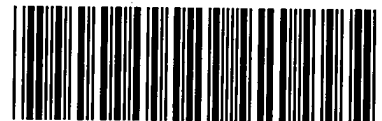


Company Registration No. 03397518 (England and Wales)

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

WEDNESDAY



L4D4YNW8

LD2

05/08/2015

#8

COMPANIES HOUSE

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	A Bord	(Appointed 2 July 2014)
	M Dowden	(Appointed 16 May 2014)
	I E Jarvis	(Appointed 3 January 2014)
Secretary	Capita Group Secretary Limited	
Company number	03397518	
Registered office	71 Victoria Street Westminster London SW1H 0XA	
Auditors	KPMG LLP 15 Canada Square London E14 5GL	
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP	
Solicitors	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
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 18

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present the strategic report and financial statements for the year ended 31 December 2014.

Review of the business

The company is a wholly owned subsidiary (indirectly held) of Capita plc and operates within the group's 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 £4,950,271 to £5,209,821 over the prior year while the operating profit has increased from £911,065 to £1,179,643 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 £7,464,287 to £8,385,493. 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



A Bord
Director

30 July 2015

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and financial statements for the year ended 31 December 2014.

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 (2013: £Nil).

Environment

Capita plc recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the group's activities. The company operates in accordance with group policies, which are described in the group's annual report which does not form part of this report. Initiatives designed to minimise the company's impact on the environment include safe disposal of waste, recycling and reducing energy consumption.

Employees

Details of the number of employees and related costs can be found in note 18 to the financial statements.

Directors

The following directors have held office since 1 January 2014:

A Bord	(Appointed 2 July 2014)
M Dowden	(Appointed 16 May 2014)
I E Jarvis	(Appointed 3 January 2014)
W D Finlay	(Resigned 3 February 2014)
I S Sandhu	(Appointed 28 February 2014 and resigned 14 August 2014)
P H Julier	(Resigned 28 February 2014)

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.

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

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).

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 accounting 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;
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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 that 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.

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 Bord
Director

30 July 2015

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 2014 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).

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, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the 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 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

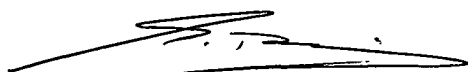
Opinion on other matter prescribed by the Companies Act 2006

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

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.



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

31 July 2015

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £	2013 £
Turnover	2	5,109,821	4,950,271
Cost of sales		(446,520)	(387,328)
Gross profit		4,663,301	4,562,943
Administrative expenses		(3,483,658)	(3,651,878)
Operating profit	3	1,179,643	911,065
Interest payable and similar charges	4	(101)	-
Profit on ordinary activities before taxation		1,179,542	911,065
Tax on profit on ordinary activities	5	(258,336)	(216,944)
Profit for the year	14	921,206	694,121

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2014

	Notes	2014 £	2013 £
Fixed assets			
Intangible assets	6	559,772	331,265
Tangible assets	8	906,585	878,006
Investments	7	50,000	50,000
		<u>1,516,357</u>	<u>1,259,271</u>
Current assets			
Debtors	9	2,388,971	2,043,419
Cash at bank and in hand		5,811,947	5,114,248
		<u>8,200,918</u>	<u>7,157,667</u>
Creditors: amounts falling due within one year	10	(1,320,933)	(925,512)
Net current assets		<u>6,879,985</u>	<u>6,232,155</u>
Total assets less current liabilities		<u>8,396,342</u>	<u>7,491,426</u>
Provisions for liabilities	11	(10,849)	(27,139)
		<u>8,385,493</u>	<u>7,464,287</u>
Capital and reserves			
Called up share capital	13	1,367	1,367
Share premium account	14	399,845	399,845
Other reserves	14	300,214	300,214
Profit and loss account	14	7,684,067	6,762,861
Shareholders' funds	15	<u>8,385,493</u>	<u>7,464,287</u>

Approved by the Board and authorised for issue on 30 July 2015

A Bord
Director

Company Registration No. 03397518

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

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.

The company has not produced a cashflow statement on the basis that the ultimate parent undertaking, Capita plc, has prepared a group cashflow statement in accordance with FRS1 (revised).

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

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.

1.4 Intangible assets

Intangible assets acquired separately are capitalised at cost and those identified in a business acquisition are 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 and 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
Computer 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 impairment.

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS(CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

(Continued)

1.8 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.

1.9 Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, taxation, with the following exceptions:

- Provision is made for taxation on gains arising from the revaluation (and similar fair value adjustments) of fixed assets and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to taxation only where the replacement assets are sold;
- Provision is made for deferred taxation that would arise on remittance of the retained earnings of overseas subsidiaries only to the extent that, at the balance sheet date, dividends have been accrued as receivable;
- Deferred taxation assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred taxation is measured on an undiscounted basis at the taxation rates that are expected to apply in the periods in which timing differences reverse, based on taxation rates and laws enacted or substantively enacted at the balance sheet date.

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS(CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

1 Accounting policies

(Continued)

1.10 Share-based payments

The company participates in various share option and sharesave schemes operated by Capita plc, the ultimate parent undertaking. Details of these schemes are contained in the group's annual report.

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined using an option pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the company (market conditions).

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions, the number of equity instruments that will ultimately vest or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense, attributable to the company, since the previous balance sheet date is recognised in the profit and loss account and settled with Capita plc, the ultimate parent undertaking.

In accordance with FRS 20, share option awards of the ultimate parent company's equity instruments in respect of settling grants to employees of the company are disclosed as a charge to the profit and loss account and a credit to equity. The company's policy is to reimburse its ultimate parent company through the inter company account for charges that are made to it. Hence the credit to equity has been eliminated, rather reflecting a credit to inter-company which better describes the underlying nature of the transaction.

1.11 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 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.

1.12 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.

1.13 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 FRS5, 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 2014

1 Accounting policies

(Continued)

1.14 Related party transactions

The company has taken advantage of the exemption under FRS 8: Related Party Disclosures not to disclose transactions entered into between two or more members of Capita plc, provided that any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group.

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 Operating profit

	2014	2013
	£	£
Operating profit is stated after charging:		
Amortisation of intangible assets	145,595	698,584
Depreciation of tangible assets	271,602	114,359
Operating lease rentals		
- Plant and machinery	11,045	16,965
- Other assets	71,628	71,652
	<u> </u>	<u> </u>

Audit fees are borne by the ultimate parent undertaking, Capita plc. The audit fee for the current period was £2,000 (2013: £1,000). The company has taken advantage of the exemption provided by regulation 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 Interest payable

	2014	2013
	£	£
On bank loans and overdrafts	101	-
	<u> </u>	<u> </u>

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

5	Taxation	2014 £	2013 £
	Domestic current year tax		
	U.K. corporation tax	272,398	183,745
	Adjustment for prior years	2,228	30,337
	Total current tax	<u>274,626</u>	<u>214,082</u>
	Deferred tax		
	Deferred tax charge/credit current year	(14,111)	33,300
	Deferred tax adjustments arising in previous periods	(2,179)	(30,438)
		<u>(16,290)</u>	<u>2,862</u>
		<u>258,336</u>	<u>216,944</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>1,179,542</u>	<u>911,065</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.50% (2013 - 23.25%)	<u>253,602</u>	<u>211,823</u>
	Effects of:		
	Expenses not deductible for tax purposes	3,627	9,700
	Capital allowances in excess of depreciation	15,169	(7,009)
	Adjustments in respect of prior periods	2,228	30,337
	Other timing differences	-	(30,769)
		<u>21,024</u>	<u>2,259</u>
	Current tax charge for the year	<u>274,626</u>	<u>214,082</u>

The UK corporation tax rate has decreased from 21% to 20% from 1 April 2015. The deferred tax balance has been adjusted to reflect this change.

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS(CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

6 Intangible fixed assets

	£
Cost	
At 1 January 2014	3,340,588
Additions	374,102
	<hr/>
At 31 December 2014	3,714,690
	<hr/>
Amortisation	
At 1 January 2014	3,009,323
Charge for the year	145,595
	<hr/>
At 31 December 2014	3,154,918
	<hr/>
Net book value	
At 31 December 2014	559,772
	<hr/>
At 31 December 2013	331,265
	<hr/>

Intangible assets include the acquisition of the business of Schoolsafe Insurance Services Limited, acquired in 2008 and the acquisition of a book of business from Besure Insurance Services and Swinton Group Limited, which is amortised over the life of the contracts.

Current year additions include the acquisition of a book of business from David Haskoll Limited, which will be amortised over the life of the contract.

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

7 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2014 & at 31 December 2014	50,000
	<hr/>
Net book value	
At 31 December 2014	50,000
	<hr/>
At 31 December 2013	50,000
	<hr/>

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held		Principal activity
		Class	%	
Subsidiary undertakings				
Brokers Educational Supply Teachers Claims Ltd	England & Wales	Ordinary	50.00	Claims handling services

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

8 Tangible fixed assets

	Land and buildings Leasehold £	Computer equipment £	Total £
Cost			
At 1 January 2014	174,423	902,109	1,076,532
Additions	2,200	297,981	300,181
Disposals	(2,128)	(17,324)	(19,452)
At 31 December 2014	174,495	1,182,766	1,357,261
Depreciation			
At 1 January 2014	130,687	67,839	198,526
On disposals	(2,128)	(17,324)	(19,452)
Charge for the year	34,962	236,640	271,602
At 31 December 2014	163,521	287,155	450,676
Net book value			
At 31 December 2014	10,974	895,611	906,585
At 31 December 2013	43,736	834,270	878,006

9 Debtors

	2014 £	2013 £
Trade debtors	165,606	766,553
Amounts owed by parent and fellow subsidiary undertakings	2,067,345	931,627
Other debtors	12,055	129,913
Prepayments and accrued income	143,965	215,326
	2,388,971	2,043,419

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

10	Creditors: amounts falling due within one year	2014	2013
		£	£
	Trade creditors	50,772	39,240
	Amounts owed to parent and fellow subsidiary undertakings	487,215	511,659
	Corporation tax	272,398	183,745
	Other creditors	1,914	3,250
	Accruals and deferred income	508,634	187,618
		<u>1,320,933</u>	<u>925,512</u>

11 Provisions for liabilities

	Deferred tax liability
	£
Balance at 1 January 2014	27,139
Profit and loss account	(16,290)
Balance at 31 December 2014	<u>10,849</u>

The deferred tax liability is made up as follows:

	2014	2013
	£	£
Accelerated capital allowances	13,029	27,139
Other timing differences	(2,180)	-
	<u>10,849</u>	<u>27,139</u>

12 Pension and other post-retirement benefit commitments **Defined contribution**

	2014	2013
	£	£
Contributions payable by the company for the year	<u>116,188</u>	<u>156,669</u>

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

13	Share capital	2014	2013
		£	£
	Allotted, called up and fully paid		
	1,367 Ordinary shares of £1 each	1,367	1,367

14 Statement of movements on reserves

	Share premium account	Other reserves (see below)	Profit and loss account
	£	£	£
Balance at 1 January 2014	399,845	300,214	6,762,861
Profit for the year	-	-	921,206
Balance at 31 December 2014	399,845	300,214	7,684,067

Other reserves

Capital redemption reserve

Balance at 1 January 2014 & at 31 December 2014

300,214

15 Reconciliation of movements in shareholders' funds

	2014	2013
	£	£
Profit for the financial year	921,206	694,121
Contribution in respect of share based payment charge	5,049	33,810
Settlement of share based payment charge by intercompany	(5,049)	(33,810)
Opening shareholders' funds	7,464,287	6,770,166
Closing shareholders' funds	8,385,493	7,464,287

16 Financial commitments

At 31 December 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2015:

	Other	2013
	2014	£
	£	
Operating leases which expire:		
Within one year	3,192	5,411
Between two and five years	-	5,472
	3,192	10,883

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

17 Directors' remuneration	2014 £	2013 £
Remuneration for qualifying services	140,978	507,583
Company pension contributions to defined contribution schemes	11,619	53,382
	<u>152,597</u>	<u>560,965</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2013 - 3).

The number of directors who exercised share options during the year was 3 (2013 - 3).

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

Remuneration for qualifying services	108,834	354,559
Company pension contributions to defined contribution schemes	<u>4,000</u>	<u>16,500</u>

18 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2014 Number	2013 Number
Operations	49	49
Admin	1	1
	<u>50</u>	<u>50</u>

Employment costs	2014 £	2013 £
Wages and salaries	1,684,279	1,372,671
Social security costs	195,586	161,719
Other pension costs	116,188	156,669
Share based payments	5,049	33,810
	<u>2,001,102</u>	<u>1,724,869</u>

CAPITA SPECIALIST INSURANCE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2014

19 Control

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.

20 Related party relationships and transactions

During the year, the company received £89,742 (2013: £60,000) from Brokers Educational Supply Teachers Claims Limited in respect of costs borne on its behalf. In the same period, the company paid commission to Brokers Educational Supply Teachers Claims Limited of £143,686 (2013: £22,848) for claims processed on behalf of GICL 2013 Limited (formerly Groupama Insurance Company Limited) which subsequently transferred its holdings to Ageas Insurance Limited. At the balance sheet date the amount due from Brokers Educational Supply Teachers Claims Limited was £2,100 (2013: £5,000). Capita Specialist Insurance Solutions Limited, a fellow subsidiary undertaking of Capita Plc, owns 50% of the shares in Brokers Educational Supply Teachers Claims Limited and is one of two shareholders in the subsidiary with influence over the financial and operating policies.