100%                                      |
| Ajustadores Cunningham Lindsey International CA    | Venezuela                                       | Loss adjusting            | 100%                                      |
| Cunningham Lindsey Kenya Limited                   | Kenya                                           | Loss adjusting            | 20%                                       |
| Cunningham Lindsey Middle East EC                  | Bahrain                                         | Loss adjusting            | 91%                                       |
| PT Cunningham Lindsey Indonesia                    | Indonesia                                       | Loss adjusting            | 100%                                      |
| Cunningham Lindsey                                 | Qatar                                           | Loss adjusting            | 100%                                      |
| Cunningham Lindsey                                 | Saudi                                           | Loss adjusting            | 60%                                       |
| Cunningham Lindsey International (SEA) Pte Limited | Singapore                                       | Loss adjusting            | 100%                                      |
| Cunningham Lindsey International (China) Limited   | China                                           | Loss adjusting            | 100%                                      |
| Cunningham Lindsey Hong Kong Limited               | Hong Kong                                       | Loss adjusting            | 100%                                      |
| Cunningham Lindsey Micronesia Limited              | Guam                                            | Loss adjusting            | 100%                                      |
| Analytica Asociados AASA                           | Venezuela                                       | Loss adjusting            | 100%                                      |
| Cunningham Lindsey Middle East Limited             | Jersey                                          | Loss adjusting            | 86%                                       |
| Cunningham Lindsey Maroc SA                        | Morocco                                         | Loss adjusting            | 50%                                       |
| Cunningham Lindsey International Limited (Bermuda) | Bermuda                                         | Loss adjusting            | 100%                                      |
| Cunningham Lindsey (Thailand) Limited              | Thailand                                        | Loss adjusting            | 100%                                      |

# Cunningham Lindsey Holdings II (UK) Limited

## Notes to the financial statements For the year ended 31 December 2016

### 10. Fixed asset investments (continued)

The following undertakings are held indirectly:

| Name of undertaking                                                                     | Country of incorporation or registration | Principal activity               |       |
|-----------------------------------------------------------------------------------------|------------------------------------------|----------------------------------|-------|
| Cunningham Lindsey (Mexico) SA de CV                                                    | Mexico                                   | Loss adjusting                   | 100%  |
| International Debt Recovery & Investigation Limited                                     | England and Wales                        | Dormant company                  | 89%   |
| Cunningham Da Tong                                                                      | China                                    | Loss adjusting                   | 24.9% |
| Cunningham Lindsey Korea Limited                                                        | Korea                                    | Loss adjusting                   | 85%   |
| Cunningham Lindsey (Vietnam) Limited                                                    | Vietnam                                  | Loss adjusting                   | 100%  |
| Cunningham Lindsey Adams Limited                                                        | England and Wales                        | Loss adjusting                   | 100%  |
| Cunningham Lindsey Adjusters (M) Sdn Bhd                                                | Malaysia                                 | Loss adjusting                   | 49%   |
| Marine Adjusters Partnership Limited                                                    | England and Wales                        | Dormant company                  | 100%  |
| Cunningham Lindsey International Insurance Surveyors and Loss Assessors Private Limited | India                                    | Loss adjusting                   | 26%   |
| Cunningham Lindsey International Do Brasil Ltda                                         | Brazil                                   | Loss adjusting                   | 100%  |
| EFI Global do Brazil, Ltda                                                              | Brazil                                   | Loss adjusting                   | 100%  |
| inTrust do Brasil Servicios Ltda                                                        | Brazil                                   | Loss adjusting                   | 100%  |
| E&B Holdings Limited                                                                    | England and Wales                        | Holding company                  | 100%  |
| Cunningham Lindsey United Kingdom                                                       | England and Wales                        | Loss adjusting                   | 100%  |
| Oriel Services Limited                                                                  | England and Wales                        | Contractor network management    | 100%  |
| Completion Services (UK) Limited                                                        | England and Wales                        | Provision of warranty fund       | 100%  |
| WeatherNet Limited                                                                      | England and Wales                        | Provision of weather information | 63.4% |
| CL (UK) Regulated Activities Limited                                                    | England and Wales                        | Loss adjusting                   | 100%  |
| CL Dormant 123 Limited                                                                  | England and Wales                        | Dormant                          | 100%  |

The directors believe that the carrying value of the investments is supported by the value of the underlying businesses.

# Cunningham Lindsey Holdings II (UK) Limited

## Notes to the financial statements For the year ended 31 December 2016

### 11. Debtors

|                                                     | 2016<br>\$'000 | 2015<br>\$'000 |
|-----------------------------------------------------|----------------|----------------|
| <b>Amounts falling due within one year:</b>         |                |                |
| Amounts owed by group undertakings                  | 192,306        | 150,560        |
| Other debtors                                       | -              | -              |
|                                                     | <b>192,306</b> | <b>150,560</b> |
| <b>Amounts falling due after more than one year</b> |                |                |
| Amounts owed by group undertakings                  | 159,957        | 139,448        |
| <b>Aggregate amounts</b>                            | <b>352,263</b> | <b>290,008</b> |

The amounts owed by group undertakings due within one year are unsecured, repayable on demand and accrue interest ranging from 0.56% to 7.96% per annum (2015: 0.83% to 7.88%).

Amounts owed by group undertakings after more than one year are unsecured, repayable within five to seven years and accrue interest between 6.24% and 8.25% per annum (2015: between 5.54% and 8.25%).

### 12. Creditors: amounts falling due within one year

|                                    | 2016<br>\$'000 | 2015<br>\$'000 |
|------------------------------------|----------------|----------------|
| Amounts owed to group undertakings | 210,042        | 188,326        |
| Corporation tax                    | 2,220          | -              |
|                                    | <b>212,262</b> | <b>188,326</b> |

The amounts owed to group undertakings are unsecured, repayable on demand and bear interest at various rates ranging from 0.56% to 8.00% per annum (2015: 0.83% to 8.67%).

### 13. Creditors: amounts falling due after more than one year

|                                    | 2016<br>\$'000 | 2015<br>\$'000 |
|------------------------------------|----------------|----------------|
| Amounts owed to group undertakings | 325,312        | 318,346        |

The amounts owed to group undertakings are unsecured, repayable within three to five years and bear interest at 4.31% to 8.26% per annum (2015: 4.31% to 8.26%).

# Cunningham Lindsey Holdings II (UK) Limited

## Notes to the financial statements For the year ended 31 December 2016

### 14. Called up share capital

|                                                                   | 2016<br>\$'000 | 2015<br>\$'000 |
|-------------------------------------------------------------------|----------------|----------------|
| <b>Allotted, issued and fully paid</b>                            |                |                |
| 3,034,610,400 (2015: 3,034,610,400) ordinary shares of £0.01 each | <b>44,938</b>  | 44,938         |

### 15. Capital reserve

In February 2009, a loan note of EUR 9,676,000 (\$13,358,000) was incurred by the group as part of the purchase of the EFI interest from GAB North America. As part of this process, the loan receivable was transferred to the Company via a capital contribution.

In October 2009, loans advanced to senior management for purchasing Cunningham Lindsey Group Limited ("CLGL") shares, recorded initially within CLGL were pushed down to the relevant local entity. As part of this transaction, the Company received a capital contribution of \$1,292,000 from Cunningham Lindsey Holdings (UK) Limited.

In June 2010 and October 2010, the group acquired a number of entities through its subsidiaries. These were financed by means of capital contributions from Cunningham Lindsey Group Limited to the relevant entities. As part of this process, the Company received capital contributions of \$2,392,000 in June 2010 and \$174,000 in October 2010 from Cunningham Lindsey Holdings (UK) Limited. These were then passed down to Cunningham Lindsey Holdings (Delaware) LLC via a capital contribution to its subsidiary undertaking.

### 16. Other financial commitments

CL Intermediate Holdings I B.V. entered into the 2013 Credit Agreement on 10 December 2012, with two institutional loans - First Lien and Second Lien - and a revolving credit facility.

The Credit agreement, as amended, provides for a maximum available borrowing capacity of \$692,500,000 comprised of: (i) \$510,000,000 under the First Lien with a seven-year maturity expiring December 10, 2019; (ii) \$72,500,000 five-year Revolving Credit Facility, which expires January 10, 2019; and (iii) \$110,000,000 under the Second Lien with a seven- year plus six months maturity expiring June 10, 2020.

Cunningham Lindsey Holdings II (UK) limited is one of the guarantors on the above mentioned credit agreement.

# **Cunningham Lindsey Holdings II (UK) Limited**

## **Notes to the financial statements**

**For the year ended 31 December 2016**

### **17. Ultimate parent undertakings and controlling party**

The Company's immediate parent company is Cunningham Lindsey Holdings (UK) Limited, a company registered in England and Wales.

The ultimate parent company is CL Acquisition Holdings Limited, a company registered in the Cayman Islands. The ultimate controlling shareholder of CL Acquisition Holdings Limited is CVC European Equity V Limited, a private equity fund managed by CVC Capital Partners (CVC). CVC European Equity V Limited and CVC do not issue financial statements that are available to the public.

The largest and smallest group for which consolidated financial statements are prepared and are available to the public is CL Intermediate Holdings I B.V., a company registered in the Netherlands. The financial statements of CL Intermediate Holdings I B.V. may be obtained from the Company Secretary, c/o Cunningham Lindsey, 60 Fenchurch Street, London, England, EC3M 4AD.