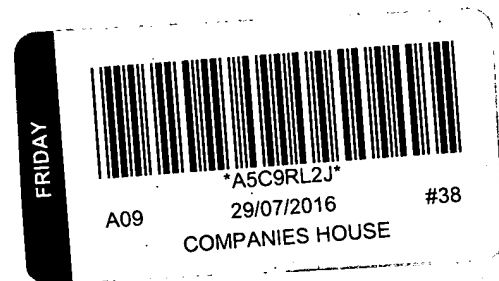


Registered number 2908444

**Crawford & Company Adjusters (UK) Limited**

Annual report and financial statements  
for the year ended 31 October 2015



ANNUAL REPORT AND FINANCIAL STATEMENTS  
for the year ended 31 October 2015

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**STRATEGIC REPORT for the year ended 31 October 2015**

The directors present their annual strategic report on the affairs of the Company, together with the directors' report, financial statements and auditor's report, for the year ended 31 October 2015.

**Review of the business**

Crawford & Company, of which the Company is the main UK trading subsidiary, is the world's largest independent provider of claims management solutions to insurance companies and self-insured entities. The Crawford system of claims solutions offers claims services, business process outsourcing, and consulting services for major product lines including property and casualty claims management, workers compensation claims, medical management, and legal settlement administration.

The number of claims handled by the business followed the national trend in being lower than in previous years. The directors consider this to be equally due to benign weather and lower industry claim frequencies across most classes of business. Operating profit in the year, before exceptional items, was £601,768 (2014: £2,749,631) and loss after tax was £4,626,846 (2014: profit of £4,131,975)

In order to address the risk of claim volatility, the Company has undertaken a number of acquisitions to substantially increase the diversity of its client base.

On 1 December 2014, Crawford & Company Risk Services Investments Limited, a fellow subsidiary undertaking, entered into a medium term debt facility, provided by Wells Fargo in order to enable the Company to acquire GAB Robins Holdings UK Limited (GAB Robins). Subsequent to the year end, on 30 November 2015 the trade and assets of GAB Robins UK Limited, excluding the managed contractors business, was transferred to the Company at fair value.

As a result of the acquisition of the GAB Robins business in preparing for the post period end transfer noted above, the Company incurred exceptional restructuring and re-organisation costs of £5.6m (2014: Nil). The reorganisation will substantially reduce fixed cost base for the combined Company in future years. Average monthly numbers of employees in the Company reduced to 983 from 1070 in 2014.

The trade and net assets of Buckley Scott Associates Limited were transferred to the Company on 1 November 2014.

A significant investment in infrastructure and a reduction in the pension fund deficit have also been made in the year leaving the Company well placed for the future.

The Company has established a branch operation in Paris to handle claims in that region. The Company does not expect claims volumes to change substantially in the foreseeable future.

**STRATEGIC REPORT for the year ended 31 October 2015 (continued)**

**Key performance indicators**

The Company's key financial performance indicators during the year were as follows:

	<i>2015</i>	<i>2014</i>
	<i>£'000</i>	<i>£'000</i>
Turnover	66,794	71,904
Operating profit	602	2,750
Exceptional items	(5,619)	-
(Loss)/profit after tax	(4,627)	4,132
Average number of staff	983	1,070
Shareholders' funds	<u>35,337</u>	<u>38,154</u>
	<i>Number</i>	<i>Number</i>
	<i>(000's)</i>	<i>(000's)</i>
Claims volume	<u>75</u>	<u>88</u>
	<i>%</i>	<i>%</i>
Current assets as % of current liabilities ('current ratio')	<u>168</u>	<u>194</u>

**Principal risks and uncertainties**

The Company has established a risk and financial management framework whose primary objectives are to protect the Company from events that hinder the achievement of the Company's performance objectives. The objectives aim to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk at a business unit level. Price risk arises on financial instruments because of changes in, for example, commodity prices or equity prices. The Company does not have any investments in listed entities or exposure to commodity prices; therefore it is minimally exposed to price risk.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Company policies are aimed at minimising such losses, by partnering with financially sound customers, agreeing payment terms in advance and requesting progress payments and upfront payments where necessary. Appropriate credit control procedures have been developed and are followed at all levels of operations where credit risk is perceived. The funding provided by Crawford & Company Risk Services Investments Limited is sourced by Credit Facility with Wells Fargo which is secured by a first priority lien on 100% of the capital stock of the Company.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company aims to mitigate liquidity risk by managing cash generation by its operations and applying cash collection targets throughout the Company. The funding provided by Crawford & Company Risk Services Investments Limited matures on 25 November 2018 at which point, the amount borrowed falls due for payment in full


**STRATEGIC REPORT for the year ended 31 October 2015 (continued)**

**Principal risks and uncertainties (continued)**

Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability such as future interest payments on a variable rate debt. The Company's transactions are predominantly in sterling and very few transactions are in other currencies. The Company is therefore minimally exposed to the movement in foreign exchange rates. The Company has no third party debt. However, the interest charged by Crawford & Company Risk Services Investments Limited is subject to variable rates of interest based on the amounts charged by Wells Fargo.

Trinity Court  
42 Trinity Square  
London  
EC3N 4TH

On behalf of the Board,

  
S D Pearsall  
Director

Date 26th July 2016

## **DIRECTORS' REPORT for the year ended 31 October 2015**

The directors present their report for the year ended 31 October 2015.

### **Dividends**

No dividend is recommended (2014 - £nil). No dividend is payable on preference shares (2014 - £nil) as per the discretion of the directors.

### **Employee consultation**

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through formal and informal meetings. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

### **Disabled employees**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

### **Directors**

The directors who served during the year are as shown below:

G D Gladwell (resigned 25 March 2015)

J E Jenner (resigned 4 June 2015)

M D Jones (appointed 4 June 2015)

I V Muress

A W Nelson

C G Nicholls (appointed 4 June 2015)

S D Pearsall

C D Pinney

### **Going concern**

The Company has obtained a confirmation from Crawford & Company EMEA/A-P Holdings Limited that, in the event it is required, it will provide financial support for a period of at least twelve months from the date of approval of the financial statements. For this reason they continue to adopt the going concern basis in preparing the financial statements.

### **Disclosure of information to the auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

### **Re-appointment of auditor**

In accordance with s. 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the Company.

**DIRECTORS' REPORT for the year ended 31 October 2015 (continued)**

**Post balance sheet event**

On 30 November 2015 the trade and assets of GAB Robins UK Limited, excluding the managed contractors' business, was transferred to Crawford & Company Loss Adjusters (UK) Limited. The consideration paid was settled via inter company loan. The transfer will facilitate the operation of both businesses under the Crawford brand name and allow Crawford & Company to fully realise the synergy opportunities resulting from the acquisition.

Trinity Court  
42 Trinity Square  
London  
EC3N 4TH

On behalf of the Board,



S D Pearsall  
Director  
Date 26th July 2016

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

- 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 and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRAWFORD & COMPANY ADJUSTERS (UK) LIMITED**

We have audited the financial statements of Crawford & Company Adjusters (UK) Limited for the year ended 31 October 2015 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### **Respective responsibilities of directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

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

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 October 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

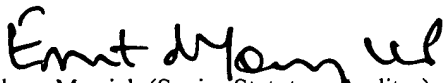
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRAWFORD & COMPANY ADJUSTERS  
(UK) LIMITED (Continued)**

**Matters on which we are required to report by exception**

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

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



Andrew Merrick (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Birmingham 27 July 2016

**PROFIT AND LOSS ACCOUNT for the year ended 31 October 2015**

	<i>Notes</i>	<i>2015</i>	<i>2014</i>
		<i>£</i>	<i>£</i>
<b>Turnover</b>	2	66,793,772	71,903,613
Cost of sales		<u>(55,794,256)</u>	<u>(57,761,043)</u>
<b>Gross profit</b>		10,999,516	14,142,570
Administrative expenses		<u>(10,397,748)</u>	<u>(11,392,939)</u>
<b>Operating profit</b>	3	601,768	2,749,631
<b>Exceptional items</b>			
Fundamental re-organisation & restructuring costs	4	(5,618,790)	-
Interest receivable and similar income	7	1,770,962	2,341,530
Interest payable and similar charges	8	<u>(1,491,231)</u>	<u>(23,093)</u>
<b>(Loss)/profit on ordinary activities before taxation</b>		(4,737,291)	5,068,068
Tax on (loss)/profit on ordinary activities	9	<u>110,445</u>	<u>(936,093)</u>
<b>(Loss)/profit for the financial year</b>	19	<u>(4,626,846)</u>	<u>4,131,975</u>

All activities relate to continuing operations.

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 October 2015**

	<i>Notes</i>	<i>2015</i> £	<i>2014</i> £
<b>(Loss)/profit for the financial year</b>		(4,626,846)	4,131,975
Pension fund-actuarial gain for the financial year under FRS 17	17	8,444,000	2,143,000
Effect of asset restriction on pension fund	17	(6,179,000)	(912,000)
Deferred taxation on actuarial gain		(453,000)	(246,200)
Unrealised gain on re-translation of overseas branch		(1,855)	-
		<hr/>	<hr/>
<b>Total recognised gains and losses relating to the year</b>		<b>(2,816,701)</b>	<b>5,116,775</b>

# Crawford & Company Adjusters (UK) Limited

## **BALANCE SHEET as at 31 October 2015**

Registered Number 2908444

	Notes	2015	2014
		£	£
<b>Fixed assets</b>			
Intangible assets	10	2,172,762	-
Tangible assets	11	4,573,603	4,161,823
Investments	12	55,551,005	8,865,966
		<u>62,297,370</u>	<u>13,027,789</u>
<b>Current assets</b>			
Debtors	13	50,754,697	58,247,859
Cash at bank and in hand		<u>3,370,502</u>	<u>9,692,527</u>
		54,125,199	67,940,386
<b>Creditors: Amounts falling due within one year</b>	14	(32,261,262)	(34,931,770)
<b>Net current assets</b>		<u>21,863,937</u>	<u>33,008,616</u>
<b>Total assets less current liabilities</b>		84,161,307	46,036,405
<b>Creditors: Amounts falling due in more than one year</b>	15	(50,136,920)	(4,175,539)
<b>Provisions for liabilities and charges</b>	16	(347,412)	(121,890)
<b>Net assets excluding pension asset/(deficit)</b>		<u>33,676,975</u>	<u>41,738,976</u>
Pension asset/(deficit)	17	1,660,500	(3,584,800)
<b>Net assets</b>		<u>35,337,475</u>	<u>38,154,176</u>
<b>Capital and reserves</b>			
Called-up share capital	18	19,827,956	19,827,956
Share premium account	19	949,690	949,690
Profit and loss account	19	14,559,829	17,376,530
<b>Shareholders' funds</b>	19	<u>35,337,475</u>	<u>38,154,176</u>

The financial statements were approved by the board of directors and signed on its behalf by:

S D Pearsall



Director

Date 26th July 2016

The accompanying notes are an integral part of this balance sheet.

**NOTES TO THE FINANCIAL STATEMENTS as at 31 October 2015**

**1. ACCOUNTING POLICIES**

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

The financial statements were approved for issue by the Board of Directors on 26th July 2016.

**Fundamental accounting concept**

The Company has obtained a confirmation from Crawford & Company EMEA/A-P Holdings Limited that, in the event it is required, it will provide financial support for a period of at least twelve months from the date of approval of the financial statements. For this reason they continue to adopt the going concern basis in preparing the financial statements.

**Basis of accounting**

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. Assets and liabilities are recognised in the financial statements where, as a result of past transactions or events, the Company has rights or other access to future economic benefits controlled by the Company, or obligations to transfer economic benefits.

The Company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 401 of the Companies Act 2006 because it is a wholly owned subsidiary of Crawford & Company, a company incorporated in the USA, which prepares consolidated financial statements which are publicly available. These financial statements show information relating to the Company as an individual undertaking and not as a group.

**Goodwill**

Goodwill is the surplus of cost over the net asset value attributed to businesses acquired. Goodwill arising on the acquisition of businesses is capitalised and amortised on a straight line basis over the shorter of its estimated economic useful life and 20 years.

**Tangible fixed assets and depreciation**

Tangible fixed assets are shown at cost net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost less estimated residual value of each asset, over its expected useful life, as follows:

Freehold land and buildings	40 years
Motor vehicles	5 years
Fixtures and fittings and computer equipment	10% -50% straight-line or 35% reducing balance

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

**Taxation**

Corporation tax payable is provided on taxable profits at the current rate.

The taxation liabilities of certain group undertakings are reduced wholly or in part by the surrender of losses by fellow group undertakings. The tax benefits arising from group relief are recognised in the financial statements of the recipient companies.

**1. ACCOUNTING POLICIES (CONTINUED)**

**Taxation (continued)**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less tax in the future have occurred at the balance sheet date, with the exception of deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxation profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**Investments**

Fixed asset investments are shown at cost less any provision for impairment.

**Finance and operating leases**

Leasing arrangements which transfer to the company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitment is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

Costs in respect of operating leases are charged on a straight line basis over the lease term.

**Amounts recoverable on contracts**

Amounts recoverable on contracts are stated at fair value where the right to consideration has been obtained. Where the substance of a contract is such that a right to consideration does not arise until the occurrence of a critical event, the asset and revenue are valued at nil. Amounts recoverable on contracts are stated net of amounts billed in respect of the same contracts.

The amount recorded in respect of long term contracts reflects an assessment of the proportion of contract revenue that relates to the level of contract completion at the balance sheet date and therefore represents both the costs incurred on the contract to date and the recognition of the proportion of profit that relates to the work completed. The assessment of contract completion is based on established models for groups of transactions with common features.

Long term contract balances included in debtors are stated at cost, after provision has been made for any foreseeable losses and the deduction of applicable payments on account. Provision is made for losses on all contracts as soon as they are foreseen.

**Turnover**

Turnover is the total amount receivable by the Company for the services provided, excluding VAT and disbursements. Included within this figure is the fair value of amounts recoverable on contracts where a right to consideration has been obtained. The majority of the Company's loss adjusting activities are considered to be long term contracts.

In the case of long-term contracts, turnover reflects the contract activity during the year and represents the proportion of total contract value which costs incurred to date bear to total expected contract costs based on established models for groups of transactions with common features.

**1. ACCOUNTING POLICIES (CONTINUED)**

**Pension costs**

The Group operates three defined benefit pension schemes, all of which require contributions to be made to separately administered funds. The schemes were closed to new members in 1997, from which time membership of a defined contribution plan is available.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice. Past service costs are recognised in profit or loss on a straight-line basis over the vesting period or immediately if the benefits have vested. When a settlement or a curtailment occurs, the change in the present value of the scheme liabilities and the fair value of the plan assets reflects the gain or loss which is recognised in the profit and loss account. Losses are measured at the date that the employer becomes demonstrably committed to the transaction and gains when all parties whose consent is required are irrevocably committed to the transaction.

The interest element of the defined benefit cost represents the change in present value of scheme obligations relating from the passage of time, and is determined by applying the discount rate to the opening present value of the benefit obligation, taking into account material changes in the obligation during the year. The expected return on plan assets is based on an assessment made at the beginning of the year of long-term market returns on scheme assets, adjusted for the effect on the fair value of plan assets of contributions received and benefits paid during the year. The difference between the expected return on plan assets and the interest cost is recognised in the income statement as other finance income or expense. Actuarial gains and losses are recognised in full in the statement of recognised gains and losses in the period in which they occur.

The defined benefit pension liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds that have been rated at AA or equivalent status), less any past service cost not yet recognised and less the fair-value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. Asset limitation is applied to restrict the surplus in a scheme to the present value of future service contributions.

Contributions to defined contribution schemes are recognised in the income statement in the period in which they become payable. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet, if material.

**Foreign currency**

Transactions denominated in foreign currencies are recorded at the rate of exchange as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

The results of overseas branches are translated into sterling using the average exchange rate for the period concerned. The net assets of overseas branches are translated into sterling using the period end exchange rate. Any exchange differences arising on this retranslation are taken directly to reserves.



**NOTES TO THE FINANCIAL STATEMENTS as at 31 October 2015**

**1. ACCOUNTING POLICIES (CONTINUED)**

**Vacant leasehold properties**

The Company enters into contracts resulting in rental obligations in respect of leasehold properties. Where leasehold properties are vacated, a provision is recognised representing a best estimate of the unavoidable lease payments over the remaining term of the lease, on a contract by contract basis.

**Share-based payments**

The group has share-based employee incentive plans which are described more fully in note 5. The relevant shares are those of the ultimate holding company, Crawford & Company registered in the US. The plans are run and administered by Crawford & Company, outside of the UK. The fair value of share-based payments is recharged to the Company and charged to the profit and loss account on a straight line basis over the vesting period after taking account of forfeitures.

**Cash flow statement**

As permitted by Financial Reporting Standard Number 1 (Revised), the Company has not prepared a cash flow statement as it is a wholly owned subsidiary undertaking of Crawford & Company, which prepares group financial statements. The consolidated financial statements of this group are publicly available from the address given in note 22.

**2. TURNOVER**

All turnover relates to sales that were derived from the Company's principal continuing activities in the UK, stated net of VAT and disbursements.

**3. OPERATING PROFIT**

This is stated after charging:

	2015	2014
	£	£
Depreciation of tangible fixed assets		
- owned assets	1,533,359	1,485,157
- finance leases	36,056	-
(Profit)/Loss on disposal of tangible fixed assets	(217,880)	19,381
Amounts written of investments	207,271	-
Operating lease rentals		
- plant and machinery	1,173,512	1,320,630
- land and buildings	1,814,924	1,624,332
Auditor's remuneration		
- audit services	201,930	146,000
- non-audit services (taxation advice)	95,000	53,500

Auditor's remuneration includes remuneration in respect of other UK fellow subsidiaries of Crawford & Company; the ultimate parent company.

**NOTES TO THE FINANCIAL STATEMENTS as at 31 October 2015**

**4. EXCEPTIONAL ITEMS – FUNDAMENTAL REORGANISATION COSTS**

	2015	2014
	£	£
Staff restructuring	3,348,478	-
Property costs	462,414	-
Consultancy fees	1,338,441	-
IT termination costs	376,716	-
Other costs	92,741	-
	<u>5,618,790</u>	<u>-</u>

Exceptional costs were incurred as a result of the acquisition of GAB Robins Holdings (UK) Limited and its subsidiary companies and relate to costs incurred in anticipation of merging the majority of the GAB Robins business with those of the Company.

**5. STAFF COSTS**

Aggregate remuneration of employees (including executive directors and share-based payment costs) is shown below (excluding exceptional costs outlined in note 4):

	2015	2014
	£	£
Wages and salaries	40,714,191	42,398,023
Social security costs	4,247,466	4,304,342
Other pension costs	3,608,115	3,401,541
	<u>48,569,772</u>	<u>50,103,906</u>

Other pension costs comprise:

	2015	2014
	£	£
Defined benefit schemes service cost	876,000	760,000
Contributions to defined contribution schemes	2,732,115	2,641,541
	<u>3,608,115</u>	<u>3,401,541</u>

The average monthly number of employees (including executive directors) was 983 (2014 - 1,070).

The amount outstanding in relation to defined contribution pension schemes at the year end was £514,506 (2014: £288,246).

**NOTES TO THE FINANCIAL STATEMENTS as at 31 October 2015**

**5. STAFF COSTS (CONTINUED)**

The remuneration of the directors was as follows:

	<i>2015</i>	<i>2014</i>
	<i>£</i>	<i>£</i>
Emoluments	1,360,260	1,555,378
Company contributions to defined contribution pension schemes	48,487	50,923
	<u>1,408,747</u>	<u>1,606,301</u>

The number of directors who were members of pension schemes was as follows:

	<i>2015</i>	<i>2014</i>
	<i>Number</i>	<i>Number</i>
Defined contribution pension scheme	<u>5</u>	<u>4</u>

The above amounts for remuneration include the following in respect of the highest paid director:

	<i>2015</i>	<i>2013</i>
	<i>£</i>	<i>£</i>
Emoluments	<u>498,283</u>	<u>639,027</u>

During the year ended 31 October 2015 pension contributions of £nil were made on behalf of the highest paid director under the Company's defined contribution pension scheme (2014: £nil).

**6. SHARE-BASED PAYMENTS**

The charge in respect of share-based payment transactions included in the profit and loss account for the year is as follows. These amounts relate to shares in Crawford & Company, which are traded on the New York Stock Exchange.

	<i>2014</i>	<i>2014</i>
	<i>£</i>	<i>£</i>
Total share-based payment charge	<u>433,291</u>	<u>147,936</u>

During the year ended 31 October 2015, the Company had three types of share-based compensation plans, a share option plan, an executive share bonus plan, and an employee share bonus plan. The fair value of an equity award is estimated on the grant date without regard to service or performance conditions.

**6.. SHARE-BASED PAYMENTS (CONTINUED)**

**Share option plan**

Crawford & Company has granted nonqualified and incentive stock options to key employees and directors employed by Crawford & Company Adjusters (UK) Limited. Stock options were granted to employees of Crawford & Company Adjusters (UK) Limited in 2013. No stock options were granted in 2014 or 2015. All stock options were for shares of Crawford & Company's Class A Common Stock ("CRDA"). Stock option awards were granted with an exercise price equal to the market price of the share at the date of grant. These stock options are subject to graded vesting over 3 years (33.33% each year) and have a typical life of ten years. The amount recognised in the profit and loss account for this scheme was £53,846 (2014: £53,846).

Options Granted during 2015 and 2014:

	2015	2014
Granted	-	-
Weighted average fair value	-	-

**NOTES TO THE FINANCIAL STATEMENTS as at 31 October 2015****6.. SHARE-BASED PAYMENTS (CONTINUED)****Executive stock bonus plan**

The executive stock bonus plan has two components: the performance stock component and the restricted stock component.

Under the performance stock component, key employees of the Company are eligible to earn shares of CRDA upon the achievement of certain individual and corporate objectives. Stock grants are determined at the discretion of the Crawford & Company's Board of Directors, or the Board's Compensation Committee, and are subject to graded vesting over periods typically ranging from three to five years. Shares are not issued until the vesting requirements have lapsed. Dividends are not paid or accrued on unvested shares. The grant-date fair value of a performance share grant is based on the market value CRDA on the date of grant, reduced for the present value of any dividends expected to be paid on CRDA shares but not paid to holders of unvested performance shares. The amount recognised in the profit and loss account for these plans was £299,130 (2013: £18,418).

Performance Shares granted during 2015 and 2014:

	2015	2014
	£	£
Granted	223,000	200,000
Weighted-average fair value	<u>£4.20</u>	<u>£4.18</u>

Under the restricted share component of the executive share bonus plan, the Board of Directors of Crawford & Company may elect to issue restricted shares of share in lieu of, or in addition to, cash bonus payments to certain key employees of Crawford & Company Adjusters (UK) Ltd. Employees receiving these shares have restrictions on the ability to sell the shares. Such restrictions lapse ratably over vesting periods ranging from several months to five years. For grants of restricted shares, vested and unvested shares issued are eligible to receive non-forfeitable dividends if dividends are declared. The grant-date fair value of a restricted share grant is based on the market value of the share on the date of grant. The amount recognised in the profit and loss account for this scheme was £nil (2014: £nil).

Restricted Shares granted during 215 and 2014:

	2015	2014
	£	£
Granted	-	-
Weighted-average fair value	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS as at 31 October 2015****6. SHARE-BASED PAYMENTS (CONTINUED)****Employee share bonus plan**

Under the Crawford & Company U.K. Sharesave Scheme, eligible employees can elect to have up to £250 withheld from payroll each month to purchase shares at the end of a three-year withholding period. The purchase price of a share of stock is 85% of the market price of the stock at the beginning of the withholding period. Participating employees may cease payroll withholdings and/or request a refund of all amounts withheld before any shares are purchased. The fair value of a share option is equal to 15% (the employee discount) of the market price of a share of CRDA at the beginning of the withholding period. No adjustment is made to reflect the effect of any estimated dividends that the employees will not receive during the life of the share option since employees are credited with interest by a third party on their withholdings during the withholding period. The amount recognised in the profit and loss account for this plan was £80,316 (2014: £75,672).

During 2015, a total of 104,267 (2014: 264,998) shares of CRDA were issued under the Sharesave Scheme. The weighted-average discount price paid for these shares was £3.29 (2014: £2.44).

**7. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2015 £	2014 £
Intercompany interest	649,510	787,243
Bank interest receivable	312	146,099
Foreign exchange gain	293,140	481,188
	<u>942,962</u>	<u>1,414,530</u>
<b>Other finance income</b>		
Expected return on pension scheme assets	7,328,000	7,793,000
Interest on pension scheme liabilities	(6,500,000)	(6,866,000)
Finance income of pensions	<u>828,000</u>	<u>927,000</u>
	<u>1,770,962</u>	<u>2,341,530</u>

**8. INTEREST PAYABLE AND SIMILAR CHARGES**

	2015 £	2014 £
Bank interest	31,190	11,290
Intercompany interest	1,289,013	2,366
Other interest	155,996	9,437
Finance lease charges	15,032	-
	<u>1,491,231</u>	<u>23,093</u>

**NOTES TO THE FINANCIAL STATEMENTS as at 31 October 2015****9. TAX ON PROFIT ON ORDINARY ACTIVITIES****a) Tax on profit on ordinary activities**

The charge for tax on the profit for the year comprises:

<i>Current tax:</i>	<i>2015</i> £	<i>2014</i> £
UK Corporation tax (Note 8(b))	-	-
Group relief recoverable	(24,202)	-
Foreign tax - current year	7,800	167,273
- adjustment in relation to prior year	6,027	-
	<u>(10,375)</u>	<u>167,273</u>
<i>Deferred tax:</i>		
Adjustment in relation to prior year	84,465	-
Origination and reversal of timing differences	(992,235)	(128,780)
Movement on pension provision	807,700	897,600
	<u>(184,535)</u>	<u>768,820</u>
	<u>(110,445)</u>	<u>936,093</u>

**b) Factors affecting the tax charge for the year**

The tax charge on the profit on ordinary activities for the year differs to the standard rate of corporation tax in the UK of 20.4% (2014: 22.0%). The differences are reconciled below:

	<i>2015</i> £	<i>2014</i> £
(Loss)/Profit on ordinary activities before taxation	<u>(4,737,291)</u>	<u>5,068,068</u>
Profit on ordinary activities multiplied by the standard rate of Corporation tax in the UK of 20.4% (2014: 22.0%)	(966,881)	1,114,975
Effects of:		
Income not taxable for tax purposes	233,111	(300,011)
Depreciation in excess of capital allowances	395,829	324,262
Other timing differences	(260,323)	(488,912)
Pension – defined benefit timing differences	(865,588)	(987,360)
Adjustments in respect of previous periods	6,027	-
Unrelieved tax losses carried forward	1,278,131	337,046
Capital losses carried forward	(13,558)	-
Overseas tax suffered	7,800	167,273
Group relief surrendered for nil payment	175,077	-
<b>Current tax (credit)/charge for year (note 8(a))</b>	<u>(10,375)</u>	<u>167,273</u>

**NOTES TO THE FINANCIAL STATEMENTS as at 31 October 2015****9. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)**

The standard rate of corporation tax in the UK reduced from 23% to 21% with effect from 1 April 2014 and to 20% from 1 April 2015.

Further reductions reducing the main rate of corporation tax to 19% and 18% from April 2017 and April 2020 were substantively enacted by the balance sheet date. The closing deferred tax liability has therefore been calculated at a tax rate of 18% as this was the rate substantively enacted as at the balance sheet date.

The recently announced reduction in the corporation tax rate to 17% from 2020 was not substantively enacted at the balance sheet date and therefore is not taken in to account.

**c) Deferred tax**

The deferred taxation assets as at 31 October were as follows:

	<i>Provided</i>		<i>Not Provided</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Decelerated capital allowances	1,454,275	1,206,849	-	-
Share based payments	45,407	45,991	-	-
Tax losses	1,923,970	997,966	54,283	47,030
Other short term timing differences	150,243	422,227	-	-
	<u>3,573,895</u>	<u>2,673,033</u>	<u>54,283</u>	<u>47,030</u>
Pension (surplus)/deficit (note 15)	(364,500)	896,200	-	-
Deferred taxation asset	<u>3,209,395</u>	<u>3,569,233</u>	<u>54,283</u>	<u>47,030</u>

The total deferred tax assets recognised of £3,209,395 (2014: £3,569,233) are reflected in these financial statements as follows:

	<i>Debtors</i>	<i>Pensions</i>	<i>Total</i>
	<i>Note 12</i>	<i>Note 16</i>	
	<i>£</i>	<i>£</i>	<i>£</i>
At 1 November 2013	2,544,253	2,040,000	4,584,253
<i>Movement in the year</i>			
Profit and loss account	128,780	(897,600)	(768,820)
Statement of recognised gains and losses	-	(246,200)	(246,200)
At 31 October 2014	<u>2,673,033</u>	<u>896,200</u>	<u>3,569,233</u>
<i>Movement in the year</i>			
Transfer	(6,906)	-	(6,906)
Profit and loss account	907,768	(807,700)	100,068
Statement of recognised gains and losses	-	(453,000)	(453,000)
At 31 October 2015	<u>3,573,895</u>	<u>(364,500)</u>	<u>3,209,395</u>

There is an unrecognised deferred tax asset of £54,283 (2014: £47,030) in relation to capital losses that is not expected to be utilised in the foreseeable future.

Deferred tax assets in respect of the Company's defined benefit pension schemes are included in notes 17 and 21.



**NOTES TO THE FINANCIAL STATEMENTS as at 31 October 2015****10. INTANGIBLE ASSETS**

	<i>Goodwill</i> £
<b>Cost</b>	
At 1 November 2014	-
Recognised on transfer of trade of subsidiary	2,327,958
At 31 October 2015	<u>2,327,958</u>
<b>Amortisation</b>	
At 1 November 2014	-
Charge for year	155,196
At 31 October 2015	<u>155,196</u>
<b>Net book value</b>	
At 31 October 2015	<u>2,172,762</u>
At 1 November 2014	<u>-</u>

The trade and net assets of Buckley Scott Associates Limited were transferred to Crawford & Company Adjusters (UK) Ltd on 1 November 2014. The carrying value of the assets transferred and the consideration paid was £1,529,413. As a result of this transfer £2,327,958 has been recorded as goodwill representing the value of goodwill calculated at the time of the acquisition of the investment in Buckley Scott Associates Limited of £2,033,258 which has been reclassified from investments to goodwill and £294,700 in respect of further fair value adjustments in respect of the alignment of accounting policies for WIP, bad debt provisioning and holiday pay. Consideration for the transfer was settled via intercompany balances.

The assets and liabilities at the date of acquisition are shown below:

	£
Tangible fixed assets	83,663
Amounts recoverable on contracts	446,779
Debtors	435,430
Cash at bank and in hand	397,238
Creditors	(448,702)
Provisions for liabilities and charges	(6,906)
<b>Net book value of acquired entity</b>	<u>907,502</u>
Purchased goodwill from acquisition	2,033,258
<b>Cost of acquired entity</b>	<u>2,940,760</u>

The post acquisition revenue from Buckley Scott Associates Limited and an indication of post-acquisition profits cannot be provided due to the integrated nature of the operation following acquisition.

**NOTES TO THE FINANCIAL STATEMENTS as at 31 October 2015****11. TANGIBLE FIXED ASSETS**

	<i>Freehold land and buildings</i>	<i>Motor vehicles</i>	<i>Fixtures, fittings and computer equipment</i>	Total
	£	£	£	£
<b>Cost</b>				
At 1 November 2014	450,000	-	17,417,051	17,867,051
Transfers in		65,185	18,478	83,663
Additions	-	-	2,069,155	2,069,155
Disposals	(450,000)	(24,524)	(1,847,172)	(2,321,696)
At 31 October 2015	-	40,661	17,657,512	17,698,173
<b>Depreciation</b>				
At 1 November 2014	273,750	-	13,431,478	13,705,228
Charge for the year	10,312	13,742	1,514,685	1,538,739
Disposals	(284,062)	(3,576)	(1,831,759)	(2,119,397)
At 31 October 2015	-	10,166	13,114,404	13,124,570
<b>Net book value</b>				
At 31 October 2015	-	30,495	4,543,108	4,573,603
At 31 October 2014	176,250	-	3,985,573	4,161,823

Tangible fixed assets includes the following assets held under finance leases:

	£
Cost	174,084
Depreciation charge for the year	36,056
Net book value	138,028

**NOTES TO THE FINANCIAL STATEMENTS as at 31 October 2015****12. FIXED ASSETS INVESTMENTS**

Investment in group undertakings at cost:

	£
<b>Cost</b>	
At 1 November 2014	8,865,966
Additions	48,925,568
Goodwill on acquisition	(2,033,258)
At 31 October 2015	<u>55,758,276</u>
<b>Amount written off investments</b>	
At 1 November 2014	-
Charge for year	207,271
At 31 October 2015	<u>207,271</u>
At 31 October 2015	<u>55,551,005</u>
At 1 November 2014	<u>8,865,966</u>

The Company has investments in the following subsidiary undertakings as at 31 October 2015.

<i>Company</i>	<i>Principal activity</i>	<i>Percentage ownership</i>	<i>Country of incorporation</i>
Contractor Connection (Repairnet) UK Limited	Provision of services to the insurance industry	100%	United Kingdom
Specialist Liability Services Limited	Dormant	100%	United Kingdom
Buckley Scott Holdings Limited	Holding company	100%	United Kingdom
Buckley Scott Associates Limited*	Provision of services to the insurance industry	100%	United Kingdom
Claimbid Limited	Dormant	100%	United Kingdom
GAB Robins Holdings UK Limited	Holding company	100%	United Kingdom
GAB Robins UK Limited*	Provision of services to the insurance industry	100%	United Kingdom
GAB Robins Aviation Limited*	Provision of services to the insurance industry	59%	United Kingdom
GAB Robins Holdings Limited*	Holding company	100%	United Kingdom
GAB Robins UK Trustees Limited*	Dormant	100%	United Kingdom
RD&L International Holdings Limited*	Holding company	100%	United Kingdom
GAB Robins London Holdings International Limited*	Holding company	100%	United Kingdom
Robins Central Limited*	Dormant	100%	United Kingdom
Robins McTear Limited*	Dormant	100%	United Kingdom
Robins West Limited*	Dormant	100%	United Kingdom
GAB Robins (Regulated Business) Limited*	Dormant	100%	United Kingdom
Meridian Global Claims Limited*	Dormant	100%	United Kingdom
GAB Robins Aviation ApS*#	Dormant	100%	Norway
GAB Robins Aviation Pte*#	Provision of services to the insurance industry	100%	Singapore
Aviation Lights Services Corporation*#	Provision of services to the insurance industry	100%	USA

\*Held indirectly

# held directly by GAB Robins Aviation Limited

**NOTES TO THE FINANCIAL STATEMENTS as at 31 October 2015**

**12. FIXED ASSETS INVESTMENTS (CONTINUED)**

On 15 December 2015, GAB Robins Holdings Limited, a subsidiary of GAB Robins Holdings UK Limited, acquired 79,200 'B' shares held by AXA group for £2,465,265 bringing its total ownership interest to 95%.

**13. DEBTORS**

	2015	2014
	£	£
Amounts recoverable on contracts	9,729,030	9,757,916
Trade debtors	8,337,757	9,294,822
Amounts owed by group undertakings	27,423,427	35,155,866
Prepayments and accrued income	1,690,588	1,366,222
Deferred tax asset	3,573,895	2,673,033
	<u>50,754,697</u>	<u>58,247,859</u>

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2015	2014
	£	£
Trade creditors	1,206,597	781,712
Amounts owed to group undertakings	9,873,360	14,797,530
Other taxes and social security costs	3,077,316	3,250,476
Accruals and deferred income	18,068,294	16,102,052
Finance leases	35,695	-
	<u>32,261,262</u>	<u>34,931,770</u>

**15. CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR**

	2015	2014
	£	£
Amounts owed to group undertakings	45,859,815	-
Finance leases	101,566	-
Redeemable preference shares not wholly repayable within five years redeemable at par	4,175,539	4,175,539
	<u>50,136,920</u>	<u>4,175,539</u>

The redeemable preference shares consist of 4,175,539 non-cumulative redeemable preference shares of £1 each. There are £4,500,000 £1 authorised non-cumulative redeemable preference shares.

The amount owed to group undertaking is due for repayment by 25 November 2018. Interest on the loan is calculated based on the interest charged by the ultimate finance provider to the group undertaking. Interest rates are based on the London Interbank Offered Rate ("LIBOR"), plus an applicable interest margin. The interest margin for LIBOR ranges from 1.50% to 2.25%

**NOTES TO THE FINANCIAL STATEMENTS as at 31 October 2015****15. CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR (CONTINUED)**

The maturity of obligations under finance leases is as follows:

	2015	2014
	£	£
Within one year	-	-
In the second to fifth years inclusive	137,261	-
	<u>137,261</u>	<u>-</u>

The obligations under finance leases are secured against the assets to which they relate.

**16. PROVISIONS FOR LIABILITIES AND CHARGES**

	2015	2014
	£	£
Vacant leasehold premises provision	<u>347,412</u>	<u>121,890</u>

The movement in provisions was as follows:

	<i>Vacant leasehold premises provision £</i>
At 31 October 2014	121,890
Charge for the year	225,522
At 31 October 2015	<u>347,412</u>

The leasehold provision covers the costs of property rentals on two leases, one of which has since expired, and the other expires in February 2020.

**17. PENSION ASSET**

	2015	2014
	£	£
Deficit brought forward	4,481,000	10,200,000
Charged/(credited) to the profit & loss account	48,000	(167,000)
Effect of asset limit	6,179,000	912,000
Cash payments during the period	(4,289,000)	(4,321,000)
Actuarial gain	<u>(8,444,000)</u>	<u>(2,143,000)</u>
Pension (asset)/liability before deferred tax	(2,025,000)	4,481,000
Deferred tax asset	364,500	(896,200)
Pension (asset)/ liability net of deferred tax	<u>(1,660,500)</u>	<u>3,584,800</u>

**NOTES TO THE FINANCIAL STATEMENTS as at 31 October 2015****18. SHARE CAPITAL**

	2015 £	2014 £
<i>Authorised</i>		
19,500,000 ordinary shares of £1 each	19,500,000	19,500,000
500,000 cumulative preference shares of £1 each	500,000	500,000
	<u>20,000,000</u>	<u>20,000,000</u>
<i>Allotted, called-up and fully paid</i>		
19,327,956 ordinary shares of £1 each	19,327,956	19,327,956
500,000 cumulative preference shares of £1 each	500,000	500,000
	<u>19,827,956</u>	<u>19,827,956</u>

**Share rights**

Shares are held by parent companies, which rank all shares as holding the same rights. Accordingly all ordinary shares and cumulative preference shares have been presented as equity.

**Preference shares**

The Company also has 4,175,539 non-cumulative redeemable preference shares of £1 each in issue, which due to the nature of the share, are disclosed within Creditors: amounts falling due after more than one year.

**19. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES**

	<i>Share Capital</i> £	<i>Share premium account</i> £	<i>Profit and loss account</i> £	<i>Total Shareholders Funds</i> £
At 31 October 2013	19,827,956	949,690	12,259,755	33,037,401
Profit for the year	-	-	4,131,975	4,131,975
Pension Fund –actuarial gain as recognised under FRS 17 – net of deferred tax	-	-	984,800	984,800
At 31 October 2014	<u>19,827,956</u>	<u>949,690</u>	<u>17,376,530</u>	<u>38,154,176</u>
Loss for the year	-	-	(4,626,846)	(4,626,846)
Pension Fund –actuarial gain as recognised under FRS 17 – net of deferred tax	-	-	1,812,000	1,812,000
Unrealised gain on re-translation of overseas branch			(1,855)	(1,855)
At 31 October 2015	<u>19,827,956</u>	<u>949,690</u>	<u>14,559,829</u>	<u>35,337,475</u>

**NOTES TO THE FINANCIAL STATEMENTS as at 31 October 2015****20. LEASE COMMITMENTS**

The Company has entered into non-cancellable operating leases in respect of motor vehicles, fixtures, fittings and equipment, the payments for which extend over a period of up to 5 years. The total annual rental for 2015 was £1,173,512 (2014 - £1,320,630). The lease agreements provide that the Company will pay all insurance, maintenance and repairs.

In addition, the Company leases certain land and buildings on short-term leases. The annual rental charged to the profit and loss account on these leases was £1,814,347 (2014 - £1,624,332). The rents payable under these leases are subject to renegotiation at various intervals specified in the leases. The Company pays all insurance, maintenance and repairs of these properties.

The minimum annual rentals under the foregoing leases are as follows:

	<i>Land and buildings £</i>	<i>Motor vehicles, fixtures, fittings and equipment £</i>	<i>Total £</i>
<b>2015</b>			
Expiry date			
- within one year	139,523	25,750	165,273
- within two and five years	1,090,461	747,431	1,837,892
- after five years	1,713,379	-	1,713,379
	<u>2,943,363</u>	<u>773,181</u>	<u>3,716,544</u>
<b>2014</b>			
Expiry date			
- within one year	16,122	68,292	84,414
- within two and five years	1,183,126	394,743	1,577,869
- after five years	344,836	-	344,836
	<u>1,544,084</u>	<u>463,035</u>	<u>2,007,119</u>

The land and buildings commitment shown above includes the minimum annual rentals in respect of those properties provided for as part of the vacant leasehold premises provision.

**NOTES TO THE FINANCIAL STATEMENTS as at 31 October 2015**

**21. PENSIONS**

The Company provides pension arrangements to certain full time employees through three funded defined benefit schemes and the related costs are assessed in accordance with the advice of professionally qualified actuaries. For the Thomas Howell Group Pension and Life Assurance Scheme and the Brocklehurst Pension Fund a full actuarial valuation was carried out at 1 January 2015. For the Crawford Arnold and Green Group Pension Scheme the last formal actuarial valuation was at 1 April 2013. These were completed by a qualified independent actuary.

The valuations used for FRS 17 disclosures have been based on the most recent actuarial valuations at the dates noted above, which uses the attained age method, and have been updated by qualified actuaries to take account of the requirements of FRS 17 in order to assess the liabilities of the schemes at 31 October 2015.

Scheme assets are stated at their market values at the respective balance sheet dates, which is equivalent to their fair value. The overall expected rates of return are established by taking the weighted average expected rate of return on each category of scheme assets. The return on bonds and cash are based on market yields at the balance sheet date whereas the return on equities is more judgemental.

The major assumptions used for the valuation were:

	<i>Crawford Arnold &amp; Green Group Pension Scheme</i>		<i>Brocklehurst Pension Fund</i>		<i>Thomas Howell Group Pension &amp; Life Assurance Scheme</i>	
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
Rate of increase in salaries	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Rate of increase in pensions in payment	3.15%	3.15%	3.15%	3.15%	2.30%	2.25%
Discount rate	3.85%	3.90%	3.85%	3.90%	3.85%	3.90%
Inflation	3.20%	3.25%	3.20%	3.25%	3.20%	2.25%



**NOTES TO THE FINANCIAL STATEMENTS as at 31 October 2015****21. PENSIONS (CONTINUED)**

The fair value of the assets in the scheme, the present value of the liabilities in the scheme and the expected rate of return at the balance sheet date were:

<i>Crawford Arnold &amp; Green Group Pension Scheme</i>	2015 Expected Return %	2015 £	2014 Expected Return %	2014 £
Delegated growth fund	5.50	2,742,000	5.90	2,420,000
Delegated liability fund	2.50	8,181,000	2.90	7,200,000
Others (property/ cash)	0.50	11,000	0.50	36,000
Total fair value of assets	3.25	10,934,000	3.65	9,656,000
Effect of asset limit		(2,211,000)		(1,058,000)
Present value of scheme liabilities		(8,723,000)		(8,598,000)
Surplus in the scheme		-		-
Related deferred tax liability		-		-
Net pension surplus		-		-
Level of funding being the actuarial value of assets expressed as a percentage of the benefits accrued to members, after allowing for future salary increases		125.35%		112.31%
<i>Brocklehurst Pension Fund</i>	2015 Expected return %	2015 £	2014 Expected return %	2014 £
Delegated growth fund	5.50	17,047,000	5.90	17,581,000
Delegated liability fund	2.50	16,690,000	2.90	13,860,000
Others (property/ cash)	0.50	71,000	0.50	95,000
Total fair value of assets	4.00	33,808,000	4.55	31,536,000
Effect of asset limit		(4,367,000)		(521,000)
Present value of scheme liabilities		(29,162,000)		(30,458,000)
Surplus/(deficit) in the scheme		279,000		557,000
Related deferred tax (liability)/asset		(50,220)		(111,400)
Net pension surplus/(deficit)		228,780		445,600
Level of funding being the actuarial value of assets expressed as a percentage of the benefits accrued to members, after allowing for future salary increases		115.93%		103.54%

**NOTES TO THE FINANCIAL STATEMENTS as at 31 October 2015****21. PENSIONS (CONTINUED)***Thomas Howell Group Pension and Life Assurance Scheme*

	2015	2015	2014	2014
	<i>Expected Return</i>		<i>Expected return</i>	
	%	£	%	£
Delegated growth fund	5.50	76,480,000	5.90	68,849,000
Delegated liability fund	2.50	56,890,000	2.90	57,175,000
Others (property/ cash)	0.50	789,000	0.50	582,000
Total fair value of assets	4.20	134,159,000	4.50	126,606,000
Effect of asset limit		(1,180,000)		-
Present value of scheme liabilities		(131,233,000)		(131,644,000)
Surplus/(Deficit) in the scheme		1,746,000		(5,038,000)
Related deferred tax asset		(314,280)		1,007,600
Net pension surplus/(deficit)		1,431,720		(4,030,400)
Level of funding being the actuarial value of assets expressed as a percentage of the benefits accrued to members, after allowing for future salary increases		102.23%		96.17%

Analysis of the amount, which has been charged to operating profit:

	<i>Crawford Arnold &amp; Green Group Pension Scheme</i>		<i>Brocklehurst Pension Fund</i>		<i>Thomas Howell Group Pension &amp; Life Assurance Scheme</i>	
	2015	2014	2015	2014	2015	2014
	£	£	£	£	£	£
Current service cost	79,000	60,000	217,000	165,000	580,000	535,000

Analysis of the amount, which has been (charged)/ credited to other finance income:

	<i>Crawford Arnold &amp; Green Group Pension Scheme</i>		<i>Brocklehurst Pension Fund</i>		<i>Thomas Howell Group Pension &amp; Life Assurance Scheme</i>	
	2015	2014	2015	2014	2015	2014
	£	£	£	£	£	£
Expected return on pension scheme assets	350,000	359,000	1,361,000	1,400,000	5,617,000	6,034,000
Interest on pension scheme liabilities	(333,000)	(348,000)	(1,144,000)	(1,206,000)	(5,023,000)	(5,312,000)
Net other finance cost	17,000	11,000	217,000	194,000	594,000	722,000

**NOTES TO THE FINANCIAL STATEMENTS as at 31 October 2015****21. PENSIONS (CONTINUED)**

Analysis of amount, which has been recognised in statement of total recognised gains and losses:

	<i>Crawford Arnold &amp; Green Group Pension Scheme</i>		<i>Brocklehurst Pension Fund</i>		<i>Thomas Howell Group Pension &amp; Life Assurance Scheme</i>	
	2015	2014	2015	2014	2015	2014
	£	£	£	£	£	£
Actual return less expected return on pension scheme assets	1,040,000	830,000	2,343,000	2,043,000	5,483,000	7,263,000
Effect of asset limit	(1,153,000)	(391,000)	(3,846,000)	(521,000)	(1,180,000)	-
Gain/(Loss) arising from changes in assumptions underlying the present value of the scheme liabilities	86,000	(452,000)	106,000	(1,628,000)	(614,000)	(5,913,000)
Actuarial loss recognised in the statement of total recognised gains and losses	(27,000)	(13,000)	(1,397,000)	(106,000)	3,689,000	1,350,000

The total contributions to the defined benefit plans in 2016 are expected to be £4,372,000 (2015: £4,421,000).

Changes in the fair value of the defined benefit obligations are as follows:

	<i>Crawford Arnold &amp; Green Group Pension Scheme</i>	<i>Brocklehurst Pension Fund</i>	<i>Thomas Howell Group Pension &amp; Life Assurance Scheme</i>
	£	£	£
As at 1 November 2013	(8404,000)	(28,405,000)	(126,255,000)
Current service cost	(60,000)	(165,000)	(535,000)
Interest cost	(348,000)	(1,206,000)	(5,312,000)
Employee contributions	-	(20,000)	(77,000)
Actuarial losses	(452,000)	(1,628,000)	(5,913,000)
Benefits paid	666,000	966,000	6,448,000
As at 31 October 2014	(8,598,000)	(30,458,000)	(131,644,000)
Current service cost	(79,000)	(217,000)	(580,000)
Interest cost	(333,000)	(1,144,000)	(5,023,000)
Employee contributions	-	(15,000)	(68,000)
Actuarial gains/(losses)	86,000	106,000	(614,000)
Benefits paid	201,000	2,566,000	6,696,000
As at 31 October 2015	(8,723,000)	(29,162,000)	(131,233,000)

**NOTES TO THE FINANCIAL STATEMENTS as at 31 October 2015****21. PENSIONS (CONTINUED)**

Changes in the fair value of plan assets are analysed as follows:

	<i>Crawford Arnold &amp; Green Group Pension Scheme £000</i>	<i>Brocklehurst Pension Fund £000</i>	<i>Thomas Howell Group Pension &amp; Life Assurance Scheme £000</i>
As at 1 November 2013	9,071,000	27,902,000	116,558,000
Expected return on plan assets	359,000	1,400,000	6,034,000
Actuarial gains on plan assets	830,000	2,043,000	7,263,000
Employer contributions	62,000	1,137,000	3,122,000
Employee contributions	-	20,000	77,000
Benefits paid	(666,000)	(966,000)	(6,448,000)
As at 31 October 2014	9,656,000	31,536,000	126,606,000
Expected return on plan assets	350,000	1,361,000	5,617,000
Actuarial gains on plan assets	1,040,000	2,343,000	5,483,000
Employer contributions	89,000	1,119,000	3,081,000
Employee contributions	-	15,000	68,000
Benefits paid	(201,000)	(2,566,000)	(6,696,000)
As at 31 October 2015	10,934,000	33,808,000	134,159,000

	<i>Crawford Arnold &amp; Green Group Pension Scheme</i>				
	<i>2015</i>	<i>2014</i>	<i>2013</i>	<i>2012</i>	<i>2011</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Fair value of scheme assets	10,934,000	9,656,000	9,071,000	8,892,000	8,269,000
Effect of asset limit	(2,211,000)	(1,058,000)	(667,000)	(1,567,000)	(2,074,000)
Present value of defined benefit obligation	(8,723,000)	(8,598,000)	(8,404,000)	(7,283,000)	(6,143,000)
Recognised surplus/(deficit) in scheme	-	-	-	42,000	52,000
Experience adjustments arising on plan liabilities	-	-	-	-	-
Experience adjustments arising on plan assets	1,040,000	830,000	98,000	344,000	642,000

**NOTES TO THE FINANCIAL STATEMENTS as at 31 October 2015****21. PENSIONS (CONTINUED)**

	<i>Brocklehurst Pension Fund</i>				
	2015 £	2014 £	2013 £	2012 £	2011 £
Fair value of scheme assets	33,808,000	31,536,000	27,902,000	25,576,000	22,781,000
Effect of asset limit	(4,367,000)	(521,000)	-	-	-
Present value of defined benefit obligation	(29,162,000)	(30,458,000)	(28,405,000)	(26,851,000)	(22,540,000)
Recognised (deficit)/surplus in scheme	279,000	557,000	(503,000)	(1,275,000)	241,000
Experience adjustments arising on plan liabilities	-	-	-	-	-
Experience adjustments arising on plan assets	2,343,000	2,043,000	1,063,000	1,074,000	1,806,000

	<i>Thomas Howell Group Pension and Life Assurance Scheme</i>				
	2015 £	2014 £	2013 £	2012 £	2011 £
Fair value of scheme assets	134,159,000	126,606,000	116,558,000	108,244,000	101,272,000
Effect of asset limit	(1,180,000)	-	-	-	-
Present value of defined benefit obligation	(131,233,000)	(131,644,000)	(126,255,000)	(120,277,000)	(104,313,000)
Recognised surplus/(deficit) in scheme	1,746,000	(5,038,000)	(9,697,000)	(12,033,000)	(3,041,000)
Experience adjustments arising on plan liabilities	-	-	-	-	-
Experience adjustments arising on plan asset	5,483,000	7,263,000	4,968,000	3,888,000	11,792,000

The cumulative amount of actuarial gains and losses recognised since 1 November 2005 in the statement of total recognised gains and losses is a net loss of £39,726,040 (2014: £41,991,040).

The contribution rates of each scheme were as follows:

	<i>Crawford Arnold &amp; Green Group Pension Scheme</i>		<i>Brocklehurst Pension Fund</i>		<i>Thomas Howell Group Pension &amp; Life Assurance Scheme</i>	
	2015	2014	2015	2014	2015	2014
Contribution rate (as % of pensionable earnings)	19%	19%	11%	11%	19%	19%
Contribution rate (above) agreed until	14-Aug-16	14-Aug-16	31-Dec-22	31-Dec-22	31-Dec-22	31-Dec-22

**NOTES TO THE FINANCIAL STATEMENTS as at 31 October 2015**

**22. CAPITAL COMMITMENTS**

There were no capital commitments contracted for but not provided at 31 October 2015 (2014: £nil)

**23. RELATED PARTY TRANSACTIONS**

As a subsidiary undertaking of Crawford & Company, the Company has taken advantage of the exemption in FRS 8 "Related Party Disclosures" from disclosing transactions with other members of the group headed by Crawford & Company.

At the year end, the Company was owed £157,277 (2014: £4,561,469) by Lloyd Warwick International Limited, a 51% investment of Crawford & Company EMEA A/P Holdings Limited, a fellow UK subsidiary of Crawford & Company. Interest was charged at a rate of 3% from April 2013, amounting to £49,388 (2014: £84,856).

**24. ULTIMATE CONTROLLING PARTY**

The directors regard Crawford & Company, a company incorporated in the USA, as the ultimate parent company and the ultimate controlling party.

The smallest and largest group of which Crawford & Company Adjusters (UK) Limited is a member, and for which group financial statements are drawn up, is that headed by Crawford & Company, whose principal place of business is at 1001 Summit Boulevard, Atlanta, Georgia, USA, 30319. The consolidated financial statements of this group are available to the public and may be obtained from the above address.

**25. POST BALANCE SHEET EVENT**

On 30 November 2015 the trade and assets of GAB Robins UK Limited, excluding the managed contractors business, was transferred to Crawford & Company Loss Adjusters (UK) Limited. The consideration paid was settled via inter company loan.