

REINSURANCE SOLUTIONS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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REINSURANCE SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	S J Goate C D Johnson M A Langridge A K Quilter
Company secretary	R&Q Central Services Limited
Registered number	01199219
Registered office	71 Fenchurch Street London EC3M 4BS
Independent auditors	PKF Littlejohn LLP Statutory Auditor 1 Westferry Circus Canary Wharf London E14 4HD
Bankers	National Westminster Bank Plc 1 Princes Street PO BOX 12258 London EC2R 8PA

REINSURANCE SOLUTIONS LIMITED

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REINSURANCE SOLUTIONS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

The Directors present their report and the financial statements for the year ended 31 December 2015.

Directors' responsibilities statement

The Directors are responsible for preparing 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of 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.

Results and dividends

The loss for the year, after taxation, amounted to £564,474 (2014 - profit £65,437).

The Directors do not recommend the payment of a dividend.

Directors

The Directors who served during the year were:

S J Goate
C D Johnson
M A Langridge
A K Quilter

Future developments

The R&Q Group reorganisation has resulted in the Company transferring various client contracts to another Group Company, the directors are currently considering the future opportunities for the Company within the R&Q Group.

REINSURANCE SOLUTIONS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

Under section 487(2) of the Companies Act 2006, PKF Littlejohn LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on **30th SEPTEMBER 2016** and signed on its behalf.



.....
Beverley Murphy
For and on behalf of R&Q Central Services Limited
Secretary

REINSURANCE SOLUTIONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF REINSURANCE SOLUTIONS LIMITED

We have audited the financial statements of Reinsurance Solutions Limited for the year ended 31 December 2015, set out on pages 5 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's shareholder 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 shareholder those matters we are required to state to them in an Auditors' 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 shareholder for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 Financial Reporting Council'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 Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the directors' report has been prepared in accordance with applicable legal requirements.

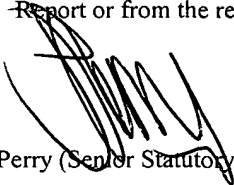
REINSURANCE SOLUTIONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF REINSURANCE SOLUTIONS LIMITED

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; or
- the Directors were not entitled to take advantage of the small Companies' exemption in preparing the Directors' Report or from the requirement to prepare a Strategic Report.



John Perry (Senior Statutory Auditor)

for and on behalf of
PKF Littlejohn LLP

Statutory Auditor

1 Westferry Circus
Canary Wharf
London
E14 4HD
Date:

30 September 2016

REINSURANCE SOLUTIONS LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 £	2014 £
Turnover	4	1,213,671	2,657,638
Gross profit		1,213,671	2,657,638
Administrative expenses		(1,923,629)	(2,564,667)
Operating (loss)/profit	5	(709,958)	92,971
Interest receivable and similar income	8	107,421	68,275
Interest payable and expenses	9	(99,283)	(66,788)
(Loss)/profit before tax		(701,820)	94,458
Tax on (loss)/profit	10	137,346	(29,021)
(Loss)/profit after tax		(564,474)	65,437
Retained earnings at the beginning of the year		1,237,986	1,172,549
		1,237,986	1,172,549
(Loss)/profit for the year		(564,474)	65,437
Retained earnings at the end of the year		673,512	1,237,986

There were no recognised gains and losses for 2015 or 2014 other than those included in the profit and loss account.

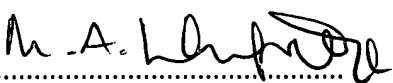
The notes on pages 7 to 16 form part of these financial statements.

REINSURANCE SOLUTIONS LIMITED
REGISTERED NUMBER: 01199219

BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	2015 £	2014 £
Current assets			
Debtors: amounts falling due within one year	11	833,551	1,483,131
Cash at bank and in hand	12	109,535	31,538
		<u>943,086</u>	<u>1,514,669</u>
Creditors: amounts falling due within one year	13	(249,574)	(256,683)
Net current assets		<u>693,512</u>	<u>1,257,986</u>
Total assets less current liabilities		<u>693,512</u>	<u>1,257,986</u>
Net assets		<u><u>693,512</u></u>	<u><u>1,257,986</u></u>
Capital and reserves			
Called up share capital	15	20,000	20,000
Profit and loss account	16	673,512	1,237,986
		<u>693,512</u>	<u>1,257,986</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


.....
M A Langridge
Director

Date: 30/09/2016

The notes on pages 7 to 16 form part of these financial statements.

REINSURANCE SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. GENERAL INFORMATION

The Company supplies claims and premium collection services to reinsurance participants.

The Company is a private Company limited by shares and is incorporated and domiciled in England. The address of its registered office is 71 Fenchurch Street, London, EC3M 4BS.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 19.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Randall & Quilter Investment Holdings Ltd as at 31 December 2015 and these financial statements may be obtained from 71 Fenchurch Street, London, EC3M 4BS..

2.3 Going concern

The Directors have assessed the position of the Company and it is expected to be able to meet its own liabilities as they fall due. The Directors believe that no material uncertainty exists that may cast significant doubt over the ability of the Company to continue as a going concern. Therefore the Company's Directors have reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future.

REINSURANCE SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

2. Accounting policies (continued)**2.4 Turnover**

Turnover comprises revenue recognised by the Company in respect of services supplied and recharges to other group Companies during the year exclusive of Value Added Tax.

Turnover represents fees and net commissions arising from the Company's principal activities of supplying claims and premium collection services to reinsurance participants.

Fees receivable in respect of advisory services are recognised when the right to such fees are established and the services concerned have been performed.

Reinsurance or premium commission income is recognised when the collections have been made.

Credit write-back income is recognised when board approval supported by an external legal opinion is obtained.

2.5 Cash and cash equivalents

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

2. Accounting policies (continued)**2.6 Financial Instruments****(i) Financial assets**

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group Companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

REINSURANCE SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

2. Accounting policies (continued)

2.7 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is Great British Pounds (GBP).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings.

2.8 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.9 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.11 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

REINSURANCE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the entity's accounting policies

No judgements have been made in applying the entities accounting policies that would have a significant effect on the amounts recognised in these financial statements.

(b) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Impairment of Debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 11 for the net carrying amount of debtors and associated impairment provision.

4. Analysis of turnover

An analysis of turnover by class of business is as follows:

	2015 £	2014 £
Fee Income	646,166	1,257,629
Commission Income	324,701	326,720
Credit write-backs	213,329	1,070,493
Recharged Income	29,476	2,796
	<u>1,213,672</u>	<u>2,657,638</u>

Analysis of turnover by country of destination:

	2015 £	2014 £
United Kingdom	1,163,019	2,522,545
Rest of the world	50,652	135,093
	<u>1,213,671</u>	<u>2,657,638</u>

REINSURANCE SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

5. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2015 £	2014 £
Exchange differences	(157,216)	(151,789)

6. Auditors' remuneration

	2015 £	2014 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	16,000	16,000
	<u>16,000</u>	<u>16,000</u>

7. Employees

Costs are recharged to each Company by means of a Group recharge. Full staff costs are disclosed in the employing Company R&Q Insurance Services Limited.

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2015 £	2014 £
Interest receivable from group Companies	107,421	68,275
	<u>107,421</u>	<u>68,275</u>

9. Interest payable and similar charges

	2015 £	2014 £
Loans from group undertakings	99,283	66,788
	<u>99,283</u>	<u>66,788</u>

REINSURANCE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

10. Taxation

No provision has been made in the financial statements for corporation tax on the results for the period as a tax loss arises. Group relief relates to amounts receivable for losses surrendered to other group Companies.

The credit for corporation tax comprises the following:

	2015 £	2014 £
Corporation tax		
Adjustments in respect of previous periods	(29,021)	-
Group taxation relief	(108,325)	29,021
Total current tax	(137,346)	29,021

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2014 - higher than) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%). The differences are explained below:

	2015 £	2014 £
Loss on ordinary activities before tax	(701,820)	94,458
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%)	(142,095)	20,302
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(9)	9
Capital allowances for year in excess of depreciation	(200)	(259)
Adjustments to tax charge in respect of prior periods	(29,021)	-
Tax losses carried back	27,338	-
Transfer pricing adjustments	6,641	8,969
Total tax charge for the year	(137,346)	29,021

REINSURANCE SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

10. Taxation (continued)

Factors that may affect future tax charges

In the Finance Bill 2015, it was announced that the main rate of UK corporation tax would reduce to 19% from 1 April 2017 and to 18% from 1 April 2020. The Bill was substantively enacted on 26 October 2015.

In March 2016, it was announced that there would be a further reduction to 17% from 1 April 2020. The Finance Bill 2016 was not substantively enacted at the approval of these financial statements nor is it expected to have a material impact on the Company.

The Company's 2015 results are taxed at an effective rate of 20.25%.

11. DEBTORS: Amounts falling due within one year

	2015 £	2014 £
Trade debtors	39,717	342,813
Amounts owed by group undertakings	710,154	575,589
Other debtors	3,341	3,500
Prepayments and accrued income	80,339	561,229
	833,551	1,483,131

Amounts owed by group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

Included in amounts owed by group undertakings are net loans of £89,574 on which interest is charged/credited, at Libor + 2.75%.

12. Cash and cash equivalents

	2015 £	2014 £
Cash at bank and in hand	109,535	31,538
	109,535	31,538

REINSURANCE SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

13. Creditors: Amounts falling due within one year

	2015 £	2014 £
Amounts owed to group undertakings	231,489	241,483
Accruals and deferred income	18,085	15,200
	<u>249,574</u>	<u>256,683</u>

Amounts owed to group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

14. Financial instruments

	2015 £	2014 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	797,646	1,441,204
	<u>797,646</u>	<u>1,441,204</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(249,574)	(250,011)
	<u>(249,574)</u>	<u>(250,011)</u>

Financial assets measured at amortised cost comprise amounts owed by group undertakings, trade debtors and accrued income. Prepaid expenses (£35,905) that is not a financial asset is not included.

Financial Liabilities measured at amortised cost comprise amounts owed to group undertakings and accruals.

15. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
20,000 Ordinary shares of £1 each	20,000	20,000
	<u>20,000</u>	<u>20,000</u>

There is a single class of Ordinary share. There are no restrictions on the distribution of dividends and the repayment of capital.

REINSURANCE SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

16. Reserves

Profit & loss account

The profit and loss account represents accumulated profits.

17. Related party transactions

The Company is exempt from disclosing other related party transactions as they are with other Companies that are wholly owned within the group.

There are no other transactions with or balances to or from related parties.

18. Controlling party

The immediate parent undertaking is Randall & Quilter IS Holdings Limited, which is registered in England and Wales.

Group financial statements are prepared by the ultimate parent undertaking, Randall & Quilter Investment Holdings Ltd., a Company registered in Bermuda, and can be obtained from 71 Fenchurch Street, London, EC3M 4BS.

In the opinion of the Directors there is no ultimate controlling party.

19. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.