
R&Q CONSULTANTS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

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R&Q CONSULTANTS LIMITED

COMPANY INFORMATION

DIRECTORS	K E Randall A K Quilter
COMPANY SECRETARY	R&Q Secretaries Limited
COMPANY NUMBER	04179375
REGISTERED OFFICE	110 Fenchurch Street London EC3M 5JT
AUDITORS	Littlejohn LLP Statutory Auditor 1 Westferry Circus Canary Wharf London E14 4HD
BANKERS	National Westminster PO Box 12258 1 Princes Street London EC2R 8PA

R&Q CONSULTANTS LIMITED

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R&Q CONSULTANTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report and the financial statements for the year ended 31 December 2011

PRINCIPAL ACTIVITIES

The company's principal activity is the provision of consultancy services in connection with the international insurance and reinsurance industry

DIRECTORS

The directors who served during the year were

K E Randall
A K Quilter

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

As permitted by the Companies Act 2006, an insurance policy has been purchased on a group basis which covers the directors of the company

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgments 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,
- 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.

R&Q CONSULTANTS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011**

PROVISION OF INFORMATION TO AUDITORS

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

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

AUDITORS

The auditors, Littlejohn LLP

Statutory Auditor, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 3 April 2012 and signed on its behalf



R&Q Secretaries Limited
Secretary

R&Q CONSULTANTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF R&Q CONSULTANTS LIMITED

We have audited the financial statements of R&Q Consultants Limited for the year ended 31 December 2011, set out on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 Auditors' 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 AUDITORS

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2011 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

R&Q CONSULTANTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF R&Q CONSULTANTS LIMITED

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

Carmine Papa

Carmine Papa (Senior statutory auditor)

for and on behalf of
Littlejohn LLP
Statutory Auditor

1 Westferry Circus
Canary Wharf
London
E14 4HD

3 April 2012

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R&Q CONSULTANTS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	2011 £	2010 £
TURNOVER	1,2	2,190,902	1,875,363
Administrative expenses		<u>(2,010,986)</u>	<u>(1,576,779)</u>
OPERATING PROFIT	3	179,916	298,584
Interest receivable and similar income		19	63
Interest payable and similar charges	7	<u>(12,097)</u>	<u>(2,564)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		167,838	296,083
Tax on profit on ordinary activities	8	<u>(18,561)</u>	<u>(90,855)</u>
PROFIT FOR THE FINANCIAL YEAR	15	<u>149,277</u>	<u>205,228</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and loss account

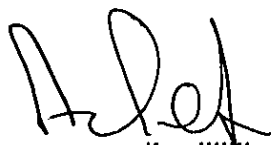
The notes on pages 7 to 15 form part of these financial statements

R&Q CONSULTANTS LIMITED
REGISTERED NUMBER 04179375

BALANCE SHEET
AS AT 31 DECEMBER 2011

	Note	£	2011 £	£	2010 £
FIXED ASSETS					
Tangible assets	10		2,237		82,621
Investments	11		3		3
			<u>2,240</u>		<u>82,624</u>
CURRENT ASSETS					
Debtors	12	425,887		760,459	
Cash at bank		4,066		7	
		<u>429,953</u>		<u>760,466</u>	
CREDITORS amounts falling due within one year	13	(285,444)		(445,618)	
NET CURRENT ASSETS			<u>144,509</u>		<u>314,848</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>146,749</u>		<u>397,472</u>
CAPITAL AND RESERVES					
Called up share capital	14		100		100
Other reserves	15		31,000		31,000
Profit and loss account	15		115,649		366,372
SHAREHOLDERS' FUNDS	16		<u>146,749</u>		<u>397,472</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 3 April 2012



A K Quilter
Director

The notes on pages 7 to 15 form part of these financial statements

R&Q CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

1.4 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Motor vehicles	-	25% straight line
Fixtures & fittings	-	25% straight line
Computer equipment	-	33 1/3 % straight line

1.5 Investments

Investments held as fixed assets are shown at cost less provision for impairment

1.6 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

R&Q CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES (continued)

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as 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 tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and loss account

1.9 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

2. TURNOVER

Turnover arises from the company's principal activity and is attributable to continuing operations

All turnover arose within the United Kingdom

3. OPERATING PROFIT

The operating profit is stated after charging

	2011 £	2010 £
Depreciation of tangible fixed assets		
- owned by the company	1,966	5,464
Operating lease rentals		
- other operating leases	(16,149)	16,149
Difference on foreign exchange	8	807
	<u> </u>	<u> </u>

R&Q CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

4. AUDITORS' REMUNERATION

	2011	2010
	£	£
Fees payable to the company's auditor for the audit of the company's annual accounts	9,500	7,900

5. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2011	2010
	£	£
Wages and salaries	1,677,296	865,932
Social security costs	130,476	182,683
Other pension costs	91,317	91,884
	1,899,089	1,140,499

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

	2011	2010
	No.	No
Management services/ Consultancy	5	8
Office management	1	2
	6	10

6. DIRECTORS' REMUNERATION

	2011	2010
	£	£
Emoluments	577,750	543,065
Company pension contributions to defined contribution pension schemes	50,000	30,000

During the year retirement benefits were accruing to 1 director (2010 - 1) in respect of defined contribution pension schemes

The highest paid director received remuneration of £265,750 (2010 - £312,000)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £50,000 (2010 - £NIL)

R&Q CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

7 INTEREST PAYABLE

	2011 £	2010 £
On loans from group undertakings	12,097	2,564

8. TAXATION

Provision has been made in the financial statements for corporation tax at current rates on the assessable profits for the period. Group relief relates to amounts payable for losses surrendered by other group companies.

	2011 £	2010 £
Analysis of tax charge/(credit) in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	979	-
Adjustments in respect of prior periods	(25,704)	-
Group taxation relief	43,286	(21,145)
Total current tax	18,561	(21,145)
Deferred tax		
Origination and reversal of timing differences	-	112,000
Tax on profit on ordinary activities	18,561	90,855

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2010 - lower than) the standard rate of corporation tax in the UK of 20.247% (2010 - 28%). The differences are explained below.

	2011 £	2010 £
Profit on ordinary activities before tax	167,838	296,083
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.247% (2010 - 28%)	33,981	82,903
Effects of		
Expenses not deductible for tax purposes	4,565	10,837
Capital allowances for year in excess of depreciation	1,648	(2,885)
Adjustments to tax charge in respect of prior periods	(25,704)	-
Other timing differences leading to an increase (decrease) in taxation	-	(112,000)
Non-taxable income	(6,135)	-
Group relief claimed at 26.49%	10,206	-
Current tax charge/(credit) for the year (see note above)	18,561	(21,145)

R&Q CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

8. TAXATION (continued)

Factors that may affect future tax charges

There were no factors that may affect future tax charges

9. DEFERRED TAX

The deferred tax asset at 20% (2010 - 27%) included in the financial statements comprises the following

	2011 £	2010 £
Provision at the start of the period	-	(112,000)
Deferred tax credit in profit and loss account for the period	-	112,000
Other timing differences	-	-
Provision at the end of the period	-	-

Details of the deferred tax asset not provided in the financial statements are given below The deferred tax asset is not recognised due to the uncertainty in its recovery

	2011 £	2010 £
Decelerated capital allowances	(1,845)	(294)
Capital losses carried forward	(6,074)	(8,400)
Total	(7,919)	(8,694)

R&Q CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

10. TANGIBLE FIXED ASSETS

	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Total £
Cost				
At 1 January 2011	11,300	93,788	27,672	132,760
Transfers intra group	(11,300)	(69,331)	(938)	(81,569)
Disposals	-	(14,568)	(15,201)	(29,769)
At 31 December 2011	-	9,889	11,533	21,422
Depreciation				
At 1 January 2011	705	23,715	25,719	50,139
Charge for the year	-	1,097	869	1,966
Transfers intra group	(705)	(2,368)	(78)	(3,151)
On disposals	-	(14,568)	(15,201)	(29,769)
At 31 December 2011	-	7,876	11,309	19,185
Net book value				
At 31 December 2011	-	2,013	224	2,237
At 31 December 2010	10,595	70,073	1,953	82,621

11. FIXED ASSET INVESTMENTS

	Other fixed asset investments £
Cost or valuation	
At 1 January 2011 and 31 December 2011	3
Net book value	
At 31 December 2011	3
At 31 December 2010	3

R&Q CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

12 DEBTORS

	2011 £	2010 £
Trade debtors	130	-
Amounts owed by group undertakings	404,197	721,378
Other debtors	14,336	22,862
Prepayments and accrued income	7,224	16,219
	<u>425,887</u>	<u>760,459</u>

**13. CREDITORS:
Amounts falling due within one year**

	2011 £	2010 £
Bank loans and overdrafts	-	787
Trade creditors	33,441	83,118
Amounts owed to group undertakings	193,730	272,553
Corporation tax	979	-
Social security and other taxes	45,604	51,096
Other creditors	-	6,399
Accruals and deferred income	11,690	31,665
	<u>285,444</u>	<u>445,618</u>

14. SHARE CAPITAL

	2011 £	2010 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

15 RESERVES

	Other reserves £	Profit and loss account £
At 1 January 2011	31,000	366,372
Profit for the year	-	149,277
Dividends Equity capital	-	(400,000)
At 31 December 2011	<u>31,000</u>	<u>115,649</u>

R&Q CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Opening shareholders' funds	397,472	592,244
Profit for the year	149,277	205,228
Dividends (Note 17)	(400,000)	(400,000)
	<u>146,749</u>	<u>397,472</u>

17. DIVIDENDS

	2011 £	2010 £
Dividends paid on equity capital	<u>400,000</u>	<u>400,000</u>

18. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £91,317 (2010 - £95,634). All contributions were paid over during the year.

19. OPERATING LEASE COMMITMENTS

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2011 £	2010 £
Expiry date		
After more than 5 years	<u>-</u>	<u>630,000</u>

20. RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary of and controlled by the ultimate parent company Randall & Quilter Investment Holdings plc and has taken advantage of the provision in Financial Reporting Standard No 8 which allows the company not to disclose transactions with other consolidated group companies qualifying as related parties.

R&Q CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

21. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is Randall & Quilter IS Holdings Limited, which is registered in England and Wales

Group financial statements are prepared by the ultimate parent undertaking, Randall & Quilter Investment Holdings plc, a company registered in England and Wales, and can be obtained from 110 Fenchurch Street, London, EC3M 5JT