
R&Q CONSULTANTS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

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R&Q CONSULTANTS LIMITED

COMPANY INFORMATION

DIRECTORS	K E Randall A K Quilter
COMPANY SECRETARY	R&Q Secretaries Limited
REGISTERED 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 2012

The directors present their report and the financial statements for the year ended 31 December 2012

PRINCIPAL ACTIVITIES

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

In 2011 the company also provided consultancy services to the R&Q Group in the UK by recharging staff and other costs. However, the company transferred its staff to R&Q Insurance Services Ltd ("RQIS") at the start of 2012 and so all staff costs have been incurred in RQIS. Therefore, there has been no provision of consultancy services to the R&Q Group in 2012, which has resulted in a significant reduction in turnover and associated costs.

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 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 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 2012**

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, 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 23rd of April 2013 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 2012, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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 2012 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

London

Date *24 April 2013*

R&Q CONSULTANTS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Note	2012 £	2011 £
TURNOVER	1,2	-	2,190,902
Administrative expenses		<u>(5,856)</u>	<u>(2,010,986)</u>
OPERATING (LOSS)/PROFIT	3	(5,856)	179,916
Interest receivable and similar income		19	19
Interest payable and similar charges	7	<u>(3,219)</u>	<u>(12,097)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(9,056)	167,838
Tax on (loss)/profit on ordinary activities	8	<u>182,595</u>	<u>(18,561)</u>
PROFIT FOR THE FINANCIAL YEAR	15	<u>173,539</u>	<u>149,277</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and Loss Account

The notes on pages 7 to 13 form part of these financial statements

R&Q CONSULTANTS LIMITED
REGISTERED NUMBER 04179375

BALANCE SHEET
AS AT 31 DECEMBER 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Tangible assets	10		914		2,237
Investments	11		3		3
			<u>917</u>		<u>2,240</u>
CURRENT ASSETS					
Debtors	12	325,429		426,833	
Cash at bank		1,041		4,066	
		<u>326,470</u>		<u>430,899</u>	
CREDITORS amounts falling due within one year	13	(7,099)		(286,390)	
NET CURRENT ASSETS			<u>319,371</u>		<u>144,509</u>
NET ASSETS			<u>320,288</u>		<u>146,749</u>
CAPITAL AND RESERVES					
Called up share capital	14		100		100
Other reserves	15		31,000		31,000
Profit and loss account	15		289,188		115,649
SHAREHOLDER'S FUNDS	16		<u>320,288</u>		<u>146,749</u>

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



K E Randall
Director

Date 23/04/13

The notes on pages 7 to 13 form part of these financial statements

R&Q CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

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 Going concern

The directors have received confirmation from the R&Q Group that the group will continue to support the operations of the company for the foreseeable future and therefore the going concern of the company is not in doubt

1.3 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

1.4 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

1.5 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 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 33 % straight line

1.6 Investments

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

1.7 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 2012

1 ACCOUNTING POLICIES (continued)

1.8 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

1.9 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

2. TURNOVER

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

In 2011 the company provided consultancy services to the R&Q Group in the UK by recharging staff and other costs. However, the company transferred its staff to R&Q Insurance Services Ltd ("RQIS") at the start of 2012 and so all staff costs have been incurred in RQIS. Therefore, there has been no provision of consultancy services to the R&Q Group in 2012, which has resulted no turnover being recognised in 2012

All turnover arose within the United Kingdom

3. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging/(crediting)

	2012 £	2011 £
Depreciation of tangible fixed assets		
- owned by the company	1,323	1,966
Operating lease rentals		
- other operating leases	-	(16,149)
Difference on foreign exchange	(3)	8
	<u> </u>	<u> </u>

R&Q CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

4 AUDITORS' REMUNERATION

	2012	2011
	£	£
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	2,000	9,500

5. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2012	2011
	£	£
Wages and salaries	-	1,677,296
Social security costs	-	130,476
Other pension costs	-	91,317
	-	1,899,089

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

	2012	2011
	No	No
Management services/ Consultancy	-	5
Office management	-	1
	-	6

As disclosed further note 2, during the year all staff were transferred within the R&Q Group to RQIS All costs in relation to these staff have been recognised in full in RQIS in 2012

6 DIRECTORS' REMUNERATION

	2012	2011
	£	£
Emoluments	-	577,750
Company pension contributions to defined contribution pension schemes	-	50,000

During the year retirement benefits were accruing to no directors (2011 - 1) in respect of defined contribution pension schemes

The highest paid director received remuneration of £NIL (2011 - £265,750)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2011 - £50,000)

R&Q CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

7 INTEREST PAYABLE

	2012	2011
	£	£
On loans from group undertakings	<u>3,219</u>	<u>12,097</u>

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.

	2012	2011
	£	£
Analysis of tax (credit)/charge in the year		
UK corporation tax charge on (loss)/profit for the year	-	979
Adjustments in respect of prior periods	(183,330)	(25,704)
Group taxation relief	735	43,286
Tax on (loss)/profit on ordinary activities	<u>(182,595)</u>	<u>18,561</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 24.5% (2011 - 20.247%). The differences are explained below.

	2012	2011
	£	£
(Loss)/profit on ordinary activities before tax	<u>(9,056)</u>	<u>167,838</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 - 20.247%)	(2,218)	33,981
Effects of:		
Expenses not deductible for tax purposes	3,149	4,565
Capital allowances for year in excess of depreciation	(196)	1,648
Adjustments to tax charge in respect of prior periods	(183,330)	(25,704)
Non-taxable income	-	(6,135)
Group relief claimed at 26.49%	-	10,206
Current tax (credit)/charge for the year (see note above)	<u>(182,595)</u>	<u>18,561</u>

R&Q CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

8 TAXATION (continued)

Factors that may affect future tax charges

In the March 2012 Budget it was announced that the main rate of UK corporation tax would reduce from 24% to 23%. This was substantially enacted on 3 July 2012 and will be effective from 1 April 2013.

Further reductions to the UK corporation tax rate have been introduced in the Finance Bill 2013 proposing to reduce the rate to 21% from 1 April 2014 and 20% from 1 April 2015. These changes had not been substantively enacted at the balance sheet date, and therefore the company's 2012 profits are taxed at an effective rate of 24.5% and deferred tax has been provided for at 23%.

9. DEFERRED TAX

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.

	2012 £	2011 £
Decelerated capital allowances	(1,939)	(1,845)
Capital losses carried forward	(7,349)	(6,074)
Total	<u>(9,288)</u>	<u>(7,919)</u>

10 TANGIBLE FIXED ASSETS

	Fixtures & fittings £	Computer equipment £	Total £
Cost			
At 1 January 2012	9,889	11,533	21,422
Disposals	-	(1,001)	(1,001)
At 31 December 2012	<u>9,889</u>	<u>10,532</u>	<u>20,421</u>
Depreciation			
At 1 January 2012	7,876	11,309	19,185
Charge for the year	1,099	224	1,323
On disposals	-	(1,001)	(1,001)
At 31 December 2012	<u>8,975</u>	<u>10,532</u>	<u>19,507</u>
Net book value			
At 31 December 2012	<u>914</u>	<u>-</u>	<u>914</u>
At 31 December 2011	<u>2,013</u>	<u>224</u>	<u>2,237</u>

R&Q CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

11 FIXED ASSET INVESTMENTS

	Other fixed asset investments £
Cost or valuation	
At 1 January 2012 and 31 December 2012	<u>3</u>
Net book value	
At 31 December 2012	<u>3</u>
At 31 December 2011	<u>3</u>

12. DEBTORS

	2012 £	2011 £
Trade debtors	238	1,076
Amounts owed by group undertakings	325,179	404,197
Other debtors	-	14,336
Prepayments and accrued income	12	7,224
	<u>325,429</u>	<u>426,833</u>

13. CREDITORS

Amounts falling due within one year

	2012 £	2011 £
Trade creditors	-	34,387
Amounts owed to group undertakings	3,954	193,730
Corporation tax	-	979
Social security and other taxes	945	45,604
Accruals and deferred income	2,200	11,690
	<u>7,099</u>	<u>286,390</u>

14. SHARE CAPITAL

	2012 £	2011 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

R&Q CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

15 RESERVES

	Other reserves £	Profit and loss account £
At 1 January 2012	31,000	115,649
Profit for the year	-	173,539
	<u>31,000</u>	<u>289,188</u>
At 31 December 2012	<u>31,000</u>	<u>289,188</u>

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	2012 £	2011 £
Opening shareholder's funds	146,749	397,472
Profit for the year	173,539	149,277
Dividends (Note 17)	-	(400,000)
	<u>320,288</u>	<u>146,749</u>
Closing shareholder's funds	<u>320,288</u>	<u>146,749</u>

17 DIVIDENDS

	2012 £	2011 £
Dividends paid on equity capital	-	400,000
	<u>-</u>	<u>400,000</u>

18. 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 FRS8 which allows the company not to disclose transactions with other consolidated group companies qualifying as related parties

19 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