Company Registration No. 04130898 (England and Wales)

CAPITA AURORA LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

CAPITA AURORA LIMITED

COMPANY INFORMATION

Directors	S J S Mayall on behalf of Capita Corporate Director Limited R J Montague-Fuller
Secretary	Capita Group Secretary Limited
Company number	04130898
Registered office	30 Berners Street London England W1T 3LR
Auditor	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 AURORA LIMITED

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CAPITA AURORA LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

The Directors present the Strategic report, Directors' report and financial statements for the year ended 31 December 2017.

Review of the business

Capita Aurora Limited ("the Company") is a wholly owned subsidiary (indirectly held) of Capita plc. Capita plc along with its subsidiaries are hereafter referred to as "the Group". The Company operates within the Group's Private Sector Partnerships division.

The principal activity of the Company is the provision of insurance run-off management services to Independent Insurance Company Limited, in provisional liquidation. Whilst there have not been any significant changes in the Company's principal activities during the year, the Company's sole contract has ended on 18 September 2018. As such the Company will cease to trade from 18 September 2018. The Directors have therefore prepared the financial statements on the basis that the Company is no longer a going concern.

As shown in the Company's Income Statement on page 8, the Company's revenue decreased from £1,894,607 to £1,777,891 in 2017, while operating profit of £541,428 increased to £1,033,109 over the same period.

The Balance Sheet on page 9 of the financial statements shows the Company's financial position at the year end. Net assets has increased from £3,782,392 to £4,619,055 in 2017. Details of amounts owed by/to its parent Company and fellow subsidiary undertakings are shown in notes 7 and 8 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 manage their operations on a divisional basis and as a consequence, some of these indicators are monitored only at a divisional level. The performance of the Private Sector Partnerships division of Capita plc is discussed in the Group's annual report which does not form part of this report.

Principal risks and uncertainties

The Company is subject to various risks and uncertainties during the ordinary course of its business many of which result from factors outside of its control. The Company's risk management framework provides reasonable (but cannot provide absolute assurance) that significant risks are identified and addressed. An active risk management process identifies, assesses, mitigates and reports on strategic, financial, operational and compliance risk.

The principal themes of risk for the Company are:

- *Strategic*: changes in economic and market conditions such as contract pricing and competition.
- *Financial*: significant failures in internal systems of control and lack of corporate stability.
- *Operational:* including recruitment and retention of staff, maintenance of reputation and strong supplier and customer relationships, operational IT risk, and failures in information security controls.
- *Compliance* : non-compliance with laws and regulations. The Company must comply with an extensive range of requirements that govern its business.

To mitigate the effect of these risks and uncertainties, the Company adopts a number of systems and procedures, including:

CAPITA AURORA LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

- Regularly reviewing operating/business conditions to be able to respond quickly to changes in market conditions.
- Applying procedures and controls to manage compliance, financial and operational risks, including adhering to a strict internal control framework.

Capita plc has also implemented appropriate controls and risk governance techniques across all of our businesses which are discussed in the Group's annual report which does not form part of this report.

On behalf of the board

S J S Mayall on behalf of Capita Corporate Director Limited

Director

28 September 2018

CAPITA AURORA LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

The Directors present their Strategic report, Director's report and financial statements for the year ended 31 December 2017.

Results and dividends
The results for the year are set out on page 8.

Since September 2017 we have concluded the negotiations with the customer which resulted in an amount of £451,801 being released from deferred income (DI) and accruals, resulting in a £451,801 profit in 2017. A number of DI and accrual balances remain as at 31/12/17 pending final conclusion of the contract in the next few months.

No dividends were paid during the year. (2016: £nil).

Environment
Capita plc recognises the importance of its environmental responsibilities, monitors its impact on the environment, and design 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 be found in note 12 to the financial statements.

Directors
The Directors who held office during the year and up to the date of signature of the financial statements were as follows:

S J S Mayall on behalf of Capita Corporate Director Limited
R J Montague-Fuller

Disabled persons
Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Company's continues and that the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Political donations
The Company made no political donations and incurred no political expenditure during the year (2016: £nil).

CAPITA AURORA LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

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

Statement of Directors' Responsibilities in respect of the Strategic report, the Directors' report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Statement of Disclosure to Auditor

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 enquires of fellow Directors and the Company's auditor, each Director has taken all the steps that he might reasonably be expected to take as a Director in order to make himself aware of any relevant audit information, and to establish that the Company's auditor is aware of that information.

CAPITA AURORA LIMITED

Qualifying Third 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

S J S Mayall on behalf of Capita Corporate Director Limited

Director

28 September 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAPITA AURORA LIMITED

We have audited the financial statements of Capita Aurora Limited ("the company") for the year ended 31 December 2017 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Emphasis of matter - non-going concern basis of preparation

We draw attention to the disclosure made in note 1 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; 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

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Other matter- prior period financial statements

We note that the prior period financial statements were not audited. Consequently ISAs (UK) require the auditor to state that the corresponding figures contained within these financial statements are unaudited. Our opinion is not modified in respect of this matter.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Simon Weaver

Simon Weaver (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
28 September 2018

CAPITA AURORA LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017	Unaudited 2016
		£	£
Revenue	3	1,777,891	1,894,607
Cost of sales		(717,070)	(1,335,922)
Gross profit		**1,060,821**	**558,685**
Administrative expenses		(27,712)	(17,257)
Operating profit	4	**1,033,109**	**541,428**
Income tax expense	5	(196,446)	(110,068)
Total comprehensive income for the year		**836,663**	**431,360**

The income statement 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 income statement.

The notes on pages 11 to 21 form an integral part of these financial statements.

CAPITA AURORA LIMITED
BALANCE SHEET
AS AT DECEMBER 2017

	Notes	2017	Unaudited 2016
		£	£
Non-current assets			
Property, plant and equipment	6	616	1,142
Deferred tax	5	13,345	27,210
		13,961	**28,352**
Current assets			
Trade and other receivables	7	5,565,303	5,617,614
		5,565,303	**5,617,614**
Total assets		**5,579,264**	**5,645,966**
Current liabilities			
Trade and other payables	8	402,838	1,775,111
Financial liabilities	9	360,434	2,008
Income tax payable		196,937	86,455
Total current liablities		**960,209**	**1,863,574**
Total liabilities		**960,209**	**1,863,574**
Net assets		**4,619,055**	**3,782,392**
Capital and reserves			
Issued share capital	10	100	100
Share premium		521,924	521,924
Retained earnings		4,097,031	3,260,368
Total equity		**4,619,055**	**3,782,392**

The notes on pages 11 to 21 form an integral part of these financial statements.

Approved by the Board and authorised for issue on 28 September 2018.

S J S Mayall on behalf of Capita Corporate Director
Director

Company Registration No: 04130898

CAPITA AURORA LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Issued share capital	Share premium	Retained earnings	Total
	£	£	£	£
At 1 January 2016	100	521,924	2,829,008	3,351,032
Total comprehensive income for the year	-	-	431,360	431,360
At 31 December 2016 - Unaudited	100	521,924	3,260,368	3,782,392
Total comprehensive income for the year	-	-	836,663	836,663
At 31 December 2017	100	521,924	4,097,031	4,619,055

Share capital – The balance classified as share capital is the nominal proceeds on issue of the Company's equity share capital,

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

Retained earnings – Net profits kept to accumulate in the Company after dividends are paid and retained in the business as working capital.

The notes on pages 11 to 21 form an integral part of these financial statements.

1 Accounting policies

1.1 Basis of preparation

Capita Aurora Limited is a Company incorporated, registered and domiciled in the UK. The registered number is 04130898 and the registered address is 71 Victoria Street, London, Westminster, SW1H 0XA.

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

The contract with Independent Insurance Company Limited has ended on 18 September 2018. This was the sole contract of the Company and hence the Director's after careful review of future business have concluded that the use of going concern for the preparation of financial statements is not appropriate. This conclusion is based on the fact that the Directors will cease trading in the Company within twelve months from the signing of financial statements.

The financial statements have been prepared on a breakup basis as at 31 December 2017. As a consequence, the current assets have been measured and presented at their expected realisable values. The current liabilities are measured and presented at their expected settlement values.

1.2 Compliance with Accounting Standards

The Company has applied FRS101 – Reduced Disclosure Framework in the preparation of its financial statements. The Company has prepared and presented these financial statements by applying the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("EU-IFRS"), but made amendments, where necessary, in order to comply with The Companies Act 2006.

From the year ended 31 December, 2017, the Company has elected to present its financial statements under IAS 1 format to be in line with the consolidated financial statements published by the Group. Accordingly, the comparatives for the year ended 31 December, 2016 have been reclassified to the revised format. Refer to Note 14 for a reconciliation between IAS 1 presentation and presentation as previously reported.

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. These may be obtained from Capita plc's website on http://investors.capita.com.

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, property, plant & equipment 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; and
- Disclosures in respect of the compensation of key management personnel.

1 Accounting policies (continued)

1.2 Compliance with Accounting Standards (continued)

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 disclosures:

- 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; and
- Disclosures required by IFRS 7 Financial Instrument Disclosures.

1.3 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except for the early adoption of IFRS 15 Revenue from Contracts with Customers and Clarifications: Revenue from Contracts with Customers.

Initial adoption of IFRS 15 Revenue from Contracts with Customers

The standard has an effective date of 1 January 2018 but the Company has decided to early adopt this standard with a date of initial application to the Company of 1 January 2017 using the full retrospective method. IFRS 15 replaces all existing revenue requirements in IFRS and applies to all revenue arising from contracts with customers unless the contracts are within the scope of other standards such as IAS 17 Leases.

The standard outlines the principles entities must apply to measure and recognise revenue with the core principle being that entities should recognise revenue at an amount that reflects the consideration to which the entity expects to be entitled in exchange for fulfilling its performance obligations to a customer.

The principles in IFRS 15 must be applied using the following 5 step model:

1. Identify the contract(s) with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when or as the entity satisfies its performance obligations

The standard requires entities to exercise considerable judgement taking into account all the relevant facts and circumstances when applying each step of this model to its contracts with customers. The standard also specifies how to account for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract, as well as requirements covering matters such as licences of intellectual property, warranties, principal versus agent assessment and options to acquire additional goods or services.

1. Accounting policies (continued)

1.3 Changes in accounting policies (continued)

The Company has applied IFRS 15 fully retrospectively in accordance with paragraph C3 (a) of the standard, restating the prior period's comparatives and electing to use the following expedients:

- in respect of completed contracts, the Company will not restate contracts that (i) begin and end within the same annual reporting period; or (ii) are completed contracts at the beginning of the earliest period presented (para. C5(a));
- in respect of completed contracts that have variable consideration, the Company will use the transaction price at the date the contract was completed rather than estimating variable consideration amounts in the comparative periods (para. C5(b)); and
- for all reporting periods presented before the date of initial application, the Company will not disclose the amount of the transaction price allocated to the remaining performance obligations or an explanation of when the Company expects to recognise that amount as revenue (para C5(c)).

Early adoption of IFRS 15 does not have any impact on the Company's prior period financial statements.

1.4 Revenue recognition

All revenue is earned within the United Kingdom. In determining the amount of revenue and profit to record, management is required to form judgements and assumptions including an assessment of the costs the Company incurs to deliver the contractual commitments. These judgements are inherently subjective. IFRS15 does not alter the revenue recognition as the contractual services, budgeted cost and price are agreed annually.

1.5 Property, plant and equipment

Property, plant and equipment 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:

Furniture and fixtures	5 years straight line
Computer equipment	3 - 5 years straight line

1.6 Leasing

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

1.7 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 financial liabilities.

1. Accounting policies (continued)

1.8 Pensions

The Company operates defined contribution pension schemes and contributions are charged to the income statement 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 and liabilities 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 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement 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; and

- 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.

1 Accounting policies (continued)

1.9 Taxation (continued)

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 Provisions

A provision is recognised in the Balance Sheet when the Company has a present obligation legal or constructive as a result of a past event that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

1.11 Financial instruments:

Non-derivative financial instruments comprise trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other receivables - trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Trade and other payables - trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

2. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires the Directors to make judgements and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported income and expense during the reported periods. Although these judgements and assumptions are based on the Directors' best knowledge of the amount, events or actions, actual results may differ from these estimates.

3 Revenue

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

4 Profit for the year

		Unaudited
	2017	**2016**
	£	**£**
Operating profit for the year is stated after charging:		
Depreciation of property, plant and equipment	526	525

Audit fees are borne by the ultimate parent undertaking, Capita plc. The audit fee for the current period was £11,100 (2016: £nil). 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 Company financial statement of the ultimate parent undertaking, which it is required to prepare in accordance with the Companies Act, 2006.

5 Income tax

The major components of income tax expense for the years ended 31 December 2017 and 2016 are:

	2017	Unaudited 2016
	£	£
Current income tax		
Current income tax charge	196,937	105,879
Adjustment in respect of prior years	(14,356)	3,979
	182,581	109,858
Deferred income tax		
Origination and reversal of temporary differences	1,662	3,766
Adjustment in respect of prior years	12,203	(3,556)
	13,865	210
Total tax expense	196,446	110,068

The reconciliation between tax expense and the product of accounting profit multiplied by the UK corporation tax rate for the years ended 31 December 2017 and 2016 is as follows:

	2017	Unaudited 2016
	£	£
Profit before tax	1,033,109	541,428
Notional charge at UK corporation tax rate of 19.25% (2016: 20.00%)	198,873	108,286
Taxation impact of factors affecting tax charge:		
Adjustments in respect of current tax of prior years	(14,356)	3,979
Deferred tax adjustments in respect of prior years	12,203	(3,556)
Expenses not deductible fr tax purposes	(54)	-
Effect of changes in UK coporation tax rates	(220)	1,359
Total adjustments	(2,427)	1,782
Total tax charge for the year at the effective tax rate of 19.02% (2016: 20.33%)	196,446	110,068

	Balance sheet		Income statement	
	2017	*Unaudited* 2016	2017	*Unaudited* 2016
Deferred tax assets				
Accelerated capital allowances	7,876	9,538	1,662	2,726
Other temporary diffrences	5,469	17,672	12,203	(2,516)
Net deferred tax (liability)/asset	13,345	27,210		
Deferred income tax expense /(credit)			13,865	210

6 Property, plant and equipment

	Furniture and fixtures £	Computer equipment £	Total £
Cost			
At 1 January 2017 - Unaudited	35,850	683,343	719,193
At 31 December 2017	**35,850**	**683,343**	**719,193**
Depreciation			
At 1 January 2017 - Unaudited	35,850	682,201	718,051
Depreciation	-	526	526
At 31 December 2017	**35,850**	**682,727**	**718,577**
Net book value			
At 31 December 2017	-	616	616
At 31 December 2016 - Unaudited	-	1,142	1,142

7 Trade and other receivables

Current	2017 £	Unaudited 2016 £
Trade receivables	9,398	5,611
Other receivables	-	1
Other taxes and social security	7,365	7,884
Prepayments and accured income	1,431	10,980
Amount due from parent and fellow subsidiary undertaking	5,547,109	5,593,138
Total	**5,565,303**	**5,617,614**

8 Trade and other payables

	2017	Unaudited 2016
Current	£	£
Trade payables	15,717	8,438
Other creditors	-	346
Accruals and deferred income	304,947	1,677,525
Amount due to parent and fellow subsidiary undertaking	82,174	88,802
Total	402,838	1,775,111

9 Financial liabilities

	2017	Unaudited 2016
	£	£
Bank overdraft	360,434	2,008
Total	360,434	2,008

10 Issued share capital

	2017	Unaudited 2016	2017	Unaudited 2016
Ordinary share capital	**Numbers**	**Numbers**	**£**	**£**
Alloted called up and fully paid up				
Ordinary share of £ 1 each				
As at 1 January	100	100	100	100
As at 31 December	100	100	100	100

11 Pension and other post retirement benefit commitments
The total costs charged to income in respect of defined contribution plans is £145,442 (2016: £147,859).

12 Employees

The average monthly number of employees (including non-executive directors) were:

	2017	Unaudited 2016
	Number	Number
Operations	33	40
	33	**40**

Their aggregate remuneration comprised:

Employment costs	**2017**	**Unaudited 2016**
	£	**£**
Wages and salaries	1,220,565	1,376,144
Social security costs	127,361	140,745
Pension costs	145,442	147,859
	1,493,368	**1,664,748**

The Directors have not provided qualifying services to the Company and are paid by other Companies within the Capita Group. Such remuneration has not been allocated to the Company. In addition to the above, the Directors of the Company were reimbursed for the expenses incurred by them whilst performing business responsibilities.

13 Controlling party

The Company's immediate parent undertaking is Capita Insurance Services Holding 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 30 Berners Street, London W1T 3LR.

14 Reconciliation of 2016

Following is the reconciliation between presentation as per IAS 1 and as previously reported for the comparative period of 2016:

Balance sheet reconciliation as on 31 December 2016

FRS Format	**Foot note**	**2016 £**	**Reclass from FRS to IAS**	**2016(New Format)**	**2016 £**
Fixed assets				**Non-current assets**	
Tangible fixed assets		1,142	-	Property, plant and equipment	1,142
	A		27,210	Deferred tax	27,210
		1,142			28,352
Current assets				**Current assets**	
Debtors	A	5,644,824	(27,210)	Trade and other receivables	5,617,614
		5,644,824			5,617,614
Total assets		5,645,966		**Total assets**	5,645,966
				Current liabilities	
Creditors: amounts falling due within one year	B	1,863,574	(88,463)	Trade and other payables	1,775,111
	B	-	2,008	Financial liabilities	2,008
	B	-	86,455	Income tax payable	86,455
Net current assets		7,508,398			1,863,574
Total assets less current liabilities		7,509,540		Net current assets	3,782,392
				Non-current liabilities	
				Total liabilities	1,863,574
		7,509,540		**Net assets**	3,782,392
Capital and reserves				**Capital and reserves**	
Called up share capital		100	-	Issued share capital	100
Share premium account		521,924	-	Share premium	521,924
Profit and loss account		3,260,368	-	Retained earnings	3,260,368
Shareholders' funds		3,782,392		**Total equity**	3,782,392

Foot note:

Note A : Deferred tax assest which was earlier classified under the head " Debtors" is now shown separately on the face of balance sheet.

Note B : Creditors: Amounts falling due within one year included income tax payable. This is now seperately shown on the face of balance sheet. Book overdraft earlier classified under creditors, is now shown under financial liabilities.