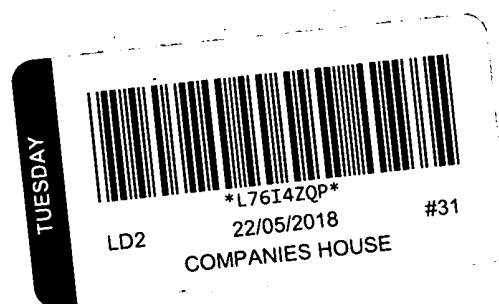


Company Registration No. 02230107

BESSEMER GROUP (U.K.) LIMITED

Report and Financial Statements

for the year ended 31 December 2017



Bessemer Group (U.K.) Limited

Report and financial statements for the year ended 31 December 2017

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Bessemer Group (U.K.) Limited

REPORT AND FINANCIAL STATEMENTS 2017

OFFICERS AND PROFESSIONAL ADVISERS

Directors

Marc D. Stern - Chairman
John G. MacDonald
William J. Tyne
Steven L. Williamson

Company Secretary

Christopher J. Judge

Registered Office

9 South Street
London W1K 2XA

Auditor

Deloitte LLP
2 New Street Square
Statutory Auditor
London
United Kingdom
EC4A 3BZ

Bankers

Coutts & Co.
440 Strand
London
WC2R 0QS

Solicitors

Taylor Wessing
5 New Street Square
London
EC4A 3TW

Bessemer Group (U.K.) Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2017. The directors' report has been prepared in accordance with the provisions applicable to companies entitled to small company exemptions under section 419(2) of the Companies Act 2006. In accordance with the small companies exemption no strategic report has been prepared.

Principal Activity and Business Review

Bessemer Group (U.K.) Limited ("the company") is a wholly-owned subsidiary of The Bessemer Group, Incorporated, a US bank holding company. The company is regulated by the Financial Conduct Authority in the United Kingdom.

The company's principal activity is the provision of investment research and advisory services to US-based affiliated companies. These affiliates have given no indication that they intend to change the current arrangements and so the business is expected to continue along these lines for the foreseeable future. However, this is a risk to the company as its affiliates are its sole clients.

Administrative expenses fell by 18% in the year as a result of lower compensation expenses. Turnover was also 18% lower than 2016 at £3,091,109, (2016: £3,748,132). Operating profit of £53,842 was £12,170 lower than in 2016 (2016: £66,012), mainly as a result of increased costs.

Net current assets increased by £67,933 in the year (2016: £71,725 increase).

The profit after tax for the year ended 31 December 2017 was £22,474, (2016: £48,777).

Directors

The following were directors of the company during the year ended 31 December 2017 and up to the date of this report:

John G. MacDonald
Marc D. Stern
William J. Tyne
Steven L. Williamson

Independent Auditor

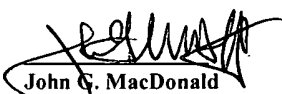
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 (2) of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as independent auditor and a resolution to re-appoint them will be proposed at a forthcoming Board of Directors Meeting.

Approved by the Board of Directors and signed on behalf of the Board.


John G. MacDonald
Director

24th April 2018

Bessemer Group (U.K.) Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safe-guarding 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 BESSEMER GROUP (U.K.) LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Bessemer Group (U.K.) Limited (the 'company') which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- the cash flow statement; and
- the related notes 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (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 are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

Other information

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

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

We have nothing to report in respect of these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BESSEMER GROUP (U.K.) LIMITED

Report on the audit of the financial statements (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

Use of our report

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

Report on other legal and regulatory requirements

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.

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 any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.



David Becker (Senior statutory auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

24 April 2018

Bessemer Group (U.K.) Limited**Profit and loss account
for the year ended 31 December 2017**

	Note	2017 £	2016 £
Turnover	3	3,091,109	3,748,132
Administrative expenses		<u>(3,037,267)</u>	<u>(3,682,120)</u>
Operating profit		53,842	66,012
Interest receivable		<u>2,216</u>	<u>1,041</u>
Profit before taxation	4	56,058	67,053
Tax on profit	6	<u>(33,584)</u>	<u>(18,276)</u>
Profit for the financial year		<u><u>22,474</u></u>	<u><u>48,777</u></u>

All results derive from continuing operations.

The notes on pages 11 to 16 form an integral part of these financial statements.

The company has no recognised gains or losses other than those included in the profit and loss account. Accordingly, no statement of other comprehensive income has been presented.

Bessemer Group (U.K.) Limited
Company Registration No. 2230107

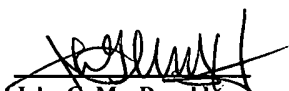
Balance sheet
as at 31 December 2016

	Note	2017 £	2016 £
Fixed assets			
Tangible fixed assets	7	234,255	279,715
Current assets			
Debtors	8	767,273	615,572
Cash at bank and in hand		740,452	1,216,009
		<u>1,507,725</u>	<u>1,831,581</u>
Creditors: amounts falling due within one year	9	940,901	1,332,691
		<u>940,901</u>	<u>1,332,691</u>
Net current assets		<u>566,824</u>	<u>498,891</u>
Net assets		<u>801,079</u>	<u>778,605</u>
Capital and reserves			
Called up share capital	10	250,000	250,000
Profit and loss reserve		551,079	528,605
Shareholders' funds		<u>801,079</u>	<u>778,605</u>

The notes on pages 11 to 16 form an integral part of these financial statements.

These financial statements of Bessemer Group (U.K.) Limited were approved by the Board of Directors and authorised for issue on 24 April 2018.

Signed on behalf of the Board:


John G. MacDonald
Director

Bessemer Group (U.K.) Limited

Statement of Changes in Equity for the year ended 31 December 2017

	Called up share capital £	Profit & loss reserve £	Total £
At 31 December 2015 as previously stated	250,000	479,828	729,828
Profit for the year	-	48,777	48,777
At 31 December 2016	250,000	528,605	778,605
Profit for the year	-	22,474	22,474
At 31 December 2017	250,000	551,079	801,079

Cash flow statement for the year ended 31 December 2017

	Note	2017 £	2016 £
Net cash flows from operating activities	11	(446,383)	161,953
Cash flows from investing activities			
Purchase of tangible fixed assets	7	(31,390)	(49,002)
Net interest received		2,216	1,041
Net cash flows used in investing activities		(29,174)	(47,961)
Cash flows from financing activities			
Dividend paid to parent		-	-
Net cash flows used in financing activities		-	-
(Decrease)/increase in cash and cash equivalents in the year		(475,556)	113,992
Cash and cash equivalents at beginning of year		1,216,008	1,102,017
Cash and cash equivalents at end of year		740,452	1,216,008
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand at year end		740,452	1,216,009

The notes on pages 11 to 16 form an integral part of these financial statements.

Bessemer Group (U.K.) Limited

Notes to the accounts (continued)

Year ended 31 December 2017

1. Accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding year.

a.) General information and basis of accounting

Bessemer Group (U.K.) Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is 9 South Street, London, W1K 2XA. The nature of the company's operations and its principal activities are set out in the director's report on page 3.

The Company is a private Company limited by shares and is registered in England.

The financial statements have been prepared under the historical cost convention and Financial Reporting Standard 102 ("FRS 102") issued by the Financial Reporting Council.

The functional currency of the company is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

b.) Going Concern

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 Business Review also describes the financial position of the company.

The company has agreements with affiliated group companies in the United States to provide research and advisory services and as a consequence, the directors believe that the company is well placed to manage its business risks successfully.

After making all reasonable enquiries and having respect to the nature of the company and its activities, the directors are satisfied based on the information available to them at the present time, which includes forecasts of future performance, that it is appropriate to adopt the going concern basis in preparing the financial statements and, after due consideration, the directors consider that the company is able to continue in the foreseeable future.

c.) Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided to write off the cost of tangible fixed assets in equal instalments over the estimated useful economic lives of the assets. The estimated useful economic lives are as follows:

- Furniture, fixtures, fittings and equipment - 3 to 10 years
- Leasehold improvements - period of the lease

The fine art owned by the company is not depreciated as these items have very long useful economic lives, which would make a periodic depreciation charge immaterial. The fine art is included within furniture, fixtures, fittings and equipment.

d.) Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

e.) Expenditures

Expenses are recognised on an accruals basis when the expense occurred in the financial statements through the profit and loss. These consist of legal, admin and payroll expenses.

Bessemer Group (U.K.) Limited

Notes to the accounts (continued)

Year ended 31 December 2017

1. Accounting policies (continued)

f.) Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

g.) Financial Instruments

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

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. Financial assets and liabilities are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financial transaction, where the transaction is measured at the present value of the future receipts discounted at a market value interest.

h.) Turnover

Turnover comprises fees from investment research and advisory services accounted for on an accruals basis. Investment research and advisory fees are recognised as the services are performed and charged on a cost-plus basis.

i.) Retirement benefits

The company operates a defined contribution benefit scheme for all qualifying employees. The assets of the scheme are held in separate accounts in the name of individual employees and are under the control of the employee. The company is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the company with respect to the retirement benefit scheme is to make the specified contributions. Other long-term employee benefits are measured at the present value of the benefit obligation at the reporting date.

j.) Foreign currencies

Transactions in foreign currencies are recorded at the rates ruling for sterling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. All exchange differences are reflected in the profit and loss account for the period in which they arise.

Bessemer Group (U.K.) Limited

Notes to the accounts (continued)

Year ended 31 December 2017

2. Critical accounting judgements and key sources of estimation uncertainty

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

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

3. Turnover

The company provides investment research and advisory services to US-based affiliated companies.

	2017	2016
	£	£
Fees from investment research and related services	3,091,109	3,748,132
	<u>3,091,109</u>	<u>3,748,132</u>

The provisions of Accounting Regulation (Acc Regs) Sch 1: 68 have not been applied due to all business being attributed to only one segment and geographical market.

4. Profit before taxation

Profit before taxation is stated after charging/(crediting):

	2017	2016
	£	£
Depreciation of tangible fixed assets	76,850	71,948
Operating lease rental for building	270,390	273,809
Foreign currency gain	(51,397)	(37,282)
Fees payable to the company's auditors for the audit of the company's annual accounts	38,000	36,565
Fees payable to the company's auditors for other services pursuant to regulation	18,000	12,000
Fees payable to the company's auditors for other tax advisory services	13,150	2,200
	<u>364,993</u>	<u>359,240</u>

5. Staff numbers and costs

The average monthly number of employees (including executive directors) was:

	2017	2016
	Number	Number
Investment research staff	4	5
Administrative staff	2	2
	<u>6</u>	<u>7</u>

Their aggregate remuneration comprised:

	£	£
Salaries and benefits	1,598,788	2,231,816
Social security costs	203,300	235,704
Defined contribution pension costs	66,121	81,629
Other employee insurance	37,859	38,599
Management recharge from Bessemer Trust Company, N.A.	2,272	1,511
	<u>1,908,340</u>	<u>2,589,259</u>

The company paid £12,000 for the services of a non-executive director. All other directors' costs were borne by affiliated Group companies and it is considered that none of those directors' remuneration was in respect of services to the company.

Bessemer Group (U.K.) Limited

Notes to the accounts (continued)

Year ended 31 December 2017

6. Tax on profit	2017	2016
Tax comprises:	£	£
Current tax:		
Corporation tax charge of 19.25% (2016: 20%)	(134)	2,140
Adjustment in respect of prior years	21,589	6,158
Total current tax	21,455	8,298
Deferred tax:		
Origination and reversal of timing differences	15,380	15,932
Adjustment in respect of prior years	(3,251)	(5,954)
Total deferred tax	12,129	9,978
Total tax on profit	33,584	18,276

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

Profit before tax	56,058	67,053
Tax at 19.25% thereon (2016: 20%)	10,791	13,411
Effects of:		
Expenses not deductible for tax purposes	4,454	4,663
Adjustments to tax charge in respect of previous periods	18,338	204
Roundings	1	(2)
Total tax charge for the period	33,584	18,276

The Finance (No.2) Act 2015, enacted on 18 November 2015, has set the corporation tax rate at 19% from 1 April 2017. Finance Bill 2016 has reduced the rate further from 1 April 2020 to 17%, which was substantively enacted on 15 September 2016. Deferred tax balances have been recognised at the rate of 18%.

7. Tangible fixed assets	Leasehold improvements	Fixtures, fittings and equipment	Total
	£	£	£
Cost			
At 1 January 2017	540,810	276,848	817,658
Additions	-	31,390	31,390
Disposals	(26,577)	(24,280)	(50,857)
At 31 December 2017	514,233	283,958	798,191
Accumulated depreciation			
At 1 January 2017	360,905	177,038	537,943
Charge for the year	51,401	25,449	76,850
Disposals	(26,577)	(24,280)	(50,857)
At 31 December 2017	385,729	178,207	563,936
Net book value			
At 31 December 2017	128,504	105,751	234,255
At 31 December 2016	179,905	99,810	279,715

Bessemer Group (U.K.) Limited

Notes to the accounts (continued) **Year ended 31 December 2017**

8. Debtors	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors:		
Amounts owed by group companies	695,833	520,273
VAT	28,244	21,857
Other debtors:		
Prepayments and accrued income	34,259	52,894
Corporation tax	6,010	3,735
Deferred tax	2,927	15,056
Travel advances	-	1,757
	<u>767,273</u>	<u>615,572</u>
9. Creditors - amounts falling due within one year	2017	2016
	£	£
Incentive bonus and deferred compensation	348,631	575,366
Amounts owed to group companies	2,546	6,472
Other taxation and social security	446,526	553,507
Accruals	143,198	197,346
	<u>940,901</u>	<u>1,332,691</u>
10. Called up share capital & reserves	2017	2016
	£	£
Authorised	<u>100,000</u>	<u>100,000</u>
100,000 ordinary shares of £1 each		
Allotted and fully paid		
100,000 ordinary shares of £1 each	100,000	100,000
Capital contribution from parent company	150,000	150,000
	<u>250,000</u>	<u>250,000</u>
On 31 March 2010, the company received a £150,000 gift of capital from its parent company, The Bessemer Group, Incorporated.		
11. Cash flow statement	2017	2016
	£	£
Operating profit	53,842	66,012
Adjustment for:		
Depreciation and amortization	76,850	71,948
Operating cash flow before movement in working capital	<u>130,692</u>	<u>137,960</u>
(Increase)/decrease in debtors	(161,556)	510,121
Decrease in creditors	(391,790)	(443,824)
UK corporation tax paid	(23,729)	(42,304)
Cash generated by operations	<u>(446,383)</u>	<u>161,953</u>

Bessemer Group (U.K.) Limited

Notes to the accounts (continued) **Year ended 31 December 2017**

	2017	2016
	£	£
12. Annual Operating Lease Commitments		
Total future minimum lease payments:		
within 1 year	270,390	270,390
within 2 - 5 years	383,053	653,444
	<u>653,443</u>	<u>923,834</u>

The existing lease for rent of the premises expires on May 20, 2020.

13. Related party transactions

As the company is a wholly owned subsidiary of The Bessemer Group, Incorporated, the company is a Qualifying Entity under FRS 102. It is therefore exempt from related party disclosures in respect of transactions with entities within the Group under Section 33 Related Party Disclosures paragraph 33.7. There were no related party transactions with non-Group entities for the year.

14. Ultimate parent company

The ultimate parent company and controlling party is The Bessemer Group, Incorporated, of 630 Fifth Avenue, New York, New York, USA, a US bank Holding company, whose accounts are available at 9 South Street, London, W1K 2XA, England. The largest and smallest group in which the results of the company are consolidated is that headed by The Bessemer Group, Incorporated.