

Company Registration No. 03397518 (England and Wales)

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

FRIDAY



L6G0UXIW

LD2

29/09/2017

#200

COMPANIES HOUSE

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED

COMPANY INFORMATION

Directors

M Dowden
A J Bowman (Appointed 23 March 2016)
A R MacTaggart (Appointed 30 September 2016)

Secretary

Capita Group Secretary Limited

Company number

03397518

Registered office

71 Victoria Street
Westminster
London
SW1H 0XA

Auditor

KPMG LLP
15 Canada Square
London
E14 5GL

Banker

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

Solicitor

Herbert Smith Freehills
Exchange House
Primrose Street
London
EC2A 2HS

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditor's report	4
Statement of profit and loss and comprehensive income	5
Balance sheet	6
Statement of changes in equity	7
Notes to the financial statements	8 - 18

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present the strategic report and financial statements for the year ended 31 December 2016.

Review of the business

The company is a wholly owned subsidiary (indirectly held) of Capita plc and operates within the group's Private Sector Partnerships division (formerly the Insurance & Benefit Services division).

The principal activity of the company continued to be that of registered insurance brokers including the sale and development of general insurance products to the professional insurance intermediary market. There have not been any significant changes in the company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

As shown in the company's profit and loss account on page 5, the company's turnover has increased from £5,001,985 to £5,011,466 over the prior year while the operating profit has increased from £1,400,875 to £1,675,049 over the same period.

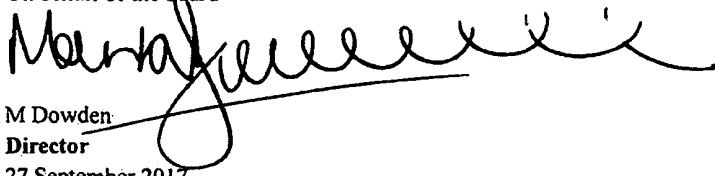
The balance sheet on page 6 of the financial statements shows the company's financial position at the year end. Net assets have increased from £2,493,986 to £3,829,776. Details of amounts owed by/to its parent company and fellow subsidiary undertakings are shown in notes 9 and 10 to the financial statements.

Key performance indicators used by Capita plc are operating margins, free cash flow, capital expenditure and return on capital employed. Capita plc and its subsidiaries manages its operations on a divisional basis and as a consequence, some of these indicators are monitored only at a divisional level. The performance of the Insurance & Benefit Services division of Capita plc is discussed in the group's annual report which does not form part of this report.

Systems and procedures are in place to identify, assess and mitigate major business risks that could impact the company. Monitoring exposure to risk and uncertainty is an integral part of the company's structured management processes. The principal risks that the company faces are operational risk, contract pricing, competition, regulatory and legislative impacts, recruitment and retention of staff and maintenance of reputation and strong supplier and customer relationships.

Group risks are discussed in the group's annual report which does not form part of this report.

On behalf of the board



M Dowden
Director

27 September 2017

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and financial statements for the year ended 31 December 2016.

Results and dividends

The results for the year are set out on page 5.

No interim or final ordinary dividend was paid during the year (2015: £7,000,000 final dividend).

Directors

The following directors, have held office since 1 January 2016:

I E Jarvis	(Resigned 23 March 2016)
A Bord	(Resigned 30 September 2016)
M Dowden	
A J Bowman	(Appointed 23 March 2016)
A R Mactaggart	(Appointed 30 September 2016)

Political donations

The Company made no political donations or incurred any political expenditure during the year (2015:nil)

Auditor

KPMG LLP, having indicated its willingness to continue in office, will be deemed to be reappointed as auditor under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Statement of disclosure to auditors

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

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED

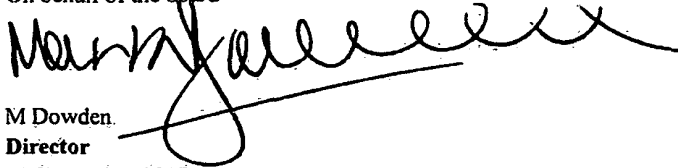
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Qualifying 3rd party indemnity provisions

The company has granted an indemnity to the directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

On behalf of the board

A handwritten signature in black ink, appearing to read 'M Dowden', written over a horizontal line.

M Dowden.

Director

27 September 2017

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED

We have audited the financial statements of Capita Specialist Insurance Solutions Limited for the year ended 31 December 2016 set out on pages 5 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 to 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

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



Karen Orr (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

29 September 2017

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED

STATEMENT OF PROFIT AND LOSS AND COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
Turnover		5,011,466	5,001,985
Cost of sales		(299,155)	(327,239)
Gross profit		4,712,311	4,674,746
Administrative expenses		(3,037,262)	(3,273,871)
Operating profit	3	1,675,049	1,400,875
Tax on profit on ordinary activities	4	(339,269)	(292,382)
Profit and comprehensive income for the financial year		1,335,780	1,108,493

The statement of profit and loss and comprehensive income has been prepared on the basis that all operations are continuing.

The notes on pages 8 to 18 form an integral part of these financial statements.

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED

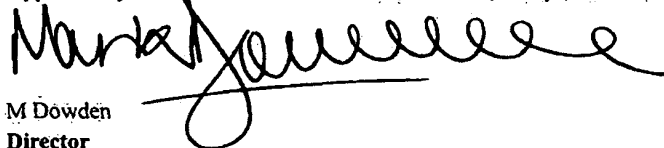
BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	2015 £
Fixed assets			
Intangible fixed assets	6	530,628	325,026
Tangible fixed assets	7	440,478	645,991
Investments	8	50,000	50,000
		<u>1,021,106</u>	<u>1,021,017</u>
Current assets			
Debtors	9	386,336	319,576
Cash at bank and in hand		3,026,520	1,945,902
		<u>3,412,856</u>	<u>2,265,478</u>
Creditors: amounts falling due within one year	10	(604,196)	(792,509)
Net current assets		<u>2,808,660</u>	<u>1,472,969</u>
Total assets less current liabilities		<u>3,829,766</u>	<u>2,493,986</u>
		<u><u>3,829,766</u></u>	<u><u>2,493,986</u></u>
Capital and reserves			
Called up share capital	13	1,367	1,367
Share premium account	13	399,845	399,845
Other reserves	13	300,214	300,214
Profit and loss account	13	3,128,340	1,792,560
Shareholders' funds		<u>3,829,766</u>	<u>2,493,986</u>

The notes on pages 8 to 18 form an integral part of these financial statements.

Approved by the Board and authorised for issue on 27 September 2017



M Dowden
Director

Company Registration No. 03397518

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2015	1,367	399,845	300,214	7,684,067	8,385,493
Profit for the year	-	-	-	1,108,493	1,108,493
Total comprehensive income for the period	-	-	-	1,108,493	1,108,493
Dividends	-	-	-	(7,000,000)	(7,000,000)
At 31 December 2015	1,367	399,845	300,214	1,792,560	2,493,986
Profit for the year	-	-	-	1,335,780	1,335,780
Total comprehensive income for the period	-	-	-	1,335,780	1,335,780
At 31 December 2016	1,367	399,845	300,214	3,128,340	3,829,766

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost basis except where stated otherwise.

Capita Specialist Insurance Solutions Limited is a company incorporated and domiciled in the UK.

The company has sufficient financial resources together with long standing relationships with clients and suppliers. As a consequence, the directors believe that the company is well placed to manage its business risks successfully. After making enquiries, the directors have a reasonable expectation that the company has 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.

1.2 Compliance with accounting standards

These financial statements were prepared in accordance with Financial Reporting Standard 101 - Reduced Disclosure Framework (FRS 101).

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The company's ultimate parent undertaking, Capita plc, includes the company in its consolidated statements. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU (EU-IFRS) and are available to the public and may be obtained from 71 Victoria Street, London SW1H 0XA. In these financial statements, the company has applied the disclosure exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- An additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy;
- Disclosures in respect of the compensation of key management personnel.

As the consolidated financial statements of Capita plc include equivalent disclosures, the company has also taken the disclosure exemptions under FRS 101 available in respect of the following disclosure:

- Certain disclosures required by IFRS 2 Share Based Payments in respect of group settled share based payments;
- Certain disclosures required by IAS 36 Impairments of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the company, in the current and prior periods including the comparative period reconciliation for goodwill;
- Disclosures required by IFRS 7 Financial Instrument Disclosures.

1.3 Revenue

Turnover, which excludes value added tax, comprises brokerage commission and fees earned from the sale of insurance solutions and other risk management services to the education sector and other commercial organisations. Income is recognised once all obligations to the policyholder have been discharged.

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.4 Intangible assets

Intangible assets acquired separately are capitalised at cost and those identified in a business acquisition capitalised at fair value as at the date of acquisition. Following initial recognition, the carrying amount of an intangible asset is its cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Amortisation is charged on assets with finite lives, this expense is taken to the income statement through the administrative expenses line item.

Intangible assets with finite lives are tested for impairment, either individually or at the cash-generating unit level, where there is an indicator of impairment.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the income statement when the asset is de-recognised.

Customer lists and relationships are amortised over their useful economic lives of between 3-5 years.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings	Leasehold	over the life of the lease
Plant and equipment		3 - 5 years

1.6 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.8 Cash and cash equivalents

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

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.9 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred tax liability arises from the initial recognition of goodwill
- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- in respect of taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised, except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each balance sheet 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 deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

1.10 Pensions

The company operates defined contribution pension schemes and contributions are charged to the profit and loss account in the year in which they are due. These pension schemes are funded and the payment of contributions are made to separately administered trust funds. The assets of the pension schemes are held separately from the company.

The company remits monthly pension contributions to Capita Business Services Limited, a fellow subsidiary undertaking of Capita plc, which pays the group liability centrally. Any unpaid pension contributions at the year end have been accrued in the accounts of that company.

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.11 Marketing Funds

Under the agreement between the company and the insurers with whom it places business, a percentage of the insurance premiums is retained by the company for the sole purpose of marketing supply teacher insurance. These amounts are designated as the marketing fund, and included within turnover.

Any balance outstanding on the marketing fund at the end of the period of the agreement is to be either repaid to the insurers or carried forward to subsequent years for the sole purpose of marketing and is included in accruals and deferred income.

1.12 Insurance broking assets and liabilities

The company acts as an agent in broking the insurable risks of its clients. Generally it is not liable as a principal for either premiums due to underwriters or return premiums payable to clients.

As required within IAS 32, balances arising from insurance broking transactions are reported as separate assets and liabilities unless such balances are due to or from the same party and the offset would survive the insolvency of that party, in which case they are aggregated into a single net balance. As such, cash and creditors due to underwriters, and amounts due from clients are not recognised on the company balance sheet as risk transfer arrangements are in place.

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.13 Group Accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is fully exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Capita plc, a company incorporated in England and Wales, and is included in the consolidated accounts of that company.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Profit for the year

	2016 £	2015 £
Operating profit for the year is stated after charging:		
Depreciation of property, plant and equipment	261,363	276,780
Amortisation of intangible assets	219,319	219,275
Operating lease rentals - plant and machinery	2,198	7,389
Operating lease rentals - other assets	105,000	91,455

Audit fees are borne by the ultimate parent undertaking, Capita plc. The audit fee for the current period was £5,000 (2015: £3,000). The company has taken advantage of the exemption provided by regulations 6(2)(b) of The Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008 not to provide information in respect of fees for other (non-audit) services as this information is required to be given in the group accounts of the ultimate parent undertaking, which it is required to prepare in accordance with the Companies Act 2006.

4 Taxation

	2016 £	2015 £
Corporation tax		
Current year	361,787	310,100
Adjustments in respect of prior periods	(12,040)	14,602
	<u>349,747</u>	<u>324,702</u>
Deferred tax		
Origination and reversal of temporary differences	(20,868)	(18,906)
Adjustment in respect of prior periods	10,390	(13,414)
	<u>(10,478)</u>	<u>(32,320)</u>
Total tax expense	<u>339,269</u>	<u>292,382</u>

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

(Continued)

4 Taxation

The charge for the year can be reconciled to the profit per the income statement as follows:

	2016 £	2015 £
Profit before taxation on continued operations	1,675,049	1,400,875
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2015 - 20.25%)	335,010	283,677
Taxation impact of factors affecting tax charge:		
Expenses not deductible in determining taxable profit	1,503	4,865
Effect of change in UK corporation tax rate	4,407	2,652
Adjustments in respect of current income tax of prior years	(12,041)	14,602
Adjustments in respect of deferred income tax of prior years	10,390	(13,414)
Total adjustments	4,259	8,705
Total tax charge for the year	339,269	292,382

The UK corporation tax rate has decreased from 20% to 19% from 1 April 2017 with a further reduction to 17% from 1 April 2020. The deferred tax balance has been adjusted to reflect this change.

5 Dividends

	2016 £	2015 £
Ordinary shares		
Final dividend paid	-	7,000,000

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

6 Intangible fixed assets

	£
Cost	
At 1 January 2016	3,699,219
Additions	424,921
	<u>4,124,140</u>
At 31 December 2016	4,124,140
Amortisation	
At 1 January 2016	3,374,193
Charge for the year	219,319
	<u>3,593,512</u>
At 31 December 2016	3,593,512
Net book value	
At 31 December 2016	530,628
	<u>530,628</u>
At 31 December 2015	325,026
	<u>325,026</u>

Intangible assets include the acquisition of a books of insurance policies from Besure Insurance Services (acquired in 2013), David Haskoll (acquired in 2015) and Lark (acquired in 2016). These are amortised over the life of the contracts.

7 Property, plant and equipment

	Land and buildings Leasehold £	Plant and equipment £	Total £
Cost			
At 1 January 2016	2,199	1,175,163	1,177,362
Additions	2,744	53,106	55,850
Disposals	(2,744)	(121,616)	(124,360)
	<u>2,199</u>	<u>1,106,653</u>	<u>1,108,852</u>
At 31 December 2016	2,199	1,106,653	1,108,852
Depreciation			
At 1 January 2016	550	530,821	531,371
Charge for the year	3,184	258,179	261,363
On disposal	(2,744)	(121,616)	(124,360)
	<u>990</u>	<u>667,384</u>	<u>668,374</u>
At 31 December 2016	990	667,384	668,374
Net book value			
At 31 December 2016	1,209	439,269	440,478
	<u>1,209</u>	<u>439,269</u>	<u>440,478</u>
At 31 December 2015	1,649	644,342	645,991
	<u>1,649</u>	<u>644,342</u>	<u>645,991</u>

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

8 Investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2016 & 31 December 2016	50,000
Net book value	
At 31 December 2016	50,000
At 31 December 2015	50,000
Holdings of ordinary share capital	

Details of the company's subsidiaries at 31 December 2016 are as follows:

Company	Country of registration or incorporation	Ordinary shares held (%)	Nature of business
Brokers Educational Supply Teachers Claims Ltd	England & Wales	50	Claims handling services

Registered office: One America Square, 17 Crosswall, London EC3N 2LB

9 Debtors

	2016 £	2015 £
Trade receivables	192,330	135,258
Other debtors	90,805	19,797
Amount due by parent and fellow subsidiary undertakings	-	14,060
Prepayments and accrued income	71,250	128,988
Deferred tax asset (see note 11)	31,951	21,473
	<u>386,336</u>	<u>319,576</u>

The above amounts owed by parent and fellow subsidiary undertakings arise from trade and are repayable on demand.

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

10 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	68,137	45,584
Amount due to parent and fellow subsidiary undertakings	27,198	45,696
Corporation tax	361,787	310,100
Other payables	2,174	-
Accruals and deferred income	144,900	391,129
	<u>604,196</u>	<u>792,509</u>

The above amounts due to parent and fellow subsidiary undertakings arise from trade and are repayable on demand.

11 Provisions

The deferred tax asset (included in debtors, note 9) is made up as follows:

	Deferred tax liability/(asset) 2016 £	
Balance at 1 January 2016	(21,473)	
Profit and loss account	(10,478)	
Balance at 31 December 2016	<u>(31,951)</u>	
	2016	2015
	£	£
Accelerated capital allowances	(31,951)	(11,068)
Other temporary differences	-	(10,405)
	<u>(31,951)</u>	<u>(21,473)</u>

12 Pensions and other post-retirement benefit commitments

The total costs charged to income in respect of defined contribution plans is £304,565 (2015 - £105,094).

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

13. Capital and reserves	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
1,367 Ordinary shares of £1 each	1,367	1,367

Share capital

The nominal proceeds on issue of the Company's equity share capital, comprising £1 ordinary shares.

Share premium

The amount paid to the company by shareholders, in cash or other consideration, over and above the nominal value of the shares issued to them.

Capital redemption

The company can redeem shares by repaying the market value to the shareholder whereupon the shares are cancelled. Redemption must be from distributable profits. The capital redemption reserve represents the nominal value of the shares redeemed.

Profit and loss account

Net profits kept to accumulate in the company after dividends are paid and retained in the business as working capital.

14. Directors' remuneration	2016 £	2015 £
Remuneration for qualifying services	126,725	158,226
Company pension contributions to defined contribution schemes	8,310	6,046
	135,035	164,272

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2015 - 1).

The number of directors who exercised share options during the year was 1 (2015 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	126,725	158,226
Company pension contributions to defined contribution schemes	8,310	6,046

15. Operating lease commitments

	Other 2016 £	2015 £
Within one year	105,000	6,595
Between two and five years	315,000	11,541
	420,000	18,136

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

16 Related party transactions

During the year, the company purchased goods/services in the normal course of business from BEST Claims Limited, for £140,316 (2015: £128,745). In addition the company sold goods/services in the normal course of business for £78,344 (2015: £72,000). At the balance sheet date the amount due to BEST Claims Limited was £3,713 (2015: £13,545). Capita Specialist Insurance Solutions Limited, a fellow subsidiary undertaking of the Capita plc, owns 50% of the shares in BEST Claims Limited and is one of two shareholders in the subsidiary with influence over the financial and operating policies.

17 Employees

The average monthly number of employees were:

	2016 Number	2015 Number
Operations	43	45

Their aggregate remuneration comprised:

Employment costs	2016 £	2015 £
Wages and salaries	1,278,901	1,548,810
Social security costs	154,786	157,485
Pension costs	304,565	105,094
	1,738,252	1,811,389

18 Controlling party

The company's immediate parent undertaking is Capita Insurance Services Holdings Limited, a company incorporated in England and Wales.

The company's ultimate parent undertaking is Capita plc, a company incorporated in England and Wales. The accounts of Capita plc are available from the registered office at 71 Victoria Street, London, SW1H 0XA.