
R&Q BROKER SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

TUESDAY



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COMPANIES HOUSE

R&Q BROKER SERVICES LIMITED

COMPANY INFORMATION

DIRECTORS

S Goate
C D Johnson
A K Quilter

COMPANY SECRETARY

R&Q Central Services Limited

REGISTERED NUMBER

06326884

REGISTERED OFFICE

2 Minster Court
London
EC3R 7BB

INDEPENDENT AUDITORS

PKF Littlejohn LLP
Statutory Auditor
1 Westferry Circus
Canary Wharf
London
E14 4HD

BANKERS

National Westminster Bank Plc
PO Box 12258
1 Princes Street
London
EC2R 8PA

R&Q BROKER SERVICES LIMITED

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R&Q BROKER SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

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

DIRECTORS

The Directors who served during the year were:

S Goate
C D Johnson
M A Langridge (resigned 29 January 2015)
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.

DISCLOSURE 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 relevant audit information and to establish that the Company's auditors are aware of that information.

R&Q BROKER SERVICES LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

AUDITORS

Under section 487(2) of the Companies Act 2006, PKF Littlejohn LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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 and signed on its behalf.



B Murphy
For and on behalf of R&Q Central Services Limited
Secretary

Date: 22 June 2015

R&Q BROKER SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF R&Q BROKER SERVICES LIMITED

We have audited the financial statements of R&Q Broker Services Limited for the year ended 31 December 2014, 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 shareholder 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 shareholder 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 shareholder 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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.

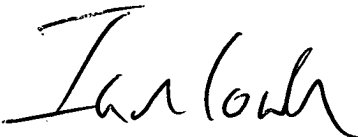
R&Q BROKER SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF R&Q BROKER SERVICES 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 from the requirement to prepare a Strategic Report or in preparing the Directors' Report.



Ian Cowan (Senior Statutory Auditor)

for and on behalf of

PKF Littlejohn LLP

Statutory Auditor

London

Date: 24 June 2015

R&Q BROKER SERVICES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014

| | Note | 2014 £ | 2013 £ |
|--|------|-----------------------|-----------------------|
| TURNOVER | 1,2 | 1,628,967 | 2,169,887 |
| Administrative expenses | | <u>(938,967)</u> | <u>(1,330,997)</u> |
| OPERATING PROFIT | 3 | 690,000 | 838,890 |
| Interest receivable and similar income | 6 | <u>79,549</u> | <u>70,562</u> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 769,549 | 909,452 |
| Tax on profit on ordinary activities | 7 | <u>(170,695)</u> | <u>(2,337)</u> |
| PROFIT FOR THE FINANCIAL YEAR | 14 | <u>598,854</u> | <u>907,115</u> |

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and Loss Account.

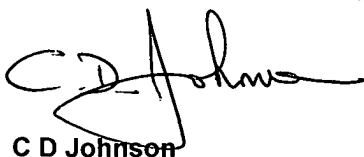
The notes on pages 7 to 13 form part of these financial statements.

R&Q BROKER SERVICES LIMITED
REGISTERED NUMBER: 06326884

BALANCE SHEET
AS AT 31 DECEMBER 2014

| | Note | £ | 2014 £ | £ | 2013 £ |
|--|------|------------------|-------------------------|------------------|-------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 9 | | - | | 2,695 |
| CURRENT ASSETS | | | | | |
| Debtors | 10 | 3,091,770 | | 2,777,028 | |
| Cash at bank | | 181,435 | | 186,029 | |
| | | <u>3,273,205</u> | | <u>2,963,057</u> | |
| CREDITORS: amounts falling due within one year | 11 | (349,450) | | (470,851) | |
| NET CURRENT ASSETS | | | <u>2,923,755</u> | | <u>2,492,206</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>2,923,755</u> | | <u>2,494,901</u> |
| CREDITORS: amounts falling due after more than one year | 12 | | (141,668) | | (311,668) |
| NET ASSETS | | | <u><u>2,782,087</u></u> | | <u><u>2,183,233</u></u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 13 | | 75,000 | | 75,000 |
| Other reserves | 14 | | 20,653 | | 20,653 |
| Profit and loss account | 14 | | 2,686,434 | | 2,087,580 |
| SHAREHOLDER'S FUNDS | 15 | | <u><u>2,782,087</u></u> | | <u><u>2,183,233</u></u> |

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



C D Johnson
Director

Date: 22 June 2015

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

R&Q BROKER SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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 services supplied during the year, exclusive of Value Added Tax and trade discounts.

Turnover represents fees and net commissions from the Company's principal activities of supplying claims and premium collection services to insurance and reinsurance participants. All contractual obligations have been fulfilled upon debiting to the client and accordingly no deferral of revenue is required for ongoing obligations.

Fees receivable in respect of advisory services are recognised when the right to such fees is established and the services concerned have been performed.

Debt collection fees are recognised when the right to such fees are established through a contract and either the debt has been collected or the services concerned have been performed at the balance sheet date.

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:

| | | |
|--------------------|---|-------------------|
| Computer equipment | - | 20% straight line |
|--------------------|---|-------------------|

1.5 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.

R&Q BROKER SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES (continued)

1.6 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.

1.7 Share based payments

The Company's ultimate parent undertaking issues equity share based payments to a certain number of the Company's employees.

The options are exercisable three years from the date of grant and lapse on the tenth anniversary of the date of grant or the holder ceasing to be an employee of the group. Neither the Company nor the Group has any legal or constructive obligation to settle or repurchase the options in cash.

The equity-settled share-based payments are measured at fair value at the date of grant and are recognised over the vesting period within administrative expenses, the corresponding entry is treated as a capital contribution within other reserves.

2. TURNOVER

The whole of the turnover is attributable to the Company's principal activity and relates to continuing operations.

All turnover arose within the United Kingdom.

3. OPERATING PROFIT

The operating profit is stated after charging:

| | 2014 £ | 2013 £ |
|--|-------------------|-------------------|
| Depreciation of tangible fixed assets: | | |
| - owned by the company | 2,695 | 15,200 |
| Difference on foreign exchange | (45,251) | 15,747 |
| | <u> </u> | <u> </u> |

4. AUDITORS' REMUNERATION

| | 2014 £ | 2013 £ |
|---|-------------------|-------------------|
| Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts | 10,000 | 10,000 |
| | <u> </u> | <u> </u> |

R&Q BROKER SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

5. STAFF COSTS

Costs are recharged to each company by means of a Group recharge. Full staff costs are disclosed in the employing company R&Q Insurance Services Limited.

6. INTEREST RECEIVABLE

| | 2014 £ | 2013 £ |
|--|---------------|---------------|
| Interest receivable from group companies | 79,426 | 48,547 |
| Other interest receivable | 123 | 22,015 |
| | <u>79,549</u> | <u>70,562</u> |

7. TAXATION

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

| | 2014 £ | 2013 £ |
|--|----------------|--------------|
| Analysis of tax charge in the year/period | | |
| Adjustments in respect of prior periods | 6 | - |
| Group taxation relief | 170,689 | 2,337 |
| | <u>170,695</u> | <u>2,337</u> |
| Tax on profit on ordinary activities | | |

R&Q BROKER SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

7. TAXATION (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (2013 - lower than) the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%). The differences are explained below:

| | 2014 £ | 2013 £ |
|---|-----------|-----------|
| Profit on ordinary activities before tax | 769,549 | 909,452 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%) | 165,400 | 211,416 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 5,531 | - |
| Depreciation (lower than)/in excess of capital allowances | (290) | 2,388 |
| Adjustments to tax charge in respect of prior periods | 6 | - |
| Transfer pricing adjustment | 48 | - |
| Non payment for losses surrendered as group relief | - | (211,467) |
| Current tax charge for the year/period (see note above) | 170,695 | 2,337 |

Factors that may affect future tax charges

In the Finance Bill 2013 it was announced that the main rate of UK corporation tax would reduce to 20% from 1 April 2015. The Bill was substantially enacted on 2 July 2013.

8. 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 its immateriality.

| | 2014 £ | 2013 £ |
|--------------------------------|-----------|-----------|
| Decelerated capital allowances | (3,685) | (3,955) |

R&Q BROKER SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

9. TANGIBLE FIXED ASSETS

| | Computer equipment £ |
|--|----------------------------|
| Cost | |
| At 1 January 2014 and 31 December 2014 | 76,000 |
| Depreciation | |
| At 1 January 2014 | 73,305 |
| Charge for the year | 2,695 |
| At 31 December 2014 | 76,000 |
| Net book value | |
| At 31 December 2014 | - |
| At 31 December 2013 | 2,695 |

10. DEBTORS

| | 2014 £ | 2013 £ |
|------------------------------------|------------------|------------------|
| Trade debtors | 229,561 | 100,789 |
| Amounts owed by group undertakings | 2,431,337 | 2,068,274 |
| Other debtors | 52,909 | 51,327 |
| Prepayments and accrued income | 377,963 | 556,638 |
| | <u>3,091,770</u> | <u>2,777,028</u> |

11. CREDITORS: Amounts falling due within one year

| | 2014 £ | 2013 £ |
|------------------------------------|----------------|----------------|
| Amounts owed to group undertakings | 74,219 | 184,041 |
| Other taxation and social security | - | 8,893 |
| Accruals and deferred income | 275,231 | 277,917 |
| | <u>349,450</u> | <u>470,851</u> |

R&Q BROKER SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

12. CREDITORS:

Amounts falling due after more than one year

| | 2014 £ | 2013 £ |
|------------------------------|----------------|----------------|
| Accruals and deferred income | <u>141,668</u> | <u>311,668</u> |

13. SHARE CAPITAL

| | 2014 £ | 2013 £ |
|---|---------------|---------------|
| Allotted, called up and fully paid | | |
| 75,000 Ordinary shares of £1 each | <u>75,000</u> | <u>75,000</u> |

14. RESERVES

| | Other reserves £ | Profit and loss account £ |
|-------------------------------|------------------------|---------------------------------|
| At 1 January 2014 | 20,653 | 2,087,580 |
| Profit for the financial year | - | 598,854 |
| At 31 December 2014 | <u>20,653</u> | <u>2,686,434</u> |

15. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

| | 2014 £ | 2013 £ |
|--------------------------------------|------------------|------------------|
| Opening shareholder's funds | 2,183,233 | 1,276,118 |
| Profit for the financial year/period | <u>598,854</u> | <u>907,115</u> |
| Closing shareholder's funds | <u>2,782,087</u> | <u>2,183,233</u> |

R&Q BROKER SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

16. RELATED PARTY TRANSACTIONS

The Company has taken advantage of provisions in FRS8 which allows the Company not to disclose transactions with other Group entities where all subsidiaries that are party to the transaction are wholly owned by a member group.

17. 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 Ltd., a company registered in Bermuda, and can be obtained from 110 Fenchurch Street, London, EC3M 5JT.

It is the opinion of the Directors that there is no ultimate controlling party.