Registered number: 02048526

WINDSOR SERVICES LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

WINDSOR SERVICES LTD

COMPANY INFORMATION

DIRECTORS	W D Bloomer O R P Corbett (resigned 14 December 2018) S R Thieriet (appointed 17 October 2018, resigned 21 January 2020) A K Cameron (appointed 21 January 2020, resigned 28 January 2020)
COMPANY SECRETARY	A J Moore
REGISTERED NUMBER	02048526
REGISTERED OFFICE	One Creechurch Place London United Kingdom EC3A 5AF
INDEPENDENT AUDITOR	Deloitte LLP Statutory Auditor 1 New Street Square London United Kingdom EC4A 3HQ

WINDSOR SERVICES LTD

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DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2019

The Directors present their report and the audited financial statements for the year ended 30 September 2019.

PRINCIPAL ACTIVITY

Windsor Services Ltd ("the Company") is the statutory employer of the defined benefit pension scheme of the former Windsor group of companies.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £13,851 *(2018 - £22,477)*.

The Company did not pay a dividend during the year *(2018 - £Nil)*, and do not propose the payment of one.

DIRECTORS

The Directors who served during the year and up to the date of signing were:

W D Bloomer
O R P Corbett (resigned 14 December 2018)
S R Thieriet (appointed 17 October 2018, resigned 21 January 2020)
A K Cameron (appointed 21 January 2020, resigned 28 January 2020)

FUTURE DEVELOPMENTS

Following the United Kingdom referendum result to exit the EU, the Company has been proactively planning to minimise any potential disruption. Whilst it is still unclear what the outcome will be from negotiations between the UK and EU, the Company is preparing on the assumption that the UK will leave the EU without a trade deal and/or any transitional arrangements.

The Company has examined multiple options and strategies in a number of different EU countries. After consideration of the various regulatory environments, the Company has established relevant regulated entities in Luxembourg which will become our access points to all EEA Member States under EU Passporting/Freedom of Services.

GOING CONCERN

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts. See Note 2.3 for further analysis.

DIRECTORS' INDEMNITIES

The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for Directors and Officers of the Company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including and liabilities relating to the defence of any proceedings brought against them which relates to anything done or omitted, or alleged to have been done or omitted, by them as officers or employees of the Company. Appropriate Directors' and Officers' liability insurance cover is in place in respect of all the Company's Directors.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019

DISCLOSURE OF INFORMATION TO AUDITOR

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

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the 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 auditor is aware of that information.

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

POST BALANCE SHEET EVENTS

During January 2020 A global pandemic crisis ("COVID-19") emerged in Asia before spreading across the world. This led to severe disruption with governments putting measures in place Such as temporary closure of sites of business activities and social distancing to limit the spread of COVID-19 across a number of countries. While the insurance broking industry generally proved resilient during the financial crisis of 2008-2010 and is expected to be less impacted than other industries such as retail in this crisis, there is uncertainty in terms of the duration of the pandemic and the subsequent impacts on the wider economy. If clients were to undergo financial distress as a result, this could impact the future demand for their services as defined in the principle activities of the company and as well as increase the credit risk arising over outstanding amounts due from clients. The social distancing restrictions has led to the staff working from home. However, the investment in the IT infrastructure by the Hyperion Group over the recent years has facilitated this significant operational change an insurance policies are able to be placed remotely.

There were no other significant events arising after balance sheet to the date of this report.

AUDITOR

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

SMALL COMPANIES NOTE

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 28 September 2020 and signed on its behalf by

A J Moore
Secretary

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2019

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

Company law requires the Directors to prepare audited 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 FRS 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 audited financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to 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 WINDSOR SERVICES LTD

Opinion

In our opinion the financial statements of Windsor Services Ltd (the "Company"):

- give a true and fair view of the state of the company's affairs as at 30 September 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006

We have audited the financial statements which comprise:

- the income statement;
- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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.

Conclusions relating to going concern

We are required by ISA's (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WINDSOR SERVICES LTD

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.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 3, 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 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

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 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.

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 any material misstatements in the Directors' Report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WINDSOR SERVICES LTD

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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; and
- the Directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of the audit 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.

Mark McIlquham ACA (Senior statutory auditor)

for and on behalf of Deloitte LLP

Statutory Auditor
London
United Kingdom

Date: 28th September 2020

INCOME STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Note	2019 £	2018 £
Administrative expenses		(19,307)	(22,626)
Other operating income	4	1,787	-
OPERATING LOSS	5	(17,520)	(22,626)
Interest payable and similar expenses	8	-	(3,000)
LOSS BEFORE TAX		(17,520)	(25,626)
Tax on loss	9	3,669	3,149
LOSS FOR THE FINANCIAL YEAR		(13,851)	(22,477)

The notes on pages 11 to 22 form part of these financial statements.

All results were derived from continuing operations.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Note	2019 £	*2018 £*
Loss for the year		**(13,851)**	*(22,477)*
OTHER COMPREHENSIVE INCOME			
Remeasurement of net defined benefit obligation		**-**	*143,000*
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		**(13,851)**	*120,523*

The notes on pages 11 to 22 form part of these financial statements.

WINDSOR SERVICES LTD
REGISTERED NUMBER: 02048526

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019

	Note		2019 £		2018 £
CURRENT ASSETS					
Debtors: amounts falling due within one year	10	3,668		2,857	
Cash at bank and in hand	11	-		3,382	
		3,668		6,239	
Creditors: amounts falling due within one year	12	(43,989)		(32,709)	
NET CURRENT LIABILITIES			(40,321)		(26,470)
TOTAL ASSETS LESS CURRENT LIABILITIES			(40,321)		(26,470)
NET LIABILITIES			(40,321)		(26,470)
CAPITAL AND RESERVES					
Called up share capital	13		100		100
Profit and loss account	14		(40,421)		(26,570)
			(40,321)		(26,470)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 September 2020

W D Bloomer
Director

The notes on pages 11 to 22 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Called up share capital	Profit and loss account	Total shareholders' deficit
	£	£	£
At 1 October 2017	**100**	**(147,093)**	**(146,993)**
Loss for the year	-	(22,477)	(22,477)
Remeasurement of the net defined liability (see note 14)	-	143,000	143,000
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	120,523	120,523
At 30 September 2018	**100**	**(26,570)**	**(26,470)**
Loss for the year	-	(13,851)	(13,851)
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR	-	(13,851)	(13,851)
AT 30 SEPTEMBER 2019	**100**	**(40,421)**	**(40,321)**

The notes on pages 11 to 22 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

1. GENERAL INFORMATION

The Company is a private company limited by shares, incorporated in the United Kingdom and registered in England and Wales. The address of its registered office is One Creechurch Place, London, United Kingdom, EC3A 5AF. Company number 02048526.

The principal activity of the Company is set out in the Directors' Report.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The following accounting policies have been applied in dealing with items that are considered material in relation to the 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.

Monetary amounts in these financial statements are rounded to the nearest £1.

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).

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company meets the definition of a qualifying entity and has therefore taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 paragraph 1.12 (a) - (e):

- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d)
- 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 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 Hyperion Insurance Group Limited as at 30 September 2019 and these financial statements may be obtained from the Group Finance Department, One Creechurch Place, London, United Kingdom, EC3A 5AF.

2. ACCOUNTING POLICIES (CONTINUED)

2.3 GOING CONCERN

The Company's business activities are set out in the Directors' Report. As at 30 September 2019, the Company has net current liabilities and net liabilities of £40,321.

The Company's ultimate parent company, Hyperion Insurance Group Limited, has undertaken to provide financial support to the Company to meet liabilities as they fall due for a period not less than twelve months after the approval of the financial statements.

Having considered the aforementioned, and after making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from the date of signing/approval of these financial statements. Accordingly, the Company continues to adopt the going concern basis in preparing the financial statements.

In respect of the emergence of COVID-19, management has considered the impact on future cash flows and liquidity on Hyperion Insurance Group Limited and therewith its ability to financially support to its subsidiaries. This was done by stress testing the current forecast plan for a period at least to September 2021 by modelling a decrease of up to 15% on revenue, which varied across the forecast period. On completing this exercise, management considered current and forecast sensitised liquidity to be adequate for the forecast period. Mitigating actions to further increase liquidity could include reduction of discretionary spend such as bonuses and travel and entertainment.

2.4 DEBTORS

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value (including transaction costs), and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.5 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an

2. ACCOUNTING POLICIES (CONTINUED)

2.5 FINANCIAL INSTRUMENTS (continued)

intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.6 CREDITORS

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value (including transaction costs), and are measured subsequently at amortised cost using the effective interest method.

2.7 FUNCTIONAL AND PRESENTATION CURRENCY

The Company's functional and presentational currency is GBP.

2.8 FINANCE COSTS

Finance costs are charged to the Income Statement 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.

2.9 PENSIONS

Defined benefit scheme

The Company has one legacy defined benefit pension scheme which is closed to new members and which has one deferred member. Full actuarial valuations of the scheme are carried out at least every three years. A qualified independent actuary updated these valuations as at 30 September 2019. For the purposes of these annual updates, scheme assets are included at market value and scheme liabilities are measured on an actuarial basis using the projected unit method. The defined benefit surplus or deficit is included in the Company's statement of financial position. A surplus is included only to the extent that it is recoverable through reduced contributions in the future or through refunds from the scheme. The current service cost, any past service costs and the expected return on the scheme's assets, net of the impact of the unwinding of the discount on scheme liabilities, are included in the income statement. Actuarial gains and losses, including difference between the expected and actual return on scheme assets, are recognised through the statement of comprehensive income.

2.10 TAXATION

Tax is recognised in the Income Statement, except that a charge 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 reporting date in the countries where the Company operates and generates income.

3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the group's accounting policies, which are described in Note 2, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There were no key judgments or estimates during the year.

4. OTHER OPERATING INCOME

	2019	*2018*
	£	*£*
Other operating income	**1,787**	-
	1,787	-

5. OPERATING LOSS

The operating loss is stated after charging:

	2019	*2018*
	£	*£*
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	**13,732**	*9,219*

6. AUDITOR'S REMUNERATION

	2019 £	2018 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	13,732	9,219
Fees payable to the Company's auditor in connection with the Company's pension scheme(s) in respect of:		
All other services	-	19,200

The amount for 'other services' relates to the audit of the Windsor Retirement Benefits Scheme No 2. £NIL related to the prior year (2018 - £8,600).

7. EMPLOYEES

Staff costs were as follows:

	2019 £	2018 £
Other staff costs	-	4,000

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

	2019 No.	2018 No.
Directors	2	2

The Directors are employees of another group company and receive no remuneration for services in respect of this Company.

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019 £	2018 £
Other loan interest payable	-	3,000

9. TAXATION

	2019 £	*2018* *£*
CORPORATION TAX		
Current tax on losses for the year	**(3,668)**	*(3,539)*
Adjustments in respect of previous periods	**(1)**	*390*
TOTAL CURRENT TAX	**(3,669)**	*(3,149)*

FACTORS AFFECTING TAX CREDIT FOR THE YEAR

The tax assessed for the year is higher than *(2018 - lower than)* the standard rate of corporation tax in the UK of 19% *(2018 - 19%)*. The differences are explained below:

	2019 £	*2018* *£*
Loss before tax	**(17,520)**	*(25,626)*
Loss multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	**(3,329)**	*(4,869)*
EFFECTS OF:		
Adjustments to tax charge in respect of prior periods	**(1)**	*390*
Unrecognised deferred tax asset on losses	**-**	*1,330*
Other differences	**(339)**	*-*
TOTAL TAX CREDIT FOR THE YEAR	**(3,669)**	*(3,149)*

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. As the proposal to keep the rate at 19% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

10. DEBTORS

	2019 £	2018 £
Other debtors	3,668	-
Tax recoverable	-	2,857
	3,668	2,857

11. CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash at bank and in hand	-	3,382

12. CREDITORS: Amounts falling due within one year

	2019 £	2018 £
Amounts owed to fellow subsidiaries	31,989	11,502
Other creditors	-	3,388
Accruals and deferred income	12,000	17,819
	43,989	32,709

Amounts owed to fellow subsidiaries are unsecured, interest free and repayable on demand.

13. SHARE CAPITAL

	2019 £	2018 £
Allotted, called up and fully paid		
100 *(2018 - 100)* Ordinary shares of £1 each	100	100

The Company has one class of ordinary shares which carry voting rights but no right to fixed income.

14. RESERVES

Profit and loss account

Made up of all current and prior period retained earnings.

15. COMMITMENTS

The Company operates a Defined Benefit Pension Scheme.

The weighted average duration of the expected benefit payments from the scheme is around 10 years. The defined benefit scheme is operated from a trust, which has assets which are held separately from the Company, and trustees who ensure the scheme's rules are strictly followed.
The results at the accounting date have been calculated by an independent qualified actuary in accordance with IAS 19.

The funding target is for the scheme to hold assets equal in value to the accrued benefits. If there is a shortfall against this target, then the Company and trustees will agree on deficit contributions to meet this deficit over a period. There is a risk to the Company that adverse experience could lead to a requirement for the Company to make additional contributions to recover any deficit that arises. However, this risk has been mitigated as all pensions have been secured with an annuity product.

No contributions have been paid by the Company in the period to 30 September 2019 and none are expected in the year to 30 September 2020.

	2019	2018
Assumptions		
Price inflation	-	3.2% pa
Discount rate	-	2.7% pa
Pension increase in payment (LPI)	-	3.1% pa

The following assumptions were applied for the year to 30 September 2018. No assumptions are applicable for the year to 30 September 2019. On the basis of the assumptions used for life expectancy, a male person age 65 at the accounting date would be expected to live a further 23.4 years. A male person who attains age 65 in 20 years' time is expected to live a further 25.5 years. A female person age 65 at the accounting date would be expected to live a further 25.4 years, and a female person who attains age 65 in 20 years' time is expected to live a further 27.2 years.

As the pension scheme was settled during the year, there are no longer and applicable assumptions, assets or liabilities to disclose.

The amount included in the statement of financial position arising from the Company's obligations in respect of the scheme is as follows:

15. COMMITMENTS (CONTINUED)

Reconciliation of present value of plan liabilities:

	2019 £	2018 £
RECONCILIATION OF PRESENT VALUE OF PLAN LIABILITIES		
At the beginning of the year	-	3,127,000
Current service cost	-	4,000
Interest cost	-	75,000
Actuarial (gains)/losses	-	(659,000)
Benefits paid	-	(233,000)
AT THE END OF THE YEAR	-	2,314,000

Reconciliation of present value of plan assets:

	2019 £	2018 £
At the beginning of the year	-	2,991,000
Interest income	-	72,000
Actuarial gains/(losses)	-	(513,000)
Benefits paid	-	(233,000)
AT THE END OF THE YEAR	-	2,317,000

Composition of plan assets:

	2019 %	2018 %
Insured pensioner policies / other	-	100
TOTAL PLAN ASSETS	-	100

None of the assets of the scheme are directly invested in the Company's own financial instruments or in any property occupied by the Company.

15. COMMITMENTS (CONTINUED)

	2019 £	2018 £
Fair value of plan assets	-	2,317,000
Present value of plan liabilities	-	(2,314,000)
Impact of asset ceiling	-	(3,000)
NET PENSION SCHEME LIABILITY	-	-

The amounts recognised in profit or loss are as follows:

	2019 £	2018 £
Current service cost	-	4,000
Interest expense	-	3,000
TOTAL	-	7,000

The actual return on the scheme's assets over the year ended 30 September 2019 was a loss of £NIL (2018 - £441,000).

The amount recognised outside profit and loss in other comprehensive income for the year ended 30 September 2019 was a gain of £NIL (2018 - £143,000), including the effect of the asset limit. This related to experience on benefit obligation of £NIL gain (2018 - £466,000), change in financial assumptions of £NIL gain (2018 - £49,000), changes in demographic assumptions of £NIL gain (2018 - £144,000), actual return on plan assets less interest on plan assets of £NIL charge (2018 - £513,000) and effect of asset ceiling of £NIL (2018 - £3,000).

The Company expects to contribute £NIL to its Defined Benefit Pension Scheme in 2020.

SENSITIVITY ANALYSIS

	Increase 2019 £	Decrease 2019 £	Increase 2018 £	Decrease 2018 £
Discount rate				
Effect of a 0.5% change	-	-	-	-
Inflation				
Effect of a 0.5% change	-	-	-	-
Friends Life with profits fund				
Effect of a 25% change in value	-	-	-	-
Life expectancy				
Effect of a 1 year increase	-	-	-	-

15. COMMITMENTS (CONTINUED)

	2019 %	*2018* *%*
Discount rate	n/a	*2.7*
Future pension increases	n/a	*3.0*
Inflation assumption	n/a	*3.2*
- for a male aged 65 in 2019	23.4	*23.4*
- at 65 for a male aged 45 in 2019	25.5	*25.5*
- for a female aged 65 in 2019	25.4	*25.4*
- at 65 for a female member aged 45 in 2019	27.2	*27.2*

16. RELATED PARTY TRANSACTIONS

As at 30 September 2019, the Company had the following balances with related parties:

	2019 £	*2018* *£*
Amounts owed to related parties		
RKH Group Limited	(31,989)	(11,501)
	(31,989)	(11,501)

The consolidated financial statements of Hyperion Insurance Group Limited, within which this Company is included, can be obtained from the address given in note 17.

17. POST BALANCE SHEET EVENTS

The emergence of COVID-19 during January 2020 is a non adjusting post balance sheet event. COVID-19 could impact the future demand for the services as defined in the principal activities of the company and recoverability of receivables and other assets. An estimate of the financial effect of COVID-19 cannot be made due to the pervasive nature of the COVID-19 and uncertainties over the duration of the pandemic and subsequent impacts on the wider economy. However, as at the date of the report COVID-19 has not had a material impact on the financials of the company.

There are no other material post balance sheet events required to be disclosed.

18. CONTROLLING PARTY

The Company's immediate parent company is Ostrakon Capital (2) Limited, a company incorporated in the United Kingdom and registered in England and Wales.

The Company's ultimate parent company is Hyperion Insurance Group Limited, a company incorporated in the United Kingdom and registered in England and Wales.

The largest and smallest group of which the Company is a member for which group financial statements are drawn up is that of Hyperion Insurance Group Limited. Copies of the financial statements of this Company can be obtained from the Group Finance Department at the registered office, One Creechurch Place, London, United Kingdom, EC3A 5AF.