

Registered number: 02048526

WINDSOR SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

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WINDSOR SERVICES LIMITED

COMPANY INFORMATION

DIRECTORS	W D Bloomer O R P Corbett S R Thieriet (appointed 17 October 2018)
COMPANY SECRETARY	A J Moore
REGISTERED NUMBER	02048526
REGISTERED OFFICE	16 Eastcheap London EC3M 1BD
INDEPENDENT AUDITOR	Deloitte LLP Statutory Auditor 1 New Street Square London United Kingdom EC4A 3HQ

WINDSOR SERVICES LIMITED

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WINDSOR SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018

The Directors present their report and the financial statements for the year ended 30 September 2018.

PRINCIPAL ACTIVITY

Windsor Services Limited ("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 £22,477 (2017 - loss £19,767).

The Company did not pay a dividend during the year (2017: £Nil), and do not propose the payment of one.

DIRECTORS

The Directors who served during the year were:

W D Bloomer
O R P Corbett
S R Thieriet (appointed 17 October 2018)

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.

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.

WINDSOR SERVICES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

AUDITOR

Under section 487(2) of the Companies Act 2006, Deloitte LLP will be deemed to have been reappointed as auditor 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 *13 December 2018* and signed on its behalf.


A J Moore
Secretary

WINDSOR SERVICES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2018

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 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 year.

In preparing these 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.

WINDSOR SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WINDSOR SERVICES LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion the financial statements of Windsor Services Limited ('the Company'):

- give a true and fair view of the state of the company's affairs as at 30 September 2018 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;
- the statement of accounting policies; and
- the related notes 3 to 16.

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 Financial Reporting Council's (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.

WINDSOR SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WINDSOR SERVICES LIMITED (CONTINUED)

CONCLUSIONS RELATING TO GOING CONCERN

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

- the directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

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 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.

RESPONSIBILITIES OF DIRECTORS

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, 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.

WINDSOR SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WINDSOR SERVICES LIMITED (CONTINUED)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (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.

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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report.

We have nothing to report in respect of these matters.

WINDSOR SERVICES LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WINDSOR SERVICES LIMITED
(CONTINUED)**

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.



Mark McIlquham (Senior Statutory Auditor)

for and on behalf of
Deloitte LLP

Statutory Auditor

London, United Kingdom

Date:

WINDSOR SERVICES LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	Note	2018 £	2017 £
Administrative expenses		(22,626)	(22,362)
OPERATING LOSS	4	(22,626)	(22,362)
Interest payable and similar expenses	7	(3,000)	(2,000)
LOSS BEFORE TAX		(25,626)	(24,362)
Tax on loss	8	3,149	4,595
LOSS FOR THE FINANCIAL YEAR		(22,477)	(19,767)

The notes on pages 12 to 24 form part of these financial statements.

All results were derived from continuing operations.

WINDSOR SERVICES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	Note	2018 £	2017 £
Loss for the year		(22,477)	(19,767)
OTHER COMPREHENSIVE INCOME			
Remeasurement of net defined benefit obligation	14	143,000	(6,000)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		120,523	(25,767)

The notes on pages 12 to 24 form part of these financial statements.

WINDSOR SERVICES LIMITED
REGISTERED NUMBER: 02048526

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2018

	Note	2018 £	2017 £
CURRENT ASSETS			
Debtors: amounts falling due within one year	9	2,857	5,369
Cash at bank and in hand	10	3,382	-
		<u>6,239</u>	<u>5,369</u>
Creditors: amounts falling due within one year	11	(32,709)	(16,362)
NET CURRENT LIABILITIES		(26,470)	(10,993)
TOTAL ASSETS LESS CURRENT LIABILITIES		(26,470)	(10,993)
Pension liability/asset		-	(136,000)
NET LIABILITIES		(26,470)	(146,993)
CAPITAL AND RESERVES			
Called up share capital	12	100	100
Retained loss	13	(26,570)	(147,093)
TOTAL SHAREHOLDERS' FUNDS		(26,470)	(146,993)

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

13 December 2018.



W D Bloomer
Director

The notes on pages 12 to 24 form part of these financial statements.

WINDSOR SERVICES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	Called up share capital	Retained loss	Total shareholders' deficit
	£	£	£
At 1 October 2016	100	(121,326)	(121,226)
COMPREHENSIVE INCOME FOR THE YEAR			
Loss for the year	-	(19,767)	(19,767)
Remeasurement of the net defined liability (see note 14)	-	(6,000)	(6,000)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	(25,767)	(25,767)
At 1 October 2017	100	(147,093)	(146,993)
COMPREHENSIVE LOSS FOR THE YEAR			
Loss for the year	-	(22,477)	(22,477)
Remeasurement of the net defined liability (see note 14)	-	143,000	143,000
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	-	120,523	120,523
AT 30 SEPTEMBER 2018	100	(26,570)	(26,470)

The notes on pages 12 - 24 form part of these financial statements.

WINDSOR SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

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 16 Eastcheap, London, EC3M 1BD. 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 2018 and these financial statements may be obtained from the Group Finance Department, 16 Eastcheap, London, EC3M 1BD.

WINDSOR SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Going concern

The Company's business activities are set out in the Directors' Report. As at 30 September 2018, the Company has net current liabilities and net liabilities of £26,470.

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.

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 instruments 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 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 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.

WINDSOR SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. ACCOUNTING POLICIES (CONTINUED)

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 2018. 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.

WINDSOR SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

4. OPERATING LOSS

The operating loss is stated after charging:

	2018 £	2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	9,219	8,562

5. AUDITOR'S REMUNERATION

	2018 £	2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	9,219	8,562

Fees payable to the Company's auditor and its associates in connection with the Company's pension scheme(s) in respect of:

	2018 £	2017 £
All other services	19,200	-

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

WINDSOR SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

6. EMPLOYEES

Staff costs were as follows:

	2018 £	2017 £
Other staff costs	4,000	6,000
	<u>4,000</u>	<u>6,000</u>

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

	2018 No.	2017 No.
Directors	<u>2</u>	<u>2</u>

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

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018 £	2017 £
Other loan interest payable	3,000	2,000
	<u>3,000</u>	<u>2,000</u>

8. TAXATION

	2018 £	2017 £
CORPORATION TAX		
Current tax on losses for the year	(3,539)	(4,750)
Adjustments in respect of previous periods	390	155
TOTAL CURRENT TAX	<u>(3,149)</u>	<u>(4,595)</u>

WINDSOR SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

8. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2017 - *higher than*) the standard rate of corporation tax in the UK of 19% (2017: 19.5%). The differences are explained below:

	2018 £	2017 £
(Loss) before tax	(25,626)	(24,362)
(Loss) multiplied by standard rate of corporation tax in the UK of 19% (2017: 19.5%)	(4,869)	(4,750)
EFFECTS OF:		
Adjustments to tax charge in respect of prior periods	390	155
Unrecognised deferred tax asset on losses	1,330	-
TOTAL TAX CREDIT FOR THE YEAR	(3,149)	(4,595)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The Company's profits for the accounting period to 30 September 2018 were taxed at an effective rate of 19%. Further changes to the UK corporation tax rate were substantively enacted in the Finance Act 2016. These include reductions in the main rate to 19% from April 2017 and to 17% from April 2020. The Company's UK deferred tax balances have been recognised at 19% or 17% depending on when the timing/temporary differences are expected to be reversed.

WINDSOR SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

9. DEBTORS

	2018 £	2017 £
Amounts owed by fellow subsidiaries	-	619
Tax recoverable	2,857	4,750
	<u>2,857</u>	<u>5,369</u>

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

10. CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	3,382	-
	<u>3,382</u>	<u>-</u>

11. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Amounts owed to fellow subsidiaries	11,502	-
Other creditors	3,388	-
Accruals and deferred income	17,819	16,362
	<u>32,709</u>	<u>16,362</u>

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

WINDSOR SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

12. SHARE CAPITAL

	2018	2017
	£	£
Shares classified as equity		
Allotted, called up and fully paid		
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.

13. RESERVES

Retained loss

Made up of all current and prior period retained earnings.

WINDSOR SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

14. COMMITMENTS

The Company operates a defined benefit pension scheme, the Windsor Retirement Benefits Scheme No 2. The assets of the Scheme are held in a separate trustee administered fund independent of the Company's finances.

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 2018 and none are expected in the year to 30 September 2019.

	2018	2017
Assumptions		
Price inflation	3.2% pa	3.2% pa
Discount rate	2.7% pa	2.5% pa
Pension increase in payment (LPI)	3.1% pa	3.1% pa

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 (2017: 24.1 years). A male person who attains age 65 in 20 years' time is expected to live a further 25.5 years (2017: 26.5 years). A female person age 65 at the accounting date would be expected to live a further 25.4 years (2017: 25.7 years), and a female person who attains age 65 in 20 years' time is expected to live a further 27.2 years (2017: 27.7 years).

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

WINDSOR SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

14. COMMITMENTS (CONTINUED)

	2018 £	2017 £
RECONCILIATION OF PRESENT VALUE OF PLAN LIABILITIES		
At the beginning of the year	3,127,000	3,264,000
Current service cost	4,000	6,000
Interest cost	75,000	67,000
Actuarial (gains)/losses	(659,000)	(72,000)
Benefits paid	(233,000)	(138,000)
AT THE END OF THE YEAR	2,314,000	3,127,000

	2018 £	2017 £
RECONCILIATION OF PRESENT VALUE OF PLAN ASSETS		
At the beginning of the year	2,991,000	3,142,000
Interest income	72,000	65,000
Actuarial gains/(losses)	(513,000)	(78,000)
Benefits paid	(233,000)	(138,000)
AT THE END OF THE YEAR	2,317,000	2,991,000

	2018 %	2017 %
COMPOSITION OF PLAN ASSETS		
Equities	-	19
Bonds	-	21
Insured pensioner policies / other	100	60
TOTAL PLAN ASSETS	100	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.

WINDSOR SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

14. COMMITMENTS (CONTINUED)

	2018	2017
	£	£
DEFINED BENEFIT PENSION SCHEME		
Fair value of plan assets	2,317,000	2,991,000
Present value of plan liabilities	(2,314,000)	(3,127,000)
Impact of asset ceiling	(3,000)	-
NET PENSION SCHEME LIABILITY	-	(136,000)

The amounts recognised in profit or loss are as follows:

	2018	2017
	£	£
Current service cost	4,000	6,000
Interest expense	3,000	2,000
TOTAL	7,000	8,000

WINDSOR SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

14. COMMITMENTS (CONTINUED)

The actual return on the scheme's assets over the year ended 30 September 2018 was a loss of £441,000 (2017: a loss of £13,000).

The amount recognised outside profit and loss in other comprehensive income for the year ended 30 September 2018 was a gain of £143,000 (2017: £6,000 charge), including the effect of the asset limit. This related to experience on benefit obligation of £466,000 gain (2017: £34,000 charge), change in financial assumptions of £49,000 gain (2017: £106,000 gain), changes in demographic assumptions of £144,000 gain (2017: £Nil), actual return on plan assets less interest on plan assets of £513,000 charge (2017: £78,000 charge) and effect of asset ceiling of £3,000 (2017: £Nil).

The Company expects to contribute £NIL to its Defined Benefit Pension Scheme in 2019.

SENSITIVITY ANALYSIS

	Increase 2018 £	Decrease 2018 £	Increase 2017 £	Decrease 2017 £
Discount rate				
Effect of a 0.5% change	-	-	(90,000)	110,000
Inflation				
Effect of a 0.5% change	-	-	20,000	(20,000)
Friends Life with profits fund				
Effect of a 25% change in value	-	-	(320,000)	320,000
Life expectancy				
Effect of a 1 year increase	-	-	50,000	-

The 2017 sensitivity analysis is on a deficit.

	2018 %	2017 %
Discount rate	2.7	2.5
Future pension increases	3.0	3.0
Inflation assumption	3.2	3.2
- for a male aged 65 in 2018	23.4	24.1
- at 65 for a male aged 45 in 2018	25.5	26.5
- for a female aged 65 in 2018	25.4	25.7
- at 65 for a female member aged 45 in 2018	27.2	27.7

Amounts for the current and previous period are as follows:

WINDSOR SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

14. COMMITMENTS (CONTINUED)

Defined benefit pension schemes

	2018	2017
	£	£
Defined benefit obligation	(2,314,000)	(3,127,000)
Fair value of scheme assets	2,317,000	2,991,000
Net pension (liability)/asset	3,000	(136,000)

At the end of the year, the difference between the defined benefit obligation and the fair value of the scheme assets was a surplus of £3,000. However, the surplus was restricted to £Nil in the statement of financial position by the effect of the asset ceiling.

15. RELATED PARTY TRANSACTIONS

As at 30 September 2018, the Company had the following balances with related parties:

	2018	2017
	£	£
Amount owed by related parties		
RKH Group Limited	-	619
	-	619
Amounts owed to related parties		
RKH Group Limited	(11,501)	-
	(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 13.

16. 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, 16 Eastcheap, London, EC3M 1BD.