

**RANDALL & QUILTER UNDERWRITING MANAGEMENT HOLDINGS
LIMITED**

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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RANDALL & QUILTER UNDERWRITING MANAGEMENT HOLDINGS LIMITED

COMPANY INFORMATION

DIRECTORS
A K Quilter
S Johnson
G D Jarvis (appointed 31 January 2020)

COMPANY SECRETARY R&Q Central Services Limited

REGISTERED NUMBER 07504909

REGISTERED OFFICE 71 Fenchurch Street
London
EC3M 4BS

INDEPENDENT AUDITOR PKF Littlejohn LLP
Statutory Auditor
15 Westferry Circus
Canary Wharf
London
E14 4HD

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

RANDALL & QUILTER UNDERWRITING MANAGEMENT HOLDINGS LIMITED

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RANDALL & QUILTER UNDERWRITING MANAGEMENT HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors present their report and the Financial Statements for the year ended 31 December 2020.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's Financial Statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £1,466,946 (2019 - loss £757,489).

During the year the Directors approved a dividend payment of £1,500,000 (2019: Nil).

On 20 February 2020 the Randall & Quilter Group sold Trilogy Managing General Agents Limited to Resolution Underwriting Holdings Limited. The Company was sold for £1.

On 17 January 2020 R&Q Munro Services Company Limited was de-authorised by the Financial Conduct Authority.

Following the deauthorisation of R&Q Munro Services Company Limited and R&Q Munro MA Limited, it is expected that the Companies will be struck off in the foreseeable future.

DIRECTORS

The Directors who served during the year were:

R Sellek (resigned 14 January 2020)
A K Quilter
S Johnson
G D Jarvis (appointed 31 January 2020)

RANDALL & QUILTER UNDERWRITING MANAGEMENT HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

DISCLOSURE OF INFORMATION TO AUDITOR

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

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the 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 auditor is aware of that information.

POST BALANCE SHEET EVENTS

On 23 April 2021 the Randall & Quilter Group sold R&Q Commercial Risk Services Limited to the Lloyd & Whyte Group Limited.

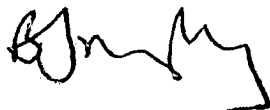
AUDITOR

The auditor, PKF Littlejohn LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

SMALL COMPANIES NOTE

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.



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

Date: 23 April 2021

RANDALL & QUILTER UNDERWRITING MANAGEMENT HOLDINGS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF RANDALL & QUILTER
UNDERWRITING MANAGEMENT HOLDINGS LIMITED**

OPINION

We have audited the Financial Statements of Randall & Quilter Underwriting Management Holdings Limited (the 'Company') for the year ended 31 December 2020, which comprise the Statement of Income and Retained Earnings, the Balance Sheet and notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss 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.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the Financial Statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the Financial Statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

RANDALL & QUILTER UNDERWRITING MANAGEMENT HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF RANDALL & QUILTER UNDERWRITING MANAGEMENT HOLDINGS LIMITED (CONTINUED)

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the Financial Statements and our Auditor's Report thereon. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the Financial Statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

RANDALL & QUILTER UNDERWRITING MANAGEMENT HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF RANDALL & QUILTER UNDERWRITING MANAGEMENT HOLDINGS LIMITED (CONTINUED)

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Directors are responsible for 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 the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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 an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the Company and the laws and regulations that could reasonably be expected to have a direct effect on the Financial Statements. We obtained our understanding in this regard through discussions with management and application of audit knowledge and experience of the Company and the Group.
- We determined the principal laws and regulations relevant to the Company in this regard to be those arising from Companies Act 2006, UK GAAP and UK taxation regulations.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the Company with those laws and regulations. These procedures included:
 - Discussion with management of any known, or suspected instances of non-compliance by the Company of those laws and Regulations.
 - Discussion with management of any, or suspected, incidence of fraud;
 - Review of Financial Statement disclosure and testing supporting documentation to assess compliance with applicable law and regulations.
 - Review of minutes of the board of Directors and other correspondence as deemed appropriate.
- We also identified the risks of material misstatement of the Financial Statements due to fraud as those arising from management override of controls. We have addressed this risk by performing audit procedures which included testing of journals, reviewing material accounting estimates in relation to investments and intercompany debtors and loans for evidence of bias and evaluating the business rationale of any significant transactions that are unusual or outside normal course of business that came to our attention and preliminary and final analytical review to identify any unusual or unexpected relationships or variances.

RANDALL & QUILTER UNDERWRITING MANAGEMENT HOLDINGS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF RANDALL & QUILTER
UNDERWRITING MANAGEMENT HOLDINGS LIMITED (CONTINUED)**

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the Financial Statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the Financial Statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

USE OF OUR REPORT

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 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 shareholder for our audit work, for this report, or for the opinions we have formed.



Azhar Rana (Senior Statutory Auditor)
for and on behalf of
PKF Littlejohn LLP
Statutory Auditor
15 Westferry Circus
Canary Wharf
London
E14 4HD
Date: 28 April 2021

RANDALL & QUILTER UNDERWRITING MANAGEMENT HOLDINGS LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Turnover	4	50,327	32,148
GROSS PROFIT		50,327	32,148
Administrative expenses		(233,173)	(136,871)
OPERATING LOSS	5	(182,846)	(104,723)
Amounts written off intercompany debtors		(977,142)	(718,122)
Amounts written off investments		(328,259)	-
Interest receivable and similar income	8	201,095	289,452
Interest payable and similar expenses	9	(179,794)	(202,117)
LOSS BEFORE TAX		(1,466,946)	(735,510)
Tax on loss	10	-	(21,979)
LOSS AFTER TAX		(1,466,946)	(757,489)
Retained earnings at the beginning of the year		2,277,480	3,034,969
		2,277,480	3,034,969
Loss for the year		(1,466,946)	(757,489)
Dividends declared and paid		(1,500,000)	-
RETAINED EARNINGS AT THE END OF THE YEAR		(689,466)	2,277,480

There were no recognised gains and losses for 2020 or 2019 other than those included in the Statement of Income and Retained Earnings.

The notes on pages 9 to 21 form part of these Financial Statements.

RANDALL & QUILTER UNDERWRITING MANAGEMENT HOLDINGS LIMITED
REGISTERED NUMBER: 07504909

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Intangible assets	12	-	214,465
Investments	13	250,000	578,259
		<u>250,000</u>	<u>792,724</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	14	6,008,960	7,703,850
Cash at bank and in hand		452	26
		<u>6,009,412</u>	<u>7,703,876</u>
Creditors: amounts falling due within one year	15	(6,639,942)	(5,910,184)
NET CURRENT (LIABILITIES)/ASSETS		(630,530)	1,793,692
TOTAL ASSETS LESS CURRENT LIABILITIES		(380,530)	2,586,416
NET (LIABILITIES)/ASSETS		(380,530)	2,586,416
CAPITAL AND RESERVES			
Called up share capital	17	274,751	274,751
Other reserves	18	34,185	34,185
Profit and loss account	18	(689,466)	2,277,480
		<u>(380,530)</u>	<u>2,586,416</u>

The Financial Statements were approved and authorised for issue by the Board and were signed on its behalf by:



.....
G D Jarvis
 Director

Date: 23 April 2021

The notes on pages 9 to 21 form part of these Financial Statements.

RANDALL & QUILTER UNDERWRITING MANAGEMENT HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. GENERAL INFORMATION

The Company will continue to invest in the R&Q Group's underwriting activities.

The Company is a private Company limited by shares and is incorporated and domiciled in England. The address of its registered office is 71 Fenchurch Street, London, EC3M 4BS.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of Financial Statements

The Financial Statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company is itself a subsidiary Company and is exempt from the requirement to prepare Group Financial Statements by virtue of section 400 of the Companies Act 2006. These Financial Statements therefore present information about the Company as an individual undertaking and not about its Group.

The preparation of Financial Statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these Financial Statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated Financial Statements of Randall & Quilter Investment Holdings Ltd. as at 31 December 2020 and these Financial Statements may be obtained from 71 Fenchurch Street, London, EC3M 4BS.

2.3 Going concern

The Directors have received confirmation from Randall & Quilter Investment Holdings Ltd. that the Group will continue to support the operations of the Company for the foreseeable future to allow it to be able to meet its own liabilities as they fall due. The Directors have considered the Group's ability to continue to support the Company, and having sought reassurance from the Group, have concluded that they see no reason why the Group cannot continue to support the Company.

The Directors have considered the ability of Randall & Quilter Investment Holdings Ltd. to repay the loan balance due to the Company, and interest accrued on the loan, and have concluded that they see no reason why the loan balance or loan interest will not be recoverable.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Turnover

Turnover comprises recharges of software usage fees to another Group Company and is recognised in line with the provision of services.

2.5 Interest income

Interest income is recognised in Statement of Income and Retained Earnings using the effective interest method.

2.6 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.7 Taxation

Tax is recognised in the Statement of Income and Retained Earnings.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the Company operates and generates income.

2.8 Share based payments

Share options in the ultimate Parent undertaking are granted to Directors and selected 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.

2.9 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life.

Amortisation is provided on the following bases:

Computer Software Development - 20% Straight line

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES (CONTINUED)

2.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks.

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.12 Financial instruments

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Income and Retained Earnings.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow Group Companies are initially recognised at transaction price.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the Financial Statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

RANDALL & QUILTER UNDERWRITING MANAGEMENT HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. ACCOUNTING POLICIES (CONTINUED)

2.13 Foreign currency translation

Functional and presentational currency

The Company's functional and presentational currency is Great British Pounds (GBP).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period-end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings as 'Turnover' or 'Administrative Expenses' for gains and losses respectively.

2.14 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

RANDALL & QUILTER UNDERWRITING MANAGEMENT HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

**3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the entity's accounting policies

No judgements have been made in applying the entity's accounting policies that would have a significant effect on the amounts recognised in these Financial Statements.

(b) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have an identified risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Intangible assets (see note 12)

Intangible fixed assets are amortised over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually. In re-assessing asset lives, factors such as technological advancement and changes in market prices are taken into account.

(ii) Fixed asset investments (see note 13)

The Company considers whether the carrying value of the investments in subsidiaries is impaired at each year end. The Company reviews the future profitability and the future cash generation of those subsidiaries and net asset positions of each investment in assessing the requirement to impair part or all of the balance.

(iii) Recoverability of debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors, the net asset position of each debtor and historical experience.

4. TURNOVER

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Recharged income	50,327	32,148
	<u>50,327</u>	<u>32,148</u>

All turnover arose within the United Kingdom.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

5. OPERATING LOSS

The operating loss is stated after charging:

	2020 £	2019 £
Exchange differences	(20)	-
Amortisation of intangible assets	50,327	32,148
	<u>50,327</u>	<u>32,148</u>

6. AUDITOR'S REMUNERATION

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual Financial Statements	8,500	8,500
	<u>8,500</u>	<u>8,500</u>

7. DIRECTORS' REMUNERATION

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

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2020 £	2019 £
Interest receivable from Group undertakings	201,095	289,452
	<u>201,095</u>	<u>289,452</u>

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £	2019 £
Interest payable to Group undertakings	179,794	202,117
	<u>179,794</u>	<u>202,117</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. TAXATION

The charge for corporation tax comprises the following:

	2020 £	2019 £
Group taxation relief	-	21,979
TOTAL CURRENT TAX	-	21,979

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2019 - *higher than*) the standard rate of corporation tax in the UK of 19% (2019: 19%) as set out below:

	2020 £	2019 £
Loss on ordinary activities before tax	(1,466,946)	(735,510)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	(278,720)	(139,747)

EFFECTS OF:

Expenses not deductible for tax purposes	249,326	136,632
Tax losses and other deductions arising in the period carried forward	29,394	3,115
Adjustments to tax charge in respect of prior periods	-	21,979
TOTAL TAX CHARGE FOR THE YEAR	-	21,979

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. TAXATION (CONTINUED)**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

The Company has tax losses carried forward in the UK of £2,762,418 (2019: £2,651,692) that are available indefinitely for offset against future taxable profits of the Company. No deferred tax asset has been recognised in respect of this due to uncertainty around the recoverability of the asset.

In the Finance Bill 2021, it was announced that the main rate of UK corporation tax would increase to 25% from April 2023.

The Company's 2020 results are taxed at 19% (2019: 19%).

11. DIVIDENDS

	2020 £	2019 £
Ordinary Dividends	1,500,000	-
	<u>1,500,000</u>	<u>-</u>

RANDALL & QUILTER UNDERWRITING MANAGEMENT HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. INTANGIBLE ASSETS

	Computer software £
At 1 January 2020	382,427
Additions	16,250
Transfers intra Group	(398,677)
At 31 December 2020	-
At 1 January 2020	167,962
Charge for the year on owned assets	50,327
Transfers intra Group	(218,289)
At 31 December 2020	-
NET BOOK VALUE	
At 31 December 2020	-
At 31 December 2019	214,465

On 30 November 2020 the intangible assets held by the Company were transferred to another Group subsidiary R&Q Commercial Risk Services Limited.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. FIXED ASSET INVESTMENTS

	Investments in subsidiary Companies £
COST OR VALUATION	
At 1 January 2020	578,259
Impairments	(328,259)
At 31 December 2020	<u>250,000</u>

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
R&Q MGA Limited	Ordinary	100%
R&Q Commercial Risks Services Limited*	Ordinary	100%
R&Q Munro MA Limited	Ordinary	100%
R&Q Munro Services Company Limited	Ordinary	100%

Shares in the above Companies are all owned directly by the Company unless marked with an asterisk. The Companies marked with an asterisk are directly owned by R&Q MGA Limited.

On 20 February 2020 the Randall & Quilter Group sold Trilogy Managing General Agents Limited to Resolution Underwriting Holdings Limited. The Company was sold for £1.

On 17 January 2020 R&Q Munro Services Company Limited was de-authorised by the Financial Conduct Authority.

Following the deauthorisation of R&Q Munro Services Company Limited and R&Q Munro MA Limited, it is expected that the Companies will be struck off in the foreseeable future. During the year the Company has impaired the fixed asset investment held in R&Q Munro MA Limited and R&Q Munro Services Company Limited.

RANDALL & QUILTER UNDERWRITING MANAGEMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

14. DEBTORS: Amounts falling due within one year

	2020 £	2019 £
Amounts owed by Group undertakings	6,004,853	7,703,850
Prepayments and accrued income	4,107	-
	<u>6,008,960</u>	<u>7,703,850</u>

Amounts owed by Group undertakings are unsecured, have no fixed date of repayment and are repayable on demand

Included in amounts owed by Group undertakings are loans amounting to £6,687,199 (2019: £7,607,777) which are being charged interest at LIBOR + 2.75%.

A provision of £793,495 has been included against the loan balance due from R&Q Commercial Risk Services Limited. A further provision of £183,647 has been included against the intercompany balance due from R&Q Commercial Risk Services Limited.

15. CREDITORS: Amounts falling due within one year

	2020 £	2019 £
Amounts owed to Group undertakings	6,620,001	5,876,684
Accruals and deferred income	19,941	33,500
	<u>6,639,942</u>	<u>5,910,184</u>

Amounts owed to Group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

Included in amounts owed to Group undertakings is a loan amount of £5,878,462 (2019: £5,765,946) which was being charged interest at LIBOR + 2.75%.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

16. FINANCIAL INSTRUMENTS

	2020 £	2019 £
FINANCIAL ASSETS		
Financial assets measured at fair value through profit or loss	<u>6,004,853</u>	<u>7,703,851</u>
FINANCIAL LIABILITIES		
Financial liabilities measured at fair value through profit or loss	<u>(6,639,942)</u>	<u>(5,910,184)</u>

Financial assets measured at fair value through profit or loss comprise Group loans.

Other financial liabilities measured at fair value through profit or loss comprise Group loans, accrued expenses and VAT control.

17. SHARE CAPITAL

	2020 £	2019 £
Allotted, called up and fully paid		
274,751 (2019 - 274,751) Ordinary shares of £1.00 each	<u>274,751</u>	<u>274,751</u>

There is a single class of Ordinary share. There are no restrictions on the distribution of dividends and the repayment of capital.

18. RESERVES

Other reserves

The other reserves represents a capital contribution in accordance with note 2.8.

Profit & loss account

The profit and loss account represents accumulated profits and losses.

19. RELATED PARTY TRANSACTIONS

The Company is exempt from disclosing other related party transactions as they are with other Companies that are wholly owned within the Group.

There are no other related party transactions requiring disclosure.

RANDALL & QUILTER UNDERWRITING MANAGEMENT HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

20. POST BALANCE SHEET EVENTS

On 23 April 2021 the Randall & Quilter Group sold R&Q Commercial Risk Services Limited to the Lloyd & Whyte Group Limited.

21. CONTROLLING PARTY

The immediate Parent undertaking is RQIH 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 71 Fenchurch Street, London, EC3M 4BS.

In the opinion of the Directors there is no ultimate controlling party.