
R&Q JUST UNDERWRITING GROUP LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012



R&Q JUST UNDERWRITING GROUP LIMITED

COMPANY INFORMATION

DIRECTORS M Bell
R E McCoy
M J Patchett
P M Sloan
N J Hales (appointed 9 February 2012)

COMPANY SECRETARY R&Q Secretaries Limited

REGISTERED NUMBER 07622954

REGISTERED OFFICE 110 Fenchurch Street
London
EC3M 5JT

INDEPENDENT AUDITORS 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 JUST UNDERWRITING GROUP LIMITED

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R&Q JUST UNDERWRITING GROUP 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 principal activity of the business is that of an underwriting agency administering insurance business on behalf of various insurers. The main business is that of underwriting Sports, Leisure and Equestrian risks under the trade names of

- Just Motorsport
- Just Leisure
- Just Equestrian

DIRECTORS

The directors who served during the year were

M Bell
R E McCoy
M J Patchett
P M Sloan
N J Hales (appointed 9 February 2012)

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 JUST UNDERWRITING GROUP 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

15/4/13

and signed on its behalf



.....
R&Q Secretaries Limited
Secretary

R&Q JUST UNDERWRITING GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF R&Q JUST UNDERWRITING GROUP LIMITED

We have audited the financial statements of R&Q Just Underwriting Group 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 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.

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.

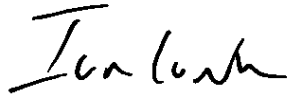
R&Q JUST UNDERWRITING GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF R&Q JUST UNDERWRITING GROUP 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



Ian Cowan (Senior Statutory Auditor)
for and on behalf of

Littlejohn LLP
Statutory Auditor
London

Date

24 April 2013

R&Q JUST UNDERWRITING GROUP LIMITED

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

| | Note | Year ended 31 December 2012 £ | Period ended 31 December 2011 £ |
|--|------|--|--|
| TURNOVER | 2 | 81,736 | 23,663 |
| Administrative expenses | | <u>(296,134)</u> | <u>(229,539)</u> |
| OPERATING LOSS | | (214,398) | (205,876) |
| Interest payable and similar charges | 5 | <u>(11,017)</u> | <u>-</u> |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | | (225,415) | (205,876) |
| Tax on loss on ordinary activities | 6 | <u>55,250</u> | <u>54,514</u> |
| LOSS FOR THE FINANCIAL YEAR | 11 | <u>(170,165)</u> | <u>(151,362)</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 11 form part of these financial statements

R&Q JUST UNDERWRITING GROUP LIMITED
REGISTERED NUMBER: 07622954

BALANCE SHEET
AS AT 31 DECEMBER 2012

| | Note | £ | 2012 £ | £ | 2011 £ |
|--|------|----------------|------------------|----------------|------------------|
| CURRENT ASSETS | | | | | |
| Debtors | 7 | 230,684 | | 87,882 | |
| Cash at bank | 8 | 49,382 | | 23,193 | |
| | | <u>280,066</u> | | <u>111,075</u> | |
| CREDITORS amounts falling due within one year | | | | | |
| | 9 | (601,592) | | (262,436) | |
| NET CURRENT LIABILITIES | | | <u>(321,526)</u> | | <u>(151,361)</u> |
| NET LIABILITIES | | | <u>(321,526)</u> | | <u>(151,361)</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 10 | | 1 | | 1 |
| Profit and loss account | 11 | | (321,527) | | (151,362) |
| SHAREHOLDER'S DEFICIT | 12 | | <u>(321,526)</u> | | <u>(151,361)</u> |

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


N J Hales
 Director


M Bell
 Director

Date 15/4/13

The notes on pages 7 to 11 form part of these financial statements

R&Q JUST UNDERWRITING GROUP 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

The directors are assessing the future business strategy of the company

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 consists principally of commission and fees associated with the placement of insurance contracts, net of commissions payable to third parties

Revenues from commissions and fees are recognised at the inception date of the policy, or the date of contractual entitlement, if later. Alterations in commission arising from premium adjustments are taken into account as and when such adjustments are notified. To the extent that the company is contractually obliged to provide services after this date, a suitable proportion of income is deferred and recognised over the life of the relevant contracts to ensure that revenue appropriately reflects the cost of fulfilling those obligations. Profit commission is recognised when the right to such profit commission is established through a contract, but only to the extent that a reliable estimate of the amount due can be made. Such estimates are made on a prudent basis that reflects the level of uncertainty involved.

1.5 Insurance debtors and creditors

The company acts as an agency administering insurance business on behalf of various insurers. Notwithstanding the legal relationship with clients and underwriters, the company has followed generally accepted accounting practice by showing debtors, creditors and cash relating to insurance business as assets and liabilities of the company itself.

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.

R&Q JUST UNDERWRITING GROUP LIMITED

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

2 TURNOVER

The whole of the turnover is attributable to the company's principal activity

All turnover arose within the United Kingdom

3 AUDITORS' REMUNERATION

| | Year ended 31 December 2012 £ | Period ended 31 December 2011 £ |
|---|--|--|
| Fees payable to the company's auditor and its associates for the audit of the company's annual accounts | 2,500 | 2,500 |

4. STAFF COSTS

Costs, including directors remuneration, 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 ("RQIS"). The total amount recharged by RQIS in the year was £160,152 (2011 - £122,768)

5 INTEREST PAYABLE

| | Year ended 31 December 2012 £ | Period ended 31 December 2011 £ |
|----------------------------------|--|--|
| On loans from group undertakings | 11,017 | - |

6 TAXATION

No provision has been made in the financial statements for corporation tax on the results for the period as a tax loss arises. Group relief relates to amounts receivable for losses surrendered to other group companies.

| | Year ended 31 December 2012 £ | Period ended 31 December 2011 £ |
|--|--|--|
| Analysis of tax credit in the year/period | | |
| Group relief receivable on loss for the period | (55,221) | (54,514) |
| Adjustments in respect of prior periods | (29) | - |
| Tax on loss on ordinary activities | (55,250) | (54,514) |

R&Q JUST UNDERWRITING GROUP LIMITED

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

6. TAXATION (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is lower than (2011 - higher than) the standard rate of corporation tax in the UK of 24.5% (2011 - 26.49%). The differences are explained below

| | Year ended 31 December 2012 £ | Period ended 31 December 2011 £ |
|---|--|--|
| Loss on ordinary activities before tax | (225,415) | (205,876) |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 - 26.49%) | (55,221) | (54,543) |
| Effects of | | |
| Expenses not deductible for tax purposes | - | 29 |
| Adjustments to tax charge in respect of prior periods | (29) | - |
| Current tax credit for the year/period (see note above) | (55,250) | (54,514) |

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, and therefore the company's 2012 profits are taxed at an effective rate of 24.5%.

7. DEBTORS

| | 2012 £ | 2011 £ |
|------------------------------------|-----------|-----------|
| Amounts owed by group undertakings | 56,714 | 55,387 |
| Insurance debtors | 173,848 | 32,495 |
| Prepayments and accrued income | 122 | - |
| | 230,684 | 87,882 |

8. CASH AT BANK

Cash at bank includes £49,158 (2011 - £19,826) held in specifically designated insurer accounts. These funds are not available to the company as working capital.

R&Q JUST UNDERWRITING GROUP LIMITED

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

9 CREDITORS·
Amounts falling due within one year

| | 2012 £ | 2011 £ |
|------------------------------------|----------------|----------------|
| Amounts owed to group undertakings | 382,520 | 229,277 |
| Insurance creditors | 206,662 | 29,910 |
| Accruals and deferred income | 12,410 | 3,249 |
| | <u>601,592</u> | <u>262,436</u> |

10 SHARE CAPITAL

| | 2012 £ | 2011 £ |
|---|-----------|-----------|
| Allotted, called up and fully paid | | |
| 1 Ordinary share of £1 | <u>1</u> | <u>1</u> |

11 RESERVES

| | Profit and loss account £ |
|---------------------|---------------------------------|
| At 1 January 2012 | (151,362) |
| Loss for the year | (170,165) |
| At 31 December 2012 | <u>(321,527)</u> |

12 RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S DEFICIT

| | 2012 £ | 2011 £ |
|--------------------------------------|------------------|------------------|
| Opening shareholder's deficit | (151,361) | - |
| Loss for the year/period | (170,165) | (151,362) |
| Shares issued during the year/period | - | 1 |
| Closing shareholder's deficit | <u>(321,526)</u> | <u>(151,361)</u> |

13 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

R&Q JUST UNDERWRITING GROUP LIMITED

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

14 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is R&Q MGA 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, EC5M 5JT

In the opinion of the directors there is no ultimate controlling party