

Company Number
01492207

Quindell Business Process Services Limited
FINANCIAL STATEMENTS
for the year ended 31 December 2019



Table of contents

| | |
|---|----|
| Officers and Professional Advisors | 3 |
| Strategic Report | 4 |
| Directors' Report | 5 |
| Independent Auditor's Report to the members of Quindell Business Process Services Limited | 7 |
| Financial Statements | 9 |
| Statement of Comprehensive Income | 9 |
| Statement of Financial Position | 10 |
| Statement of Changes in Equity | 11 |
| Cash Flow Statement | 11 |
| Notes to the Financial Statements | 12 |

Officers and Professional Advisors

Directors

Mr S Borson
Mr L James (appointed 28 June 2019)

Registered Office

Highfield Court
Tollgate
Chandlers Ford
Eastleigh
Hampshire
SO53 3TY

Auditor

BDO LLP
Arcadia House
Maritime Walk
Southampton
SO14 3TL

Solicitor

Dorsey & Whitney
199 Bishopsgate
London EC2M 3UT

Strategic Report

Business Review

The Company has not traded since May 2015 and has no employees.

Financial review

The results for the year are set out on page 9. The profit for the year was £411,000 (2018: £394,000). This comprised management recharges from the Company's parent offset by interest charged upon the balance loaned to the Company's parent.

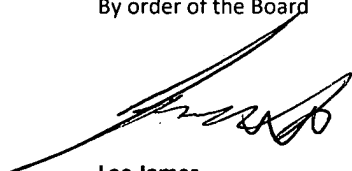
Capital management

The Company's objective is to maintain a balance sheet structure that is efficient in terms of providing long term returns to shareholders and which safeguards the Company's financial position through economic cycles.

Principal risks and uncertainties

There are no principal risks or uncertainties to report. The Directors have considered the impact of COVID-19 upon the company and have concluded, since the Company has no trade and no assets other than amounts due from its parent, that there is no material risk to the Company arising.

By order of the Board



Lee James
Director

1 June 2020

Directors' Report

Directors

The Directors who served during the year are as follows:

Mr M Williams (resigned 28 June 20
Mr S Borson
Mr L James (appointed 28 June 2019)

Political donations

The Company did not make any political donations in the year (2018: £nil).

Future developments

The Company has not traded since May 2015, has no employees but has been managing the run off of certain liabilities that existed at that date. The Directors note the impact of COVID-19 which is discussed further in note 13.

Going Concern

During 2015 the Directors took the decision to cease trading since the trade of the Company no longer forms part of the core business of the wider Watchstone Group, of which the Company is a part. As they do not intend to acquire a replacement trade, the Directors have not prepared the Financial Statements on a going concern basis. No adjustments were necessary to the amounts at which the remaining net assets are included in these Financial Statements.

Statement of Director's responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

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 they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so (as explained in note 2, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis).

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Disclosure of information to the auditor

In the case of each of the persons who are Directors of the Company at the date when this report is approved:

- (a) so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- (b) each of the Directors has taken all steps that they ought to have taken as a Director to make themselves aware of any relevant audit information (as defined) and to establish that the auditor is aware of that information.

This information is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

By order of the Board

A handwritten signature in black ink, appearing to read 'Lee James', is written over the printed name.

Lee James
Director

1 June 2020

Independent Auditor's Report to the members of Quindell Business Process Services Limited

Opinion

We have audited the financial statements of Quindell Business Process Services Limited ("the Company") for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Cash Flow Statement, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – basis of preparation

We draw attention to note 2 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of going concern. Our opinion is not modified in this respect of this matter.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Directors' report.

Independent Auditor's Report to the members of Quindell Business Process Services Limited (Continued)

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of Directors

As explained more fully in the Statement of Director's Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



Malcolm Thixton (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Southampton, UK
1 June 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Financial Statements

Statement of Comprehensive Income

for the year ended 31 December 2019

| | Note | 2019 £'000 | 2018 £'000 |
|---|------|---------------|---------------|
| Administrative expenses | | (30) | (41) |
| Operating (loss)/profit | | (30) | (41) |
| Finance income | 7 | 441 | 435 |
| Profit before taxation | | 411 | 394 |
| Taxation | 8 | - | - |
| Profit for the year | | 411 | 394 |
| Other comprehensive income | | | |
| Other comprehensive income for the year, net of tax | | - | - |
| Comprehensive income for the year | | 411 | 394 |

The notes on pages 12 to 15 form an integral part of these Financial Statements.

Statement of Financial Position

as at 31 December 2019

| | Note | 2019 £'000 | 2018 £'000 |
|-----------------------------|------|---------------|---------------|
| Non-current assets | | | |
| Trade and other receivables | 9 | 22,539 | 22,128 |
| Total assets | | 22,539 | 22,128 |
| Current liabilities | | | |
| Trade and other payables | 10 | (34) | (34) |
| Total liabilities | | (34) | (34) |
| Net assets | | 22,505 | 22,094 |
| Equity | | | |
| Share capital | 11 | 6,142 | 6,142 |
| Share premium account | | 1,579 | 1,579 |
| Treasury shares | 11 | (128) | (128) |
| Retained earnings | | 14,912 | 14,501 |
| Total equity | | 22,505 | 22,094 |

The notes on pages 12 to 15 form an integral part of these Financial Statements.

The Financial Statements of Quindell Business Process Services Limited, registered number 01492207, on pages 9 to 15 were approved and authorised for issue by the Directors on 1 June 2020 and signed on its behalf by:



Lee James
Director

Statement of Changes in Equity

for the year ended 31 December 2019

| | Share capital £'000 | Share premium £'000 | Treasury shares £'000 | Retained earnings £'000 | Total equity £'000 |
|---------------------|------------------------|---------------------------|--------------------------|-------------------------------|-----------------------|
| At 1 January 2019 | 6,142 | 1,579 | (128) | 14,501 | 22,094 |
| Profit for the year | - | - | - | 411 | 411 |
| At 31 December 2019 | 6,142 | 1,579 | (128) | 14,912 | 22,505 |
| At 1 January 2018 | 6,142 | 1,579 | (128) | 14,107 | 21,700 |
| Profit for the year | - | - | - | 394 | 394 |
| At 31 December 2018 | 6,142 | 1,579 | (128) | 14,501 | 22,094 |

5form an integral part of these Financial Statements.

Cash Flow Statement

There were no cash flows in either the current or prior year.

The notes on pages 12 to 15 form an integral part of these Financial Statements.

Notes to the Financial Statements

1. General information

Quindell Business Process Services Limited is a company registered and domiciled in the United Kingdom. The Financial Statements are presented in pounds sterling, to the nearest thousand, as this is the currency of the primary economic environment in which the Company operates. The address of the registered office is Highfield Court, Tollgate, Chandlers Ford, Eastleigh, Hampshire SO53 3TY. The nature of the Company's operations and its principal activities are set out on page 4.

2. Significant accounting policies

The principal accounting policies adopted in the preparation of these Financial Statements are set out below.

Basis of preparation

These Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRIC interpretations adopted by the European Union ("EU"). The Financial Statements have been prepared under the historical cost convention. A summary of the significant Company accounting policies, which have been applied consistently across the Company, is set out below. The Company has reviewed its accounting policies in accordance with IAS 8 and determined that they are appropriate for the Company and have been consistently applied.

Going Concern

During 2015 the Directors took the decision to cease trading since the trade of the Company no longer forms part of the core business of the wider Watchstone Group, of which the Company is a part. As there is no intention to acquire a replacement trade, the Director has not prepared the Financial Statements on a going concern basis. No adjustments were necessary to the amounts at which the remaining net assets are included in these Financial Statements.

Operating profit

Operating profit is profit stated before finance income, finance expense and tax.

Taxation including deferred tax

The tax expense represents the sum of current tax and deferred tax. Tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised in equity in which case it is recognised in equity. The current tax is based on taxable profit for the year calculated using tax rates that have

been enacted or substantively enacted by the Statement of Financial Position date.

Deferred tax is provided using the balance sheet liability method on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. In principle deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets or liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each Statement of Financial Position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

Share premium account

The share premium account represents the fair value of the share consideration over and above the share's nominal value of £0.10 per share.

Treasury shares

Treasury shares relate to the purchase by the Company of its own shares.

3. Adoption of new and revised Standards

Standards, amendments and interpretations not significantly affecting the reported results nor the financial position

There are no new standards, amendments or interpretations adopted by the Company that have a material impact on the Financial Statements for the year.

New standards, amendments and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual

periods beginning after 1 January 2019, and have not been applied in preparing these Financial Statements. None of these are expected to have a significant effect on the Financial Statements of the Company.

4. Critical accounting judgements and key sources of estimation uncertainty

Management do not consider that there are any significant accounting judgements or sources of estimation uncertainty.

5. Operating profit

Audit fees of £5,000 in the current year (2018: £2,500) were borne by its parent, Watchstone Group plc.

6. Employee and staff costs

The average number of employees during the year including Directors was as follows:

| | 2019 Number | 2018 Number |
|-------------------------------|----------------|----------------|
| Employees including Directors | 2 | 2 |
| | 2 | 2 |

The remuneration of the Directors was as follows:

| | 2019 £'000 | 2018 £'000 |
|------------|---------------|---------------|
| Emoluments | - | - |

The cost of the Directors was borne by other group companies in both 2019 and 2018. No remuneration in respect of those directors is disclosed as the Directors' services to the company are insignificant compared to their services to other group companies.

7. Finance income

The average number of employees during the year including Directors was as follows:

| | 2019 £'000 | 2018 £'000 |
|---|---------------|---------------|
| Interest on amounts due from parent company | 441 | 435 |
| | 441 | 435 |

8. Taxation

There was no current or deferred tax charge for the year (2018: £nil). Income tax for the UK is calculated at the standard rate of UK corporation tax of 19% (2018: 19%) on the estimated assessable profit for the year. The total charge for the year can be reconciled to the accounting profit as follows:

| | 2019 £'000 | 2018 £'000 |
|--------------------------------------|---------------|---------------|
| Profit before tax | 411 | 394 |
| Tax at 19% (2018: 19%) thereon | 78 | 75 |
| Effect of: Group relief claimed | (78) | (75) |
| Total tax charge for the year | - | - |

9. Trade and other receivables

| | 2019 £'000 | 2018 £'000 |
|---------------------------------|---------------|---------------|
| Amounts due from parent company | 22,539 | 22,128 |
| | 22,539 | 22,128 |

10. Trade and other payables

| | 2019 £'000 | 2018 £'000 |
|---------------------|---------------|---------------|
| Current liabilities | | |
| Accruals | 34 | 34 |
| | 34 | 34 |

11. Share capital

| | 2019 | | 2018 | |
|--|-----------------|------------------------|-----------------|------------------------|
| | Number 000's | Nominal value £'000 | Number 000's | Nominal value £'000 |
| 61,416,189 issued and fully paid shares: | 61,416 | 6,142 | 61,416 | 6,142 |
| At the start and end of the year | 61,416 | 6,142 | 61,416 | 6,142 |

The Company has one class of Ordinary Shares of 10 pence each which carry no right to fixed income.

Included within the ordinary share capital as at 31 December 2019 are 471,667 treasury shares (2018: 471,667 treasury shares) of 10 pence each with a carrying value of £128,000 (2018: £128,000).

12. Financial instruments

Financial risk management

The Company's financial instruments comprise various items such as trade debtors and trade creditors that arise from its operations. The main purpose of these financial instruments is to manage the Company's operations.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities.

The Company's credit risk lies with its related party receivables. From 1 January 2018 interest is charged on the related parties' receivables balances at 2%. The Company does not hold any collateral or other credit enhancements over these balances nor has the legal right of offset with any amounts owed by the Company to the receivables counterparty.

The carrying amounts of borrowings are denominated in Sterling (2017: Sterling).

The carrying amount of financial assets represents the maximum credit exposure. At the reporting date the principal financial assets were:

| | Note | 2019 £'000 | 2018 £'000 |
|--|------|---------------|---------------|
| Non-derivative financial assets | | | |
| Related party receivables | 9 | 22,539 | 22,128 |
| | | 22,539 | 22,128 |

The maximum exposure to credit risk for related party receivables at the reporting date all related to the UK (2018: all related to the UK) and the carrying amounts of related party receivables are all denominated in Sterling (2018: all are denominated in Sterling).

The ageing of loans and other receivables at 31 December 2019 was as follows:

| | 2019 Gross £'000 | 2019 Impairment £'000 | 2019 Net £'000 | 2018 Gross £'000 | 2018 Impairment £'000 | 2018 Net £'000 |
|-----------------------|------------------------|-----------------------------|----------------------|------------------------|-----------------------------|----------------------|
| Between 2 and 5 years | 22,539 | - | 22,539 | 22,128 | - | 22,128 |
| | 22,539 | - | 22,539 | 22,128 | - | 22,128 |

Included in the net loans and other receivables balance above is £nil (2018: £nil) which are subject to contractual payment terms.

13. Post balance sheet events

The Directors note COVID-19 will have a material impact upon several businesses in 2020. Since the Company has no trade there is not expected to be a material impact upon the Company from COVID 19. The Parent Company, from whom the Company is owed £22,539,000 has a robust balance sheet and is also not considered to be materially impacted by COVID-19.

14. Ultimate parent company and controlling party

The immediate parent company is Watchstone Group plc. The ultimate controlling party of the Company and the parent company of the smallest group to consolidate these Financial Statements is Watchstone Group plc. Copies of the consolidated accounts of Watchstone Group plc can be obtained by writing to the Company Secretary at Highfield Court, Tollgate, Chandlers Ford, Eastleigh, Hampshire SO53 3TY.

15. Related party transactions

Transactions with companies within the Watchstone group:

| | Net management and interest charges made to | | Receivable | |
|----------------|--|---------------|---------------|---------------|
| | 2019 £'000 | 2018 £'000 | 2019 £'000 | 2018 £'000 |
| Parent company | 411 | 394 | 22,539 | 22,128 |

The impact of COVID-19 upon the recoverability of the balance from the Parent Company is considered in note 13.