LCCG Holdings (No 4) Limited

Annual Report and Audited Financial Statements

For the year ended 31 December 2017

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For the year ended 31 December 2017

Contents

LCCG Holdings (No 4) Limited

Company Information

For the year ended 31 December 2017

Directors
Paul Thompson
Ian Maidens
Christopher Boehringer
Harry Smith

Secretary
C. L. Secretaries Limited
1st and 2nd Floors
Elizabeth House
Les Ruettes Brayes
St Peter Port
Guernsey
GY1 1EW

Registered Office
1st and 2nd Floors
Elizabeth House
Les Ruettes Brayes
St Peter Port
Guernsey
GY1 1EW

Registered in Guernsey
Company Number
61518

Independent Auditor
PricewaterhouseCoopers LLC
Sixty Circular Road
Douglas
Isle of Man
IM1 1SA

Principal Bankers
The Royal Bank of Scotland International Limited
Royal Bank Place
1 Glategny Esplanade
St Peter Port
Guernsey
GY1 4BQ

Directors' report

For the year ended 31 December 2017

The Directors present the annual report and audited financial statements of LCCG Holdings (No 4) Limited (the "Company") for the year ended 31 December 2017.

The Company was incorporated in Guernsey within the meaning of section 2(1)(a) of the Companies (Guernsey) Law, 2008. The Company was incorporated on 13 January 2016.

The Company is part of a group which comprises the Company, its parent company Life Company Consolidation Group (No 2) Limited and its direct subsidiary LCCG Holdings (No 5) Limited, together with underlying subsidiary entities LCCG Holdings (No 6) Limited, LCCG UK Holdings Limited and the underlying direct subsidiary entities Utmost Holdings Limited and RL Holdings Limited (together the "Group").

Principal Activity
The principal activity of the Company is investment holding.

Going concern
The Directors of the Company have determined that it will continue in operational existence for the immediate future and therefore the financial statements have been prepared on a going concern basis. In making this assessment the Directors considered the nature and quantum of its assets and liabilities and also considered the basis on which the financial statements were prepared. In making the going concern assessment, the Directors considered the principal risks faced by the Company and the Group, its existing financial and operational resources and its overall solvency position.

Results and dividend
The result for the year is shown in the statement of comprehensive income on page 6. The Directors do not recommend the payment of a dividend.

Events after the year end
As detailed in note 13 to the financial statements, on 6 February 2017 it was announced that the Group had signed an agreement with Reliance Mutual Insurance Society Limited ("Reliance Mutual") under which it is proposed that Reliance Mutual would be demutualised and all its business transferred to the Group. The proposed transaction has been approved by Reliance members and received High Court approval on 15 March 2018 and is expected to complete on 1 April 2018.

The share capital of RL Holdings Limited, into which the transfer of Reliance Mutual business is to take place, was sold by LCCG UK Holdings Limited on 22 March 2018 to LCCG UK (RL) Limited for £4,010,000. LCCG UK (RL) Limited is an indirect subsidiary of the Life Company Consolidation Group Limited, a company analogous to Life Company Consolidation Group (No 2) Limited specialising in the acquisition and consolidation of life assurance businesses.

On 23 March 2018, RL Holdings Limited was renamed Reliance Life Holdings Limited, LCCG New Lifeco Limited was renamed as Reliance Life Limited, and LCCG New Servco Limited was renamed as Reliance Life Services Limited.

Directors and Company Secretary
The Directors and secretary who held office during the year and to date are noted on page 1.

The Company Secretary had no beneficial interests in the shares of any group company. Two directors Paul Thompson and Ian Maidens have an equity interest in certain group entities. Details of these interests are disclosed in note 11 to the financial statements.

LCCG Holdings (No 4) Limited

Directors' report

For the year ended 31 December 2017

Directors' responsibilities for the financial statements
The Directors are responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with applicable Guernsey law and United Kingdom Accounting Standards, comprising Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101"), of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed 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 confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records which 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 (Guernsey) Law, 2008. 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.

Disclosure of information to auditor
The Directors who held office at the date of approval of this directors report confirm that, so far as they each are aware, there is no relevent audit information of which the Company's auditor is unaware, and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Independent Auditor
PricewaterhouseCoopers LLC has indicated its willingness to continue in office.

For and on behalf of the Board of Directors:

Director	Director
27/3/18	27/3/18
Date	Date

Independent Auditor's Report to the Members of LCCG Holdings (No 4) Limited

Report on the audit of the financial statements

Our opinion
In our opinion, LCCG Holdings (No 4) Limited's (the “Company”) financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its loss for the year then ended in accordance with United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework" and have been properly prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

What we have audited
The Company’s financial statements comprise:

- The statement of financial position as at 31 December 2017;
- The statement of comprehensive income for the year then ended;
- The statement of changes in equity for the year then ended; and
- The notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (“ISAs”). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (“IESBA Code”). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other information
The directors are responsible for the other information. The other information comprises the Annual Report (but does not include the financial statements and our auditor’s report thereon).

Our opinion on the financial statements does not cover the other information and 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 identified above 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors for the financial statements
The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with United Kingdom Accounting Standards, the requirements of Guernsey law 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 relating 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.

The directors are responsible for overseeing the Company’s financial reporting process.

Independent Auditor's Report to the Members of LCCG Holdings (No 4) Limited (continued)

Report on the audit of the financial statements (continued)

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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

Under The Companies (Guernsey) Law, 2008 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit;
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 262 of The Companies (Guernsey) Law, 2008 and for no other purpose. We do not, in giving this opinion, 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.

PricewaterhouseCoopers LLC

PricewaterhouseCoopers LLC
Chartered Accountants
Douglas, Isle of Man

27 March 2018

LCCG Holdings (No 4) Limited

Statement of Comprehensive Income

For the year ended 31 December 2017

	Notes	Year ended 31 Dec 17 £	Restated 13 Jan 16 to 31 Dec 16 £
Revenue			
Interest income		-	1,746
Total revenue		-	1,746
Administrative expenses	3		
Accounting fees		-	(8,750)
Administration fees		-	(7,564)
Bank charges		(136)	(17)
Finance costs	4	-	(385,753)
Insurance		-	(22,000)
Professional fees		(1,300,202)	(1,172,266)
Secretarial fees		-	(13,250)
Sundry expenses		-	(963)
Total operating expenses		(1,300,338)	(1,610,563)
Loss for the financial year/ period before tax		**(1,300,338)**	**(1,608,817)**
Tax charge	5	-	-
Loss for the financial year/ period after tax		**(1,300,338)**	**(1,608,817)**
Total comprehensive loss for the financial year/ period		**(1,300,338)**	**(1,608,817)**

The loss for the year / period and the total comprehensive loss for the year / period is wholly attributable to the shareholders of the Company.

Income and expenses for the year / period derive wholly from continuing operations.

The notes on pages 9 to 16 form an integral part of these financial statements.

LCCG Holdings (No 4) Limited

Statement of Financial Position

As at 31 December 2017

	Notes	2017	Restated 2016
		£	£
ASSETS			
Investment in subsidiary undertaking	6	116,010,000	111,010,000
Cash and cash equivalents		75,945	376,283
Total assets		**116,085,945**	**111,386,283**
EQUITY			
Called up share capital presented as equity	7	95,219	95,213
Share premium	8	118,899,881	112,899,887
Retained deficit		(2,909,155)	(1,608,817)
Total equity		**116,085,945**	**111,386,283**
Total equity and liabilities		**116,085,945**	**111,386,283**

The financial statements on pages 6 to 16 were approved and authorised for issue by the Board of Directors on 27 March 2018 and signed on its behalf by:

Director

Director

The notes on pages 9 to 16 form an integral part of these financial statements.

LCCG Holdings (No 4) Limited

Statement of Changes in Equity

For the year ended 31 December 2017

	Called up share capital presented as equity £	Share premium £	Retained deficit £	Total £
Balance as at 13 January 2016	-	-	-	-
Total comprehensive loss for the period - restated	-	-	(1,608,817)	(1,608,817)
Share capital issued during the financial period	95,213		-	95,213
Premium on shares issued during the financial period	-	112,899,887	-	112,899,887
Balance as at 31 December 2016 - restated	**95,213**	**112,899,887**	**(1,608,817)**	**111,386,283**
Total comprehensive loss for the year	-	-	(1,300,338)	(1,300,338)
Share capital issued during the financial year	6		-	6
Premium on shares issued during the financial year	-	5,999,994	-	5,999,994
Balance as at 31 December 2017	**95,219**	**118,899,881**	**(2,909,155)**	**116,085,945**

The notes on pages 9 to 16 form an integral part of these financial statements.

LCCG Holdings (No 4) Limited

Notes to the Financial Statements

For the year ended 31 December 2017

1 Significant Accounting Policies

The principal accounting policies that the Company applied in preparing its financial statements for the financial year ended 31 December 2017 are set out below.

1.1 Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). They give a true and fair view and are in compliance with the Companies (Guernsey) Law, 2008 as amended.

The financial statements have been prepared under the historical cost convention. The financial statements are presented in Pounds Sterling.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a cash flow statement and related notes;
- new accounting standards issued but not yet effective which have not been applied;
- financial instrument disclosures;
- fair value measurement disclosures; and
- capital management disclosures.

The comparative figures cover the period of incorporation from 13 January 2016 to 31 December 2016.

Consolidation

The Company has not prepared consolidated financial statements as its results are included in the consolidated financial statements of Life Company Consolidation Group (No 2) Limited, parent company of the Group, which are publicly available from its registered office at 1st and 2nd Floors, Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey, GY1 1EW. The subsidiary companies have been informed and not objected to, intermediate holding companies not presenting consolidated financial statements. A subsidiary is an entity of which the Company has power, directly or indirectly, to govern the financial and operating policies so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered in assessing whether the Company controls the entity.

Going concern

At the time of preparing and approving the financial statements, the Directors have a reasonable expectation that the Company has sufficient resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

1 Significant Accounting Policies (continued)

1.2 Foreign currency translation

1.2.1 Functional and presentation currency

The Company's presentational and functional currency is Pounds Sterling, being the primary economic environment in which the Company operates.

1.2.2 Transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the presentational currency rate of exchange ruling at the year-end date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the retranslation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

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.

1.3 Investment in subsidiary undertakings

Subsidiaries are entities controlled directly or indirectly by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investments in subsidiary undertakings are accounted for at cost less impairment.

1.4 Financial assets

Financial assets are classified into loans and receivables. Management determines the classification of financial assets at initial recognition when the Company becomes party to the contractual provisions of an instrument.

1.4.1 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which are not classified as available for sale. They arise when the Company places money with another entity and are initially recognised at fair value including direct and incremental transaction costs and subsequently carried on an amortised cost basis. Loans and receivables comprise of cash and cash equivalents.

1.4.2 Impairment of financial assets

It is Company policy to make provisions for impairment of financial assets to reflect the losses inherent in those assets at the end of the reporting period.

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a portfolio of financial assets is impaired. A financial asset or a portfolio of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more loss events that occurred after the initial recognition of the asset and that loss event (or events) has had an impact such that the estimated present value of future cash flows is less than the current carrying value of the financial asset, or portfolio of financial assets, and can be reliably measured.

The Company's main asset to consider for impairment is the investment in its subsidiary entity. Accordingly the Company reviews the financial statements of its direct and underlying subsidiaries to asses whether any impairment provision is required.

1 Significant Accounting Policies (continued)

1.4 Financial assets (continued)

1.4.2 Impairment of financial assets (continued)

Objective evidence that a financial asset, or a portfolio of financial assets, is potentially impaired includes observable data that comes to the attention of the Company about the following loss events:

a) significant financial difficulty of the issuer or obligor;
b) a breach of contract, such as a default or delinquency in interest or principal payments;
c) the granting to the borrower of a concession, for economic or legal reasons relating to the borrower's financial difficulty, that the Company would not otherwise consider;
d) it becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
e) the disappearance of an active market for that financial asset because of financial difficulties; or
f) observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified within the individual financial assets in the portfolio, including:
   - adverse changes in the payment status of borrowers in the portfolio; or
   - national or local economic conditions that correlate with defaults on the assets in the portfolio.

1.4.3 De-recognition of financial assets

A financial asset is de-recognised where:

a) the rights to receive cash flows from the assets have expired;
b) the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a ‘pass-through’ arrangement; or
c) the Company has transferred its rights to receive cash flows from the asset and either (i) has transferred substantially all the risks and rewards of the asset, or (ii) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

1.5 Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Income and expenses are not offset in the statement of comprehensive income unless required or permitted by an international financial reporting standard or interpretation, as specifically disclosed in the accounting policies of the Company.

1.6 Taxation

Current tax payable is the expected tax payable on the taxable income for the period adjusted for changes to previous periods and is calculated based on the applicable tax law in the relevant tax jurisdiction.

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in previous periods.

Tax assets and liabilities are only offset when they arise in the same reporting group for tax purposes and where there is both the legal right and intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.7 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and deposits with a maturity of less than three months.

1 Significant Accounting Policies (continued)

1.8 Expenses recognition

1.8.1 Finance costs

Interest payable is recognised in the statement of comprehensive income as it accrues and is calculated by using the effective interest method.

1.8.2 Other expenses

Fees and other expenses are recognised on an accruals basis.

2 Subsidiary

The Company has an investment in the following subsidiary:

Subsidiary	Date of acquisition	Registered address / business address	Nature of business	Shares held
LCCG Holdings (No 5) Limited	15 Jan 16 (incorporation date)	1st and 2nd Floors Elizabeth House Les Ruettes Brayes St Peter Port, Guernsey	Investment holding	100% of issued share capital

3 Administrative expenses

Administrative expenses of the Company are partially borne by LCCG Holdings (No 6) Limited, an underlying group subsidiary holding company, as detailed in note 9.

In addition to its own expenses the Company has borne the administrative expenses of various other Group entities as detailed in note 9.

The fees paid to the auditor in LCCG Holdings (No 6) Limited of £51,950 (2016:£65,200) are made up of £11,350 (2016:£14,000) for audit fees for LCCG Holdings (No 4) Limited, LCCG Holdings (No 5) Limited, LCCG Holdings (No 6) Limited and Life Company Consolidation Group (No 2) Limited together with £3,100 (2016:£3,000) for bank covenant reporting and £37,500 (2016:£48,200) for audit of the Market Consistent Embedded Value ("MCEV") financial information of LCCG Holdings (No 5) Limited. In addition £315,000 of fees were paid by the Company and £100,000 by LCCG Holdings (No 6) Limited to other PWC member firms for advice relating to tax compliance and the acquisition of Reliance Mutual (2016:£nil).

4 Finance costs

	Year ended 31 Dec 17	13 Jan 16 to 31 Dec 16
	£	£
Bank loan facility fee	-	385,753
	-	**385,753**

As detailed in note 3 the Company has borne some expenses of other Group entities on their behalf. On 27 April 2016 LCCG Holdings (No 6) Limited entered into a loan facility agreement with Lloyds Bank Plc to borrow £80,000,000 to facilitate the acquisition of the AXA Isle of Man group of companies, which was utilised and drawn down on 20 October 2016. A bank loan facility fee was payable for the period from agreement to utilisation of the loan that has been borne by the Company on behalf of LCCG Holdings (No 6) Limited. This amount is included in the related parties transactions detailed in note 9.

5 Taxation

	Year ended 31 Dec 17	13 Jan 16 to 31 Dec 16
	£	£
Current taxation	-	-

The Company pays Guernsey income tax at the standard rate of 0% (2016: 0%).

6 Investments in subsidiary undertakings

	2017	Restated 2016
	£	£
At beginning of the financial year / period	111,010,000	-
Investments during the financial year / period	5,000,000	111,010,000
Balance at 31 December	116,010,000	111,010,000

The Company owns the entire issued share capital of LCCG Holdings (No 5) Limited.

7 Called up share capital presented as equity

	2017 Number	2016 Number
Allotted, called up and fully paid		
Ordinary shares of £1 each	95,000	95,000
S ordinary shares of £1 each	100	100
Preference shares of £0.000001 each	118,900,000	112,900,000
	118,995,100	**112,995,100**

The S ordinary shares and preference shares do not carry any voting rights or guaranteed dividends.

	2017	2016
	£	£
Ordinary shares of £1 each	95,000	95,000
S ordinary shares of £1 each	100	100
Preference shares of £0.000001 each	119	113
	95,219	**95,213**

The S ordinary shares and preference shares are redeemable at the option of the Company and do not carry any voting rights or guaranteed dividends. Payment of the Company's reserves can only be made in accordance with the Company's distribution terms as set out in the Company's Articles of Association. On winding up the preference shares have priority over S ordinary shares which in turn have priority over the ordinary shares.

The share premium represents the difference between issue price and par value.

7 Called up share capital presented as equity (continued)

The movements in the year were as follows:

	Ordinary Number	S Ordinary Number	Preference Number
At 13 January 2016	95,000	100	112,900,000
Issued during the financial period	-	-	
At 31 December 2016	**95,000**	**100**	**112,900,000**
Issued during the year	**-**	**-**	**6,000,000**
At 31 December 2017	**95,000**	**100**	**118,900,000**

	Ordinary £	S Ordinary £	Preference £	Total £
At 13 January 2016	95,000	100	113	95,213
Issued during the financial period	-	-	-	-
At 31 December 2016	**95,000**	**100**	**113**	**95,213**
Issued during the year	-	-	6	6
At 31 December 2017	**95,000**	**100**	**119**	**95,219**

The Ordinary shares issued are subject to security interests created pursuant to a Guernsey Law security interest agreement dated 20 October 2016 in favour of Lloyds Bank Plc and may not be dealt without the prior written consent of Lloyds Bank Plc.

8 Share premium

	2017 £	2016 £
At beginning of financial year/period	112,899,887	**-**
Premium on preference shares issued during the financial year/period	5,999,994	112,899,887
At 31 December	**118,899,881**	**112,899,887**

9 Related party transactions

Transactions with group companies

The Company undertakes transactions with related parties in the normal course of business. The transactions below are representative of intercompany transactions that took place during the financial year and year end balances.

2017	Notes	Expenses incurred £	Year end balance £
Life Company Consolidation Group Limited			
Administrative costs incurred by the Company	3	115,975	
Life Company Consolidation Group (No 2) Limited			
Share capital and share premium	7 & 8		(118,994,881)
LCCG Holdings (No 5) Limited			
Investment in subsidiary at cost less impairment	6		116,010,000
LCCG UK Limited			
Administrative costs incurred by the Company	3	4,934	
LCCG New Lifeco Limited			
Administrative costs incurred by the Company	3	120,000	

9 Related party transactions (continued)

2016	Notes	Expenses incurred	Period end balance
		£	£
Life Company Consolidation Group Limited			
Administrative costs incurred by the Company	-	-	
Life Company Consolidation Group (No 2) Limited	3	16,136	
Share capital and share premium	7 & 8		(112,995,100)
LCCG Holdings (No 5) Limited			
Administrative costs incurred by the Company	3	15,118	
Investment in subsidiary at cost less impairment	6		111,010,000
LCCG Holdings (No 6) Limited			
Administrative costs incurred by the Company	3	1,564,077	

Transactions with key management personnel

Key management personnel comprise persons who, at any time during the year ended 31 December 2017, were members of the Board of Directors.

Two directors Paul Thompson and Ian Maidens have an equity interest in certain parent company entities which are detailed in note 11.

There were no other related party transactions involving any directors during the year/period other than those detailed above.

10 Immediate parent and ultimate controlling party

The immediate parent is Life Company Consolidation Group (No 2) Limited and the ultimate parent company which maintains a majority controlling interest in the group is recognised by the directors as OCM LCCG2 Holdings Limited, a Cayman Island incorporated entity.

The parent undertaking of the largest and smallest group which includes the Company and for which group financial statements are prepared is Life Company Consolidation Group (No 2) Limited. The financial statements for Life Company Consolidation Group (No 2) Limited are available from www.lccgl.co.uk.

LCCG Holdings (No 4) Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2017

11 Directors' and Secretary's interests

At 31 December 2017 and 31 December 2016 the Secretary had no beneficial interests in the shares of any group company. The directors' indirect interests in the Company, held directly and via corporate entities are detailed below:

31 December 2017		Andrew Paul Thompson	Ian Graham Maidens
Life Company Consolidation Group (No 2) Limited	A ordinary shares	527	527
Life Company Consolidation Group (No 2) Limited	B ordinary shares	6,875	6,875
LCCG Holdings (No 4) Limited	Non-voting Preference shares	651,222	651,222
LCCG Holdings (No 4) Limited	Non-voting S shares	50	50

31 December 2016		Andrew Paul Thompson	Ian Graham Maidens
Life Company Consolidation Group (No 2) Limited	A ordinary shares	438	438
Life Company Consolidation Group (No 2) Limited	B ordinary shares	6,250	6,250
LCCG Holdings (No 4) Limited	Non-voting Preference shares	564,500	564,500
LCCG Holdings (No 4) Limited	Non-voting S shares	50	50

12 Prior year restatement

During the year the Company changed the accounting policy for accounting for investments in subsidiary undertakings. In 2016 these were classified at fair value through profit or loss. To bring the Company in line with the Group accounting policy investments in subsidiary undertakings are now accounted for at cost less impairment. As a result the prior year results have been restated as detailed below

	As previously Reported	Restated 2016	Impact 2016
Statement of comprehensive income			
Fair value movement on investment in subsidiaries	70,827,295	-	(70,827,295)
Net impact on profit for the period	70,827,295	-	(70,827,295)
Statement of financial position			
Investment in subsidiary undertaking	181,837,295	111,010,000	(70,827,295)
Net impact on total equity	181,837,295	111,010,000	(70,827,295)

13 Events after the year end date

On 6 February 2017 it was announced that the Group had signed an agreement with Reliance Mutual Insurance Society Limited ("Reliance Mutual") under which it is proposed that Reliance Mutual would be demutualised and all of the business tranferred to the Group. The proposed transaction has been approved by Reliance Mutual members and received High Court approval on 15 March 2018, and is expected to complete on 1 April 2018.

The share capital of RL Holdings Limited, into which the transfer of Reliance Mutual business is to take place, was sold by LCCG UK Holdings Limited on 22 March 2018 to LCCG UK (RL) Limited for £4,010,000. LCCG UK (RL) Limited is an indirect subsidiary of the Life Company Consolidation Group Limited, a company analogous to Life Company Consolidation Group (No 2) Limited specialising in the acquisition and consolidation of life assurance businesses.

On 23 March 2018, RL Holdings Limited was renamed Reliance Life Holdings Limited, LCCG New Lifeco Limited was renamed as Reliance Life Limited, and LCCG New Servco Limited was renamed as Reliance Life Services Limited.