PRESS RELEASE

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Charles Taylor plc
Announcement of results for six months ended 30 June 2017

- Revenue significantly increased, underlining solid business growth
- Statutory profit before tax reduced, largely due to amortisation of intangible assets
- Adjusted profit before tax and earnings increased, after business investments
- Net debt in line with expected levels post acquisitions
- Good progress on driving key strategic growth initiatives
- Interim dividend increased

David Marock, Group Chief Executive Office, Charles Taylor plc said:
"The Group has had a steady start to 2017 and we anticipate that our full year performance will be in line with the board's expectations.

We are making good progress in delivering our growth strategy:

- Our Management Services business provides a solid core to our business with deep, long-lasting client relationships and delivers steady, reliable growth.
- The Adjusting Services business is a well-established, global loss adjusting business, with leadership positions in key markets. It is well-positioned to drive growth and increased profitability through improving the underlying performance of our existing business lines, building capabilities and diversifying our income streams.
- The Insurance Support Services business includes established and newer businesses with the potential to deliver a material change in earnings in the longer term.

We are very positive about the long-term prospects for Charles Taylor. We are taking forward numerous growth initiatives and, as set out in this report, our investments are delivering positive results. The Group has delivered strong revenue growth and we believe we are well-positioned to deliver further growth, increased profit and greater shareholder value."

Consolidated financial highlights
For the six months ended 30 June 2017

Revenue	£100.7m increased by 36.1%	(2016: £74.0m)
Adjusted profit before tax [1]	£6.1m increased by 1.2%	(2016: £6.0m)
Statutory profit before tax	£3.1m decreased by 41.4%	(2016: £5.3m)
Net debt	£35.6m	(2016: £3.3m net cash)
Adjusted earnings per share [1]	9.04p increased by 5.8%	(2016: 8.55p)
Statutory earning per share	4.62p decreased by 35.8%	(2016: 7.19p)
Dividend per share	3.31p increased by 5.0%	(2016: 3.15p)

Notes:
Movements are calculated using unrounded numbers so minor rounding differences may exist.

	June 2017 £m	**June 2016** £m
Statutory profit before tax	3.1	5.3
Acquired intangible assets amortisation	2.3	1.0
Other adjustments	0.7	-
Non-controlling interests - profit before tax	-	(0.2)
Adjusted profit before tax	6.1	6.0
Income tax expense	-	(0.3)
Adjusted earnings	6.1	5.7

1. Adjusted eps is calculated by dividing the adjusted earnings by weighted average number of ordinary shares as disclosed in note 6.

This announcement contains inside information within the meaning of article 7 of the EU Market Abuse Regulation (MAR).

Group Chief Executive Officer's Review

Charles Taylor performed steadily in the first half of 2017, continuing its record of strong revenue growth. Adjusted profits before tax and earnings have increased, although at a lower rate than revenue. This was largely due to our ongoing programme of investing in the Group to expand our service offering for our clients globally and to deliver long-term growth in profits for shareholders.

These investments are focused on the four key strategic initiatives, identified in the 2016 Annual Report: these are to build Charles Taylor InsureTech, to develop global medical claims and assistance capabilities, to extend our Third Party Administration (TPA) services and to develop our turnkey managing agency to be second syndicate ready.

Within Adjusting Services, we have also invested to diversify into more profitable, less volatile income streams with lower working capital requirements, while building capabilities and driving underlying performance of our existing business lines.

These initiatives are progressing well with 2017 highlights to date including:

- Developing within Charles Taylor InsureTech the ground-breaking TIDE delegated underwriting authority management solution.
- Securing multiple new UK client contracts for CEGA, the Group's medical claims and assistance business, including one major mainstream UK insurance brand.
- Launching a market-challenger medical underwriting technology proposition and securing its first client.*
- Investing in a funding round for Fadata to enable a strategic investment in a German-based digital insurance technology specialist and to support further business growth and the lead times to win new business.*
- Securing new client contracts for Charles Taylor TPA in the UK and US.
- Acquiring Metro Risk Management, a US West Coast-based TPA specialising in US Longshore and State Act workers' compensation claims.*
- Acquiring Criterion Adjusters (Criterion), a strongly-performing loss adjusting business focused on the UK high net worth insurance sectors.*
- Reshaping energy adjusting teams in London, Singapore and Houston, and addressing several smaller underperforming offices, in response to the current market environment.

** Contract signed after 30 June 2017 but prior to the publication of this report; however much of the preparatory work and negotiation took place during H1 2017*

Statutory profits were down, as expected, largely due to the increase in the amortisation of intangible customer relationship assets following the successful CEGA acquisition and the rationalisation of the structures relating to the provision of management services to The Strike Club, which included the closure of the Group's Monaco office. Neither of these factors relate to the Group's underlying performance.

Professional services business performance:

- The overall performance of our **Management Services** business was solid with an increase in revenue and profit. The UK and international business line achieved steady progress in meeting the strategic objectives of our mutual clients, The Standard Club and The Strike Club. The Americas business delivered a good performance for its major client, Signal Mutual.
- The **Adjusting Services** business continued to achieve top line growth and delivered a modest increase in profits after allowing for the negative impact of a £0.4m foreign exchange loss on translating non-sterling working capital and earnings. This compares to a £0.5m foreign exchange gain in HY 2016. Our programme of diversifying the business to increase its regular, repeatable income streams while reducing working capital requirements and increasing margins over time, took a positive step forward with the acquisition of Criterion. We diversified the business further by extending our UK and US property and casualty teams. We also took pro-active steps to improve the underlying performance of our existing businesses in response to the ongoing benign claims environment, through addressing under-performing offices, re-shaping our energy teams and continuing to refine reward structures.
- The **Insurance Support Services** business delivered strong top line growth, benefiting from a full half year's contribution from CEGA and increased revenue from our turn-key managing agency. Overall profit was down, largely because of our investments to build the capabilities of our Insurance technology business. We also invested in a funding round for Fadata in early July, which enabled it to make a strategic investment in IMPEO, a German-based insurance technology specialist.

Owned Insurance Companies

The Group's owned life insurance companies increased profit marginally. We successfully completed the transfer of LCL Life & Pensions (formerly Nordea Life & Pensions) into LCL International Life Assurance Company Limited and are working towards the transfer and consolidation of the Group's other life insurance businesses.

Group results H1 2017 – continuing business

	Six months to 30 June 2017	Six months to 30 June 2016	% change
Revenue (£m)	100.7	74.0	+36.1%
Adjusted profit before tax (£m)	6.1	6.0	+1.2%
Statutory profit before tax (£m)	3.1	5.3	-41.4%
Adjusted earnings per share (p)	9.04	8.55	+5.8%
Statutory earnings per share (p)	4.62	7.19	-35.8%
Dividend (p)	3.31	3.15	+5.0%
Net debt/(cash) (£m)	35.6	(3.3)	n/a

Professional Services performance H1 2017

(£m)	Revenue [1]		Adjusted operating profit	
	Six months to 30 June 2017	Six months to 30 June 2016	Six months to 30 June 2017	Six months to 30 June 2016
Management Services	27.9	25.4	3.5	3.3
Adjusting Services	35.2	31.7	1.7	1.6
Insurance Support Services	37.4	16.0	1.4	2.4
Unallocated	-	-	-	(0.3)
Total	100.5	73.1	6.6	6.9

1. Revenue figures are stated before inter-segment eliminations.

Owned Insurance Companies performance H1 2017

(£m)	Revenue		Adjusted operating profit	
	Six months to 30 June 2017	Six months to 30 June 2016	Six months to 30 June 2017	Six months to 30 June 2016
Owned Insurance Companies	2.2	2.3	0.3	0.1

Balance sheet

We are managing the Group's finances while investing for growth. Net debt was £35.6m at the period end (H1 2016: £3.3m net cash) following the investment of the Rights Issue proceeds. The Group's annual average net debt, which we believe better represents the Group's overall borrowing, was £30.1m at the period end (H1 2016: £1.2m net cash). The board believes, taking into account the Group's annual cashflow profile, that this is an appropriate level of debt. After the period end, we increased our facilities by £5.0m to fund the acquisition of Criterion. Free cash flow decreased to £10.9m (H1 2016: £15.5m) primarily due to an increase in working capital and tax and interest paid.

The Group's pension deficit at 30 June 2017 was £44.8m, or £37.2m net of deferred tax, compared with £52.5m at the year end, net of deferred tax £43.5m. The Group's pension scheme deficit fell during the first half of 2017, largely due to changes in mortality assumptions and positive market conditions which resulted in good investment returns. We have long-term plans in place and work closely with the scheme's trustees to manage the deficit. We continue to monitor the Company's pension scheme exposures and take action, as appropriate.

Dividend

An interim dividend of 3.31p (H1 2016: 3.15p) has been declared and will be paid on 10 November 2017 to shareholders on the register on 13 October 2017.

Board

We are pleased to welcome Tamer Ozmen as a Non-Executive Director of the Company, with effect from 29 June 2017. Tamer has also joined the Audit, Remuneration and Nominations Committees with effect from the same date.
Tamer is an accomplished technology professional with over 20 years' senior management experience. He currently runs Microsoft UK Services, which supports UK customers to digitally transform themselves and works with them to disrupt their business models to achieve more.

Current trading and outlook

The Group has had a steady start to 2017 and we anticipate that our full year performance will be in line with the board's expectations.

We are making good progress in delivering our growth strategy:

- Our Management Services business provides a solid core to our business with deep, long-lasting client relationships and delivering steady, reliable growth.

- The Adjusting Services business is a well-established, global loss adjusting business, with leadership positions in key markets. It is well-positioned to drive growth and increased profitability through improving the underlying performance of our existing business lines, building capabilities and diversifying our income streams.
- The Insurance Support Services business includes established and newer businesses with the potential to deliver a material change in earnings in the longer term.

We are very positive about the long-term prospects for Charles Taylor. We are taking forward numerous growth initiatives and, as set out in this report, our investments are delivering positive results. The Group has delivered strong revenue growth and we believe we are well-positioned to deliver further growth, increased profit and greater shareholder value.

David Marock
Group Chief Executive Officer
5 September 2017

Financial Review

The results for the period ended 30 June 2017 are summarised in the table below and explained in more detail in the Group Chief Executive Officer's review.

	H1 2017	H1 2016
Revenue (£m)	100.7	74.0
Operating profit (£m)	3.5	5.7
Adjustments	3.0	1.0
Finance costs/other (£m)	(0.4)	(0.4)
Non-controlling interests before tax (£m)	-	(0.2)
Adjusted profit before tax (£m)	6.1	6.0
Tax (£m)	-	(0.3)
Adjusted earnings (£m)	6.1	5.7
Adjusted earnings per share (p)	9.04	8.55

Note: Small rounding differences arise in the total amounts above.

The above financial measures are adjusted as set out in the table below:

(£m)	H1 2017	H1 2016
Statutory profit before tax	3.1	5.3
Acquired intangible assets amortisation	2.3	1.0
Other adjustments	0.7	-
Non-controlling interests - profit before tax	-	(0.2)
Adjusted profit before tax	6.1	6.0

Note: Small rounding differences arise in the total amounts above.

Revenue was £100.7m (2016: £74.0m) primarily benefiting from a full half year's contribution from CEGA and growth across each of the Group's businesses, Management, Adjusting and Insurance Support Services businesses. Adjusted profit before tax was £6.1m (2016: £6.0m) following good top line performance by the Group's businesses, a full year's administrative costs from CEGA, investments in delivering the Group's growth strategy and the negative impact of foreign exchange on translating the Group's non-sterling working capital and earnings.

Statutory profit before tax was £3.1m (2016: £5.3m) lower than the H1 2016, as expected, due to the increase in the amortisation of intangible customer relationship assets following the successful CEGA acquisition and the rationalisation of the structures relating to the provision of management services to The Strike Club, which included the closure of the Group's Monaco office.

Adjustments

The Group makes adjustments to statutory profit before tax in order to report profit before tax that reflects the Group's underlying performance ("adjusted profit before tax"). The basis on which such adjustments are made in relation to the Professional Services business and the Owned Life Insurance business are explained below.

Within our Professional Services businesses, we are continually developing new capabilities through carefully targeted acquisitions, joint ventures and business investments which have a compelling strategic rationale, strong cultural fit, a persuasive financial rationale and an acceptable risk profile. Our strategy includes the execution of selected larger investments. Material acquisitions and the significant expansion of new businesses, in any given financial year, are infrequent so the associated costs of such investments are not representative of the underlying performance of these businesses.

The Owned Life Insurers business consolidates life insurance businesses which are primarily in run-off, creating value through targeted acquisitions and operational efficiencies resulting from economies of scale. This business has acquired five life companies over the last five years. Profit releases on acquisitions are dependent on the merging of businesses, which requires regulatory approval, leading to some profit fluctuations. These profits, along with acquisition-related costs and changes to estimates in deferred consideration on acquisition, are considered to be a core element of this business's underlying and ongoing performance.

The following adjustments relate to H1 2017:

- Amortisation of acquired intangible assets: The amortisation of intangible assets recognised on acquisition by the Professional Services business of £2.3m (2016: £1.0m) is adjusted because this expense, which is higher in H1 2017 than H1 2016 because of the CEGA acquisition, does not relate to underlying performance.
- Other adjustments: In H1 2017, the Professional Services business rationalised the structures relating to the provision of management services to one of its mutual insurance clients, The Strike Club, which included the closure of the Group's Monaco office. The net total of these costs, £0.7m, has been adjusted.

Net debt, cash flow and financing
Net debt at the half year was £35.6m (2016: £3.3m net cash) and free cash flow decreased to £10.9m (2016: £15.5m) primarily due to an increase in working capital and tax and interest paid.

The Group's senior banking facilities comprise an amortising senior term loan of £10.0m and a £35.0m revolving credit facility. After the period end we increased our facilities by £5.0m to fund the acquisition of Criterion. In addition, the Group has £5.0m uncommitted overdraft facilities in the UK, uncommitted overseas facilities of the local currency equivalent of £4.0m and committed overseas facilities of the local currency equivalent of £5.8m. Interest rates are mostly linked to 3 month Libor plus margins of 2.25-3.25%. The senior term loan and revolving credit facility are available until 7 November 2018. The other facilities are primarily renewed on an annual basis.

Foreign exchange
The Group manages its exposure to foreign currency fluctuations by use of forward foreign exchange contracts and options to sell currency in the future.

Taxation
The effective tax rate on statutory profit for the period was 0.0%, (2016: 5.2%). The movement in the effective tax rate reflects the recognition of deferred tax assets in respect of brought forward UK tax losses. Based on the 2017 full year tax charge, it is estimated that there will be c. £1.4m in unrecognised UK losses at 31 December 2017.

Related party transactions
There have been no related-party transactions in the period that have materially affected the financial position or performance of the company.

Principal risks and uncertainties
The nature of the principal risks and uncertainties for the first half of 2017 fall into the three categories of business, financial, and legal and regulatory risks. These remain unchanged from those explained in the 2016 Annual Report. The Group's risk management systems are designed to manage the risk of failing to achieve our business objectives. We have an embedded and continuous process for identifying, evaluating and managing the principal risks which the Group faces.

Going concern
The directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, being a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed financial statements.

Mark Keogh
Group Chief Financial Officer
5 September 2017

Condensed Consolidated Income Statement

	Note	**Six months to 30 June 2017 £000 (Unaudited)**	Six months to 30 June 2016 £000 (Unaudited)	Year to 31 December 2016 £000 (Audited)
Continuing operations				
Revenue from Professional Services		**98,498**	71,683	164,551
Revenue from Owned Insurance Companies				
Gross revenue		**2,680**	2,743	5,567
Outward reinsurance premiums		**(502)**	(430)	(854)
Net revenue		**2,178**	2,313	4,713
Total revenue	3	**100,676**	73,996	169,264
Expenses from Owned Insurance Companies				
Claims incurred		**(42,267)**	35,465	(120,926)
Reinsurance recoveries		**217**	1,122	2,950
Other gains/(losses) from insurance activities		**43,240**	(36,109)	120,464
Net operating expenses		**(3,074)**	(2,458)	(5,212)
Net losses		**(1,884)**	(1,980)	(2,724)
Administrative expenses		**(94,900)**	(66,011)	(154,275)
Share of results of associates		**(434)**	(284)	(1,028)
Operating profit		**3,458**	5,721	11,237
Investment and other income		**447**	182	823
Finance costs		**(799)**	(605)	(1,333)
Profit before tax		**3,106**	5,298	10,727
Income tax expense	4	**–**	(312)	–
Profit for the period from continuing operations		**3,106**	4,986	10,727
Attributable to:				
Owners of the Company		**3,113**	4,755	10,541
Non-controlling interests		**(7)**	231	186
		3,106	4,986	10,727
Earnings per share from continuing operations				
Statutory basic (p)	6	**4.62**	7.19	15.85
Statutory diluted (p)	6	**4.56**	7.14	15.73

Condensed Consolidated Statement of Comprehensive Income

	Six months to 30 June 2017 £000 (Unaudited)	Six months to 30 June 2016 £000 (Unaudited)	Year to 31 December 2016 £000 (Audited)
Profit for the period	**3,106**	4,986	10,727
Items that will not be reclassified subsequently to profit or loss			
Actuarial gains/(losses) on defined benefit pension schemes	**6,227**	(17,901)	(15,224)
Tax on items taken directly to equity	**(1,304)**	3,003	1,790
	4,923	(14,898)	(13,434)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	**(566)**	4,116	6,091
Gains/(losses) on cash flow hedges	**474**	(884)	(374)
	(92)	3,232	5,717
Other comprehensive income/(loss) for the period, net of tax	**4,831**	(11,666)	(7,717)
Total comprehensive income/(loss) for the period	**7,937**	(6,680)	3,010
Attributable to:			
Owners of the Company	**8,028**	(7,074)	2,570
Non-controlling interests	**(91)**	394	440
	7,937	(6,680)	3,010

Condensed Consolidated Balance Sheet

	Note	At 30 June 2017 £000 (Unaudited)	At 30 June 2016 £000 (Unaudited)	At 31 December 2016 £000 (Audited)
Non-current assets				
Goodwill	7	**57,503**	45,007	58,264
Other intangible assets	8	**37,989**	18,318	34,180
Property, plant and equipment		**8,838**	6,043	8,690
Investments		**983**	1,857	1,486
Financial assets		**7,378**	6,060	6,682
Deferred tax assets		**11,374**	9,857	12,707
Total non-current assets		**124,065**	87,142	122,009
Current assets				
Total assets in insurance businesses		**1,135,134**	1,131,713	1,251,017
Trade and other receivables		**87,949**	76,039	78,178
Cash and cash equivalents		**138,675**	109,620	141,436
Total current assets		**1,361,758**	1,317,372	1,470,631
Total assets		**1,485,823**	1,404,514	1,592,640
Current liabilities				
Total liabilities in insurance businesses		**1,124,468**	1,113,058	1,236,898
Trade and other payables		**52,197**	50,804	37,074
Deferred consideration		**5,745**	9,713	2,979
Current tax liabilities		**180**	1,247	458
Borrowings	13	**21,892**	5,795	10,002
Client funds	12	**118,917**	95,095	125,198
Total current liabilities		**1,323,399**	1,275,712	1,412,609
Net current assets		**38,359**	41,660	58,022
Non-current liabilities				
Borrowings	13	**33,411**	5,426	43,670
Deferred tax liabilities		**6,003**	–	6,309
Retirement benefit obligation	15	**44,807**	56,282	52,467
Provisions		**410**	337	338
Obligations under finance leases		**35**	50	41
Deferred consideration		**3,695**	5,806	7,044
Total non-current liabilities		**88,361**	67,901	109,869
Total liabilities		**1,411,760**	1,343,613	1,522,478
Net assets		**74,063**	60,901	70,162
Equity				
Share capital	11	**684**	669	674
Share premium account		**72,928**	71,476	72,372
Merger reserve		**6,872**	6,872	6,872
Capital reserve		**662**	662	662
Own shares		**(399)**	(587)	(430)
Accumulated losses		**(8,684)**	(20,322)	(12,126)
Equity attributable to owners of the Company		**72,063**	58,770	68,024
Non-controlling interests		**2,000**	2,131	2,138
Total equity		**74,063**	60,901	70,162

The financial statements were approved by the board of directors and authorised for issue on 5 September 2017.

Mark Keogh
Director
5 September 2017

Condensed Consolidated Cash Flow Statement

	Note	**Six months to 30 June 2017 £000 (Unaudited)**	Six months to 30 June 2016 £000 (Unaudited)	Year to 31 December 2016 £000 (Audited)
Net cash from operating activities	12	**8,113**	46,755	71,200
Investing activities				
Interest received		**204**	168	394
Proceeds on disposal of property, plant and equipment		**74**	107	278
Purchases of property, plant and equipment		**(1,216)**	(2,844)	(1,753)
Acquisition of other intangible assets		**(2,584)**	(1,951)	(6,091)
Purchase of investments		**(511)**	(1,413)	(3,320)
Acquisition of subsidiaries – net of cash acquired		**(1,852)**	–	(23,507)
Payment of deferred consideration		**(683)**	(546)	(8,214)
Net cash used in investing activities		**(6,568)**	(6,479)	(42,213)
Financing activities				
Proceeds from issue of shares		**137**	89	442
Dividends paid	5	**(4,974)**	(4,622)	(6,732)
Repayments of borrowings	10	**(52,756)**	(11,785)	(12,590)
Repayments of obligations under finance leases		**(6)**	(5)	(16)
New bank loans raised	10	**49,270**	2,000	40,587
Increase/(decrease) in bank overdrafts		**5,243**	(751)	3,465
Net cash (used in)/generated from financing activities		**(3,086)**	(15,074)	25,156
Net (decrease)/increase in cash and cash equivalents		**(1,541)**	25,202	54,143
Cash and cash equivalents at beginning of period		**141,436**	80,170	80,170
Effect of foreign exchange rate changes		**(1,220)**	4,248	7,123
Cash and cash equivalents at end of period	13	**138,675**	109,620	141,436

Condensed Consolidated Statement of Changes in Equity

	Share capital £000	Share premium account £000	Merger reserve £000	Capital reserve £000	Own shares £000	Accumulated losses £000	Non-controlling interests £000	Total £000
At 1 January 2017 (audited)	**674**	**72,372**	**6,872**	**662**	**(430)**	**(12,126)**	**2,138**	**70,162**
Issue of share capital (note 11)	**10**	**–**	**–**	**–**	**–**	**–**	**–**	**10**
Share premium arising on issue of share capital	**–**	**556**	**–**	**–**	**–**	**–**	**–**	**556**
Profit for the financial period	**–**	**–**	**–**	**–**	**–**	**3,113**	**(7)**	**3,106**
Dividends paid (note 5)	**–**	**–**	**–**	**–**	**–**	**(4,974)**	**–**	**(4,974)**
Actuarial gains on defined benefit pension schemes	**–**	**–**	**–**	**–**	**–**	**6,227**	**–**	**6,227**
Tax on items taken to equity	**–**	**–**	**–**	**–**	**–**	**(1,304)**	**–**	**(1,304)**
Gains on cash flow hedges	**–**	**–**	**–**	**–**	**–**	**474**	**–**	**474**
Foreign exchange translation differences	**–**	**–**	**–**	**–**	**–**	**(482)**	**(84)**	**(566)**
Movement in share-based payments	**–**	**–**	**–**	**–**	**–**	**388**	**–**	**223**
Movement in own shares	**–**	**–**	**–**	**–**	**31**	**–**	**–**	**196**
Other movements	**–**	**–**	**–**	**–**	**–**	**–**	**(47)**	**(47)**
At 30 June 2017 (unaudited)	**684**	**72,928**	**6,872**	**662**	**(399)**	**(8,684)**	**2,000**	**74,063**

	Share capital £000	Share premium account £000	Merger reserve £000	Capital reserve £000	Own shares £000	Accumulated losses £000	Non-controlling interests £000	Total £000
At 1 January 2016 (audited)	665	71,239	6,872	662	(489)	(8,869)	19,404	89,484
Issue of share capital (note 11)	4	–	–	–	–	–	–	4
Share premium arising on issue of share capital	–	237	–	–	–	–	–	237
Profit for the financial period	–	–	–	–	–	4,755	231	4,986
Dividends paid (note 5)	–	–	–	–	–	(4,622)	–	(4,622)
Actuarial losses on defined benefit pension schemes	–	–	–	–	–	(17,901)	–	(17,901)
Tax on items taken to equity	–	–	–	–	–	3,003	–	3,003
Losses on cash flow hedges	–	–	–	–	–	(884)	–	(884)
Foreign exchange translation differences	–	–	–	–	–	3,952	164	4,116
Movement in share-based payments	–	–	–	–	–	129	–	129
Movement in own shares	–	–	–	–	(98)	–	–	(98)
Sale and closure of non-life operations	–	–	–	–	–	–	(17,954)	(17,954)
Other movements	–	–	–	–	–	115	286	401
At 30 June 2016 (unaudited)	669	71,476	6,872	662	(587)	(20,322)	2,131	60,901

Own shares comprise 384,315 (30 June 2016: 619,994; 31 December 2016: 311,120) shares held by the Charles Taylor Employee Share Ownership Plan Trust (ESOP). The market value of these shares was £0.9m (30 June 2016: £1.5m; 31 December 2016: £0.8m) at the balance sheet date.

The trustee of the ESOP is Summit Trust International SA, an independent professional trust company registered in Switzerland. The ESOP is a discretionary trust for the benefit of employees of the Group and provides a source of shares to distribute to the Group's employees (including executive directors and officers) under the Group's various bonus and incentive schemes, at the discretion of the trustee acting on the recommendation of a committee of the Board.

The assets, liabilities, income and costs of the ESOP are incorporated into the condensed set of financial statements.

There are no significant restrictions on the ability of subsidiaries to transfer funds to the parent in the form of cash dividends or to repay loans or advances other than company law requirements dealing with distributable profits, and in the case of the insurance companies' regulatory permissions and solvency limits.

Notes to the Condensed Set of Financial Statements

1. General information

These condensed interim financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2016 were approved by the board of directors on 8 March 2017 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006. These condensed interim financial statements have been reviewed, not audited.

2. Accounting policies

Basis of preparation

These condensed interim financial statements for the six months ended 30 June 2017 have been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and with IAS 34, 'Interim financial reporting', as adopted by the European Union. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2016, which have been prepared in accordance with IFRSs as adopted by the European Union.

Going concern

The directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed financial statements.

Accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as described below:
- A number of amendments to IFRSs became effective for the financial year beginning on 1 January 2017, however the group did not have to change its accounting policies or make material retrospective adjustments as a result of adopting these new standards.
- Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

3. Segmental information

Identification of segments

For management and internal reporting purposes the Group is currently organised into four operating businesses whose principal activities are as follows:
- Management Services business – provides end-to-end management services to insurance companies, mutuals and associations.
- Adjusting Services business –provides loss adjusting services across the aviation, energy, marine, property & casualty and special risks sectors.
- Insurance Support Services business – provides a wide range of professional, technology and support services, enabling our clients to select the specific services they require.
- Owned Life Insurers business – consolidates life insurance businesses which are primarily in run-off, creating value through targeted acquisitions and operational efficiency.

Management information about these businesses is regularly provided to the Group's chief operating decision maker to assess their performance and to make decisions about the allocation of resources. Accordingly, these businesses correspond with the Group's operating segments under IFRS 8 Operating Segments. Businesses forming part of each business which might otherwise qualify as reportable operating segments have been aggregated where they share similar economic characteristics and meet the other aggregation criteria in IFRS 8.

In the Management Services business, a higher proportion of revenue arises in the second half of the financial year. There is no significant seasonality or cyclicality in the other businesses.

Measurement of segmental results and assets

Transactions between reportable segments are accounted for on the basis of the contractual arrangements in place for the provision of goods or services between segments and in accordance with the Group's accounting policies. Reportable segment results and assets are also measured on a basis consistent with the Group's accounting policies. Operating profit for the individual segments includes an allocation of central costs. The Adjustments column includes elimination of inter-segment revenue, share of results of associates and the adjustments set out in the Financial Review. Reconciliations of segmental results to the group profit before tax are set out below.

Information about major customers

The Group derived revenue of £18.0m (to 30 June 2016: £17.2m, full year 2016: £34.3m) from one external customer which accounts for more than 10% of group revenue, included in the Management Services business.

	Professional Services businesses					**Owned Life Insurers**	**Adjustments**	**Group**
Six months to 30 June 2017 Continuing operations	**Management Services £000**	**Adjusting Services £000**	**Insurance Support Services £000**	**Unallocated £000**	**Total £000**	**Insurance Companies £000**	**Eliminations/ other £000**	**Total £000**
Revenue from external clients	**27,893**	**35,228**	**35,371**	**6**	**98,498**	**2,178**	**–**	**100,676**
Revenue from other operating segments	**–**	**–**	**2,050**	**–**	**2,050**	**–**	**(2,050)**	**–**
Total revenue	**27,893**	**35,228**	**37,421**	**6**	**100,548**	**2,178**	**(2,050)**	**100,676**
Depreciation and amortisation	**(130)**	**(360)**	**(1,788)**	**–**	**(2,278)**	**(137)**	**–**	**(2,415)**
Other expenses	**(24,221)**	**(33,211)**	**(34,246)**	**(6)**	**(91,684)**	**(1,748)**	**(1,371)**	**(94,803)**
Operating profit/(loss)	**3,542**	**1,657**	**1,387**	**–**	**6,586**	**293**	**(3,421)**	**3,458**
Investment and other income								**447**
Finance costs								**(799)**
Profit before tax								**3,106**

	Professional Services businesses					Owned Life Insurers	Adjustments	Group
Six months to 30 June 2016 Continuing operations	Management Services £000	Adjusting Services £000	Insurance Support Services £000	Unallocated £000	Total £000	Insurance Companies £000	Eliminations/ other £000	Total £000
Revenue from external clients	25,366	31,676	14,641	–	71,683	2,313	–	73,996
Revenue from other operating segments	–	–	1,393	–	1,393	–	(1,393)	–
Total revenue	25,366	31,676	16,034	–	73,076	2,313	(1,393)	73,996
Depreciation and amortisation	(349)	(639)	(253)	–	(1,241)	(224)	–	(1,465)
Other expenses	(21,749)	(29,483)	(13,426)	(273)	(64,931)	(2,033)	154	(66,810)
Operating profit	3,268	1,554	2,355	(273)	6,904	56	(1,239)	5,721
Investment and other income								182
Finance costs								(605)
Profit before tax								5,298

	Professional Services businesses					Owned Life Insurers	Adjustments	Group
Year to 31 December 2016 Continuing operations	Management Services £000	Adjusting Services £000	Insurance Support Services £000	Unallocated £000	Total £000	Insurance Companies £000	Eliminations/ Other £000	Total £000
Revenue from external clients	54,746	65,420	44,380	5	164,551	4,713	–	169,264
Revenue from other operating segments	–	–	2,664	–	2,664	–	(2,664)	–
Total revenue	54,746	65,420	47,044	5	167,215	4,713	(2,664)	169,264
Depreciation and amortisation	(1,003)	(1,282)	(973)	–	(3,258)	(379)	–	(3,637)
Other expenses	(45,091)	(62,314)	(42,247)	(5)	(149,657)	(2,327)	(2,406)	(154,390)
Operating profit/(loss)	8,652	1,824	3,824	–	14,300	2,007	(5,070)	11,237
Investment and other income								823
Finance costs								(1,333)
Profit before tax								10,727

	At 30 June 2017 £000			At 30 June 2016 £000			At 31 December 2016 £000		
	Professional Services businesses	Owned Life Insurers	Group	Professional Services businesses	Owned Life Insurers	Group	Professional Services businesses	Owned Life Insurers	Group
Management Services business	6,269	–	6,269	2,544	–	2,544	3,643	–	3,643
Adjusting Services business	199,662	–	199,662	179,237	–	179,237	209,560	–	209,560
Insurance Support Services business	117,763	–	117,763	62,521	–	62,521	106,021	–	106,021
Unallocated assets and eliminations	25,159	–	25,159	26,346	–	26,346	20,427	–	20,427
Owned Insurance Companies business	–	1,136,970	1,136,970	–	1,133,866	1,133,866	–	1,252,989	1,252,989
Total assets	348,853	1,136,970	1,485,823	270,648	1,133,866	1,404,514	339,651	1,252,989	1,592,640
Non-current assets	122,230	1,835	124,065	84,989	2,153	87,142	120,037	1,972	122,009
Current assets	226,623	1,135,135	1,361,758	185,659	1,131,713	1,317,372	219,614	1,251,017	1,470,631
Total assets	348,853	1,136,970	1,485,823	270,648	1,133,866	1,404,514	339,651	1,252,989	1,592,640
Current liabilities	(193,186)	(1,124,468)	(1,317,654)	(153,488)	(1,112,511)	(1,265,999)	(172,732)	(1,236,898)	(1,409,630)
Deferred consideration	(5,745)	–	(5,745)	(1,641)	(8,072)	(9,713)	(2,979)	–	(2,979)
Net current assets	27,692	10,667	38,359	30,530	11,130	41,660	43,903	14,119	58,022
Non-current liabilities	(84,666)	–	(84,666)	(62,095)	–	(62,095)	(102,825)	–	(102,825)
Deferred consideration	(3,695)	–	(3,695)	(1,374)	(4,432)	(5,806)	(4,612)	(2,432)	(7,044)
Total liabilities	(287,292)	(1,124,468)	(1,411,760)	(218,598)	(1,125,015)	(1,343,613)	(283,148)	(1,239,330)	(1,522,478)
Net assets	61,561	12,502	74,063	52,050	8,851	60,901	56,503	13,659	70,162
Non-controlling interests	(2,000)	–	(2,000)	(2,131)	–	(2,131)	(2,138)	–	(2,138)
Equity attributable to owners of the Company	59,561	12,502	72,063	49,919	8,851	58,770	54,365	13,659	68,024

	Revenue			Non-current assets[1]		
Geographical information	Six months to 30 June 2017 £000	Six months to 30 June 2016 £000	Year to 31 December 2016 £000	At 30 June 2017 £000	At 30 June 2016 £000	At 31 December 2016 £000
United Kingdom	41,088	21,949	59,467	96,396	64,730	96,813
Other Europe	9,167	5,557	11,381	6,866	3,071	2,683
Middle East	2,162	1,909	3,885	153	117	116
North America	8,390	6,921	14,462	6,756	6,715	6,918
Central and South America	2,490	2,778	5,483	182	193	180
Asia Pacific	9,286	8,347	17,676	1,452	1,585	1,637
Bermuda	28,093	26,535	56,910	886	874	955
	100,676	73,996	169,264	112,691	77,285	109,302

1. Excluding deferred tax.

4. Income tax expense

Income tax expense is recognised based on management's estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the year to 31 December 2017 is nil (the estimated tax rate for the six months ended 30 June 2016 was 5.2%).

5. Dividends

	Six months to 30 June 2017 £000	Six months to 30 June 2016 £000	Year to 31 December 2016 £000
Ordinary dividends paid comprise:			
Final dividend (2016: 7.35p)	4,974	–	–
Second interim dividend paid (2015: 7.0p)	–	4,622	4,622
Interim dividend paid (2016: 3.15p)	–	–	2,110
	4,974	4,622	6,732

The interim dividend of 3.31p per share was approved by the Board on 5 September 2017 and has not been included as a liability as at 30 June 2017.

6. Earnings per share

The earnings and weighted average number of shares used in the calculation of earnings per share are as shown below. The shares held by the ESOP have been excluded from the calculation because the trustees have waived the right to dividends on these shares.

	Six months to 30 June 2017 £000	Six months to 30 June 2016 £000	Year to 31 December 2016 £000
Earnings			
Earnings for the purposes of basic and diluted earnings per share from continuing operations	**3,113**	4,756	10,541

	Number	Number	Number
Number of shares			
Weighted average number of ordinary shares for the purposes of basic earnings per share	67,434,793	66,113,754	66,526,347
Effect of dilutive potential ordinary shares:			
Share options	752,853	480,693	473,825
Weighted average number of ordinary shares for the purposes of statutory diluted earnings per share	68,187,646	66,594,447	67,000,172

7. Goodwill

Goodwill has reduced since the year end, by £0.8m due to the impact of foreign exchange differences and revised figures for acquisitions within 12 months.

8. Other intangible assets

During the period a further £2.6m of IT assets were capitalised and a value of business acquired (VOBA) of £4.9m recognised, arising on the acquisition of a life insurance business (see note 9). These additions, net of amortisation result in an increase in other intangible assets of £3.8m.

9. Acquisition of subsidiary

Closed book of Zurich International Portfolio Bonds and Allied Dunbar International Fund Managers Limited

On 28 April 2017, Charles Taylor Group completed the acquisition of the closed book of Zurich International Portfolio Bonds (the Book) from Zurich International Life Limited and 100% of the equity of Allied Dunbar International Fund Managers Limited (ADIFM) from Zurich Insurance Company Ltd.

The transaction will enable Charles Taylor to increase its revenue by managing the closed book and by providing policy administration services. The acquisition of ADIFM, which manages a collective investment scheme, will also enable Charles Taylor to generate fund management revenues and further extend its range of professional services by entering the international fund administration services market. Charles Taylor Group's wholly owned Isle of Man life insurance subsidiary, LCL International Life Assurance Company Limited, will reinsure the Book and subsequently accept the legal transfer of the majority of the Book, subject to regulatory and court approval.

ADIFM has been renamed as Charles Taylor International Fund Managers (IoM) Limited.

As the reinsurance agreement for the Book had an effective date of 1 January 2017, a full year`s worth of surplus will be recognised in 2017. The acquisitions have contributed £1.3m revenue and £0.7m profit before tax to the Group since the effective acquisition date. The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

9. Acquisition of subsidiary (continued)

	The Book plus ADIFM		
	Carrying amount before acquisition £000	Adjustments £000	Amount recognised at acquisition £000
Investment contract assets	271,299	–	271,299
Cash and cash equivalents	1,177	–	1,177
Loans and receivables	584	–	584
Investment contracts unit linked liabilities	(271,253)	–	(271,253)
Other creditors	(723)	(84)	(807)
Identifiable assets and liabilities	1,084	(84)	1,000
VOBA			4,909
Goodwill			–
Consideration			5,909
Satisfied by:			
Initial cash consideration			2,518
Deferred consideration			3,391
Consideration			5,909

Deferred consideration

Included in the opening deferred consideration of £11.7m, as set out below, is an amount of £1.7m included within the total liabilities in insurance businesses. Acquisitions include the Book from Zurich, as described above, offset by revisions for acquisitions within 12 months. £5.7m of the total is due within one year.

	Deferred consideration £000
At 1 January 2017	11,694
Acquisitions	2,742
Amounts paid	(2,529)
Revaluation through profit or loss	(2,574)
Interest unwind	107
At 30 June 2017	9,440

10. Bank overdrafts and loans

Loans raised during the period amounted to £49.3m (to 30 June 2016: £2.0m, full year 2016: £40.6m) and repayments on loans amounted to £52.8m (to 30 June 2016: £11.8m, full year 2016: £12.6m). The Group's senior banking facilities were renewed on 7 November 2013 for a five-year term.

11. Called-up share capital

	At 30 June 2017 £000	At 30 June 2016 £000	At 31 December 2016 £000
Issued and fully paid:			
68,405,170 ordinary shares of 1p each (30 June 2016: 66,937,097, 31 December 2016: 67,357,957)	**684**	669	674

The number of allotted and fully paid shares of the Company increased during the six month period to 30 June 2017 due to:

- 865,945 shares issued under employee share schemes; and
- 181,268 shares issued to former owners of the KLA Group under deferred consideration arrangements.

12. Notes to the condensed consolidated cash flow statement

	Six months to 30 June 2017 £000	Six months to 30 June 2016 £000	Year to 31 December 2016 £000
Operating profit	**3,458**	5,721	11,237
Adjustments for:	**936**	595	1,403

Depreciation of property, plant and equipment			
Amortisation of intangibles	**3,734**	1,820	5,253
Other non-cash items	**(1,384)**	862	(85)
Decrease in provisions	**(1,442)**	(1,186)	(2,334)
Share of results of associates and joint ventures	**434**	481	1,028
Operating cash flows before movements in working capital	**5,736**	8,293	16,502
Increase in receivables	**(8,670)**	(10,418)	(10,296)
Increase in payables	**15,677**	20,605	3,612
Decrease/(increase) in insurance company assets	**385,883**	(43,793)	(163,732)
Decrease/(increase) in insurance company liabilities	**(382,430)**	46,000	169,841
Cash generated by operations	**16,196**	20,687	15,927
Income taxes paid	**(829)**	(92)	(922)
Interest paid	**(973)**	(529)	(597)
Net cash before movement in client funds	**14,394**	20,066	14,408
Movement in client funds	**(6,281)**	26,689	56,792
Net cash from operating activities	**8,113**	46,755	71,200

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash at bank and other short-term highly liquid investments with a maturity of three months or less. Cash includes client funds of £118.9m (30 June 2016: £95.1m, 31 December 2016: £125.2m).

13. Net debt

	At 30 June 2017 £000	At 30 June 2016 £000	At 31 December 2016 £000
Cash and cash equivalents	**138,675**	109,620	141,436
Less: client funds	**(118,917)**	(95,095)	(125,198)
Bank overdrafts	**(13,979)**	(4,520)	(8,736)
Current loans	**(7,913)**	(1,275)	(1,266)
Non-current bank loans	**(33,411)**	(5,426)	(43,670)
Finance leases	**(35)**	(50)	(41)
	(35,580)	3,254	(37,475)

14. Financial instruments

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of the Group's financial assets and liabilities are determined as follows:

- For those financial assets and liabilities that are cash, short-term trade receivables or payables, or funds held at Lloyd's, carrying amount is a reasonable approximation of fair value.
- The preference shares investment is held to maturity.
- Retirement benefit obligations are valued by independent actuaries in accordance with IFRS.
- The Group's remaining financial assets and liabilities are measured, subsequent to initial recognition, at fair value, and they can be grouped into Levels 1 to 3 based on the degree to which the fair value is observable:
  - Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
  - Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
  - Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value hierarchy

For each of the assets in the table below, carrying value is a reasonable approximation to fair value. Excluding financial assets and liabilities of insurance companies, there were no Level 1 assets, no transfers between Level 1 and 2 during the period, nor were there any valuation changes. All movements in the asset or liability values below are through profit or loss, including any revaluation of deferred consideration (see note 9). The deferred consideration amounts below do not include amounts held in insurance company liabilities.

	At 30 June 2017			At 30 June 2016			At 31 December 2016		
	Level 2 £000	**Level 3 £000**	**Total £000**	Level 2 £000	Level 3 £000	Total £000	Level 2 £000	Level 3 £000	Total £000
Funds at Lloyd's	**–**	**3,585**	**3,585**	–	2,783	2,783	–	3,120	3,120

Preference shares held to maturity	**–**	**3,793**	**3,793**	–	3,277	3,277	–	3,562	3,562
Trade debtors	**–**	**37,433**	**37,433**	–	34,274	34,274	–	35,560	35,560
Accrued income	**–**	**28,683**	**28,683**	–	25,310	25,310	–	27,797	27,797
Deferred consideration	**–**	**(9,440)**	**(9,440)**	–	(15,519)	(15,519)	–	(10,023)	(10,023)
FX forward contracts	**78**	**–**	**78**	(906)	–	(906)	(395)	–	(395)
	78	**64,054**	**64,132**	(906)	50,125	49,219	(395)	60,016	59,621

The fair values of the financial assets and liabilities included in the Level 2 category have been independently valued by the Royal Bank of Scotland and HSBC based on observable market conditions prevailing at the valuation date, including relevant foreign exchange rates and the zero-coupon yield curve.

The fair values of the financial assets and liabilities included in the Level 3 category above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis with the most significant inputs being the discount rate that reflects substantially the same terms and characteristics including the credit quality of the instrument:

- Trade debtors are reduced by a discount to reflect the time value of money at a discount rate of 3.25% (30 June 2016: 2.75%, 31 December 2016: 2.75%) that reflects the Group's debt funding rate over the relevant maturities.
- Accrued income is uplifted by 5.27% for anticipated unrecorded income, which is based on average over-recovery of unrecorded income during 2015, and then discounted for the time value of money at 3.25% (30 June 2016: 2.75%, 31 December 2016: 2.75%)
  that reflects the Group's debt funding rate over the relevant maturities.
- Deferred consideration is reduced by a discount to reflect the time value of money at a discount rate of 2.49% (30 June 2016: 3.39%, 31 December 2016: 2.90%) that reflects the Group's debt funding rate over the relevant maturities.

The sensitivity of the fair values of trade debtors and accrued income to changes in the discount rate is negligible, irrespective of the change in discount rate. The sensitivity of the fair value of deferred consideration to reasonably likely changes in the discount rate is immaterial.

15. Pensions

The Group contributes to a number of defined benefit pension schemes on behalf of employees. The present value of the retirement benefit obligation at 30 June 2017 has been arrived at by recalculating the 31 December 2016 liabilities using the financial assumptions at 30 June 2017 and rolling forward the liability, allowing for interest and benefit accrual to 30 June 2017. The value of plan assets represents the bid value of invested assets at 30 June 2017 plus cash balances held.

The financial assumptions used to calculate scheme liabilities under IAS 19R *Employee benefits* are as follows:

	At 30 June 2017 %	At 30 June 2016 %	At 31 December 2016 %
Rate of increase in salaries	**3.00**	3.00	3.00
Rate of increase of pensions in payment			
– RPI			
– max 5%, min 0%	**3.20**	2.90	3.30
– max 2.5%, min 0%	**2.20**	2.10	2.20
– max 5%, min 3%	**3.70**	3.50	3.70
– CPI			
– max 5%, min 0%	**2.30**	2.10	2.40
– max 2.5%, min 0%	**1.80**	1.70	1.90
Discount rate	**2.60**	2.70	2.60
Inflation assumption			
– RPI	**3.30**	3.00	3.40
– CPI	**2.30**	2.00	2.40

Amount recognised in the balance sheet in respect of the Group's retirement benefit obligations

	At 30 June 2017 £000	At 30 June 2016 £000	At 31 December 2016 £000
Total market value of assets	**100,443**	92,526	95,364
Actuarial value of liability	**(142,779)**	(146,630)	(145,531)
Restrictions on asset recognised	**(2,143)**	(1,921)	(1,983)
Overseas retirement benefit obligation	**(328)**	(257)	(317)

Net liability recognised in the balance sheet	**(44,807)**	(56,282)	(52,467)
Related deferred tax asset	**7,641**	10,147	8,945
Pension liability net of related deferred tax asset	**(37,166)**	(46,135)	(43,522)

16. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. There have been no material transactions with associated undertakings in the period.

17. Events after the balance sheet date

These events are outlined in the Group CEO's Review.

Forward-looking statements

This interim report contains certain forward-looking statements. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will or may occur in the future. Actual results may differ from those expressed in such statements, depending on a variety of factors, including demand and pricing; operational problems; general economic conditions; political stability and economic growth in relevant areas of the world; changes in laws and governmental regulations; exchange rate fluctuations and other changes in business conditions; the actions of competitors and other factors.

Responsibility Statement

The directors' confirm that these condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

The directors of Charles Taylor plc are listed in the Charles Taylor plc Annual Report for 31 December 2016. A list of current directors is maintained on the Charles Taylor plc website: www.ctplc.com

By order of the Board

David Marock
Group Chief Executive Officer

Mark Keogh
Group Chief Financial Officer

Independent Review Report to Charles Taylor plc

Report on the Condensed Consolidated Interim Financial Statements

Our conclusion

We have reviewed Charles Taylor plc's Condensed Consolidated Interim Financial Statements (the "interim financial statements") in the half year report of Charles Taylor plc for the 6 month period ended 30 June 2017. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the Condensed Consolidated Balance Sheet as at 30 June 2017;
- the Condensed Consolidated Income Statement and Condensed Consolidated Statement of Comprehensive Income for the period then ended;
- the Condensed Consolidated Cash Flow Statement for the period then ended;
- the Condensed Consolidated Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the half year report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The half year report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half year report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the half year report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the half year report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP

London
5 September 2017