
R&QUIEM FINANCIAL SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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R&QUIEM FINANCIAL SERVICES LIMITED

COMPANY INFORMATION

DIRECTORS	M L Glover S J Goate C D Johnson M A Metcalf (appointed 31 March 2015) D W Morgan
COMPANY SECRETARY	R&Q Central Services Limited
REGISTERED NUMBER	02192234
REGISTERED OFFICE	71 Fenchurch Street London EC3M 4BS
INDEPENDENT AUDITORS	PKF Littlejohn LLP Statutory Auditor 1 Westferry Circus Canary Wharf London E14 4HD
BANKERS	National Westminster Bank Plc 1 Princes Street PO BOX 12258 London EC2R 8PA

R&QUIEM FINANCIAL SERVICES LIMITED

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R&QUIEM FINANCIAL SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The Directors present their report and the financial statements for the year ended 31 December 2015.

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 financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- 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.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £134,000 (2014 - loss £45,000).

The Directors do not recommend the payment of a dividend.

DIRECTORS

The Directors who served during the year were:

M L Glover
S J Goate
C D Johnson
M A Metcalf (appointed 31 March 2015)
D W Morgan
S J Petch (resigned 29 January 2015)

R&QUIEM FINANCIAL SERVICES LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

FUTURE DEVELOPMENTS

The Company will continue to run off its discontinued financial services and pension administration operations.

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.

POST BALANCE SHEET EVENTS

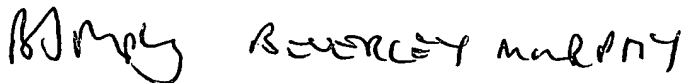
There have been no significant events affecting the Company since the year end.

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.



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

Date: 10 October 2016

R&QUIEM FINANCIAL SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF R&QUIEM FINANCIAL SERVICES LIMITED

We have audited the financial statements of R&Quiem Financial Services Limited for the year ended 31 December 2015, set out on pages 5 to 19. 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) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 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 2015 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.

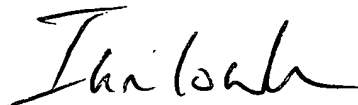
R&QUIEM FINANCIAL SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF R&QUIEM FINANCIAL 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 in preparing the Directors report and take advantage of the small Companies exemption of the requirement to prepare a Strategic Report.



Ian Cowan (Senior Statutory Auditor)

for and on behalf of

PKF Littlejohn LLP -

Statutory Auditor

London

Date:

14 October 2016

R&QUIEM FINANCIAL SERVICES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 £000	2014 £000
Turnover	4	191	356
GROSS PROFIT		191	356
Administrative expenses		(222)	(409)
OPERATING LOSS	5	(31)	(53)
Interest receivable and similar income	8	66	13
Interest payable and expenses	9	(31)	-
PROFIT/(LOSS) BEFORE TAX		4	(40)
Tax on profit/(loss)	10	130	(5)
PROFIT/(LOSS) FOR THE YEAR		134	(45)
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		134	(45)

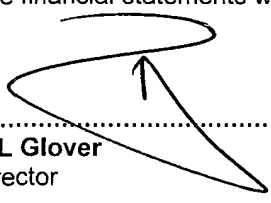
The notes on pages 9 to 19 form part of these financial statements.

R&QUIEM FINANCIAL SERVICES LIMITED
REGISTERED NUMBER: 02192234

BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	2015 £000	2014 £000
CURRENT ASSETS			
Debtors: amounts falling due within one year	11	5,643	2,621
Cash at bank and in hand	12	717	945
		<u>6,360</u>	<u>3,566</u>
Creditors: amounts falling due within one year	13	(3,815)	(2,021)
NET CURRENT ASSETS		<u>2,545</u>	<u>1,545</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,545</u>	<u>1,545</u>
Creditors: amounts falling due after more than one year	14	(1,000)	-
PROVISIONS FOR LIABILITIES			
Other provisions	16	(1,996)	(2,130)
		<u>(1,996)</u>	<u>(2,130)</u>
NET ASSETS		<u>(451)</u>	<u>(585)</u>
CAPITAL AND RESERVES			
Called up share capital	17	1	1
Profit and loss account	18	(452)	(586)
		<u>(451)</u>	<u>(585)</u>

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


M L Glover
Director

Date: 10 October 2016

The notes on pages 9 to 19 form part of these financial statements.

R&QUIEM FINANCIAL SERVICES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Share capital £000	Retained earnings £000	Total equity £000
At 1 January 2015	1	(586)	(585)
COMPREHENSIVE INCOME FOR THE YEAR			
Profit for the year	-	134	134
Actuarial gains on pension scheme	-	-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	134	134
TOTAL TRANSACTIONS WITH OWNERS	-	-	-
AT 31 DECEMBER 2015	1	(452)	(451)

R&QUIEM FINANCIAL SERVICES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE SEVEN MONTHS ENDED 31 DECEMBER 2014**

	Share capital £000	Retained earnings £000	Total equity £000
At 1 June 2014	2,425	(2,965)	(540)
COMPREHENSIVE INCOME FOR THE PERIOD			
Loss for the period	-	(45)	(45)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-	(45)	(45)
Reduction in Capital - Retained Earnings	-	2,424	2,424
Reduction in Capital - Share Capital	(2,424)	-	(2,424)
TOTAL TRANSACTIONS WITH OWNERS	(2,424)	2,424	-
AT 31 DECEMBER 2014	1	(586)	(585)

The notes on pages 9 to 19 form part of these financial statements.

R&QUIEM FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. GENERAL INFORMATION

In June and August 2014 the Company transferred the majority of its trade, assets and certain liabilities to Companies in the previous owners group and then discontinued all of its remaining business activities with the exception of the run-off of discontinued operations. The run-off of discontinued operations is progressing in line with the Directors expectations.

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 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.

Information on the impact of first-time adoption of FRS 102 is given in note 21.

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

The comparative figures shown in the Statement of Comprehensive Income and associated notes, are for the seven months ended 31 December 2014.

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 4 Statement of Financial Position paragraph 4.12(a)(iv);
- 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 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- 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 2015 and these financial statements may be obtained from 71 Fenchurch Street, London, EC3M 4BS.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

2. ACCOUNTING POLICIES (continued)

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. On the basis of their assessment of the Company's financial position, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future.

2.4 Turnover

Turnover comprises financial services commission, income from the provision of pension administration services and recharges to other group Companies.

Income relating to financial services commission arising on transactions in life and pension contracts is recognised once the policy has incepted and placement services are substantially complete. Renewal commission is recognised at the date of settlement by the life and pensions Company. Commission received on indemnity terms is recognised in full at the date receivable. Full provision is made for the claw back of indemnity commission immediately once a policy lapse has been identified.

Income from the provision of pension administration services is recognised as the services are provided under the relevant contracts.

Recharges to other group companies are made as the expenses to be recharged are incurred.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

2. ACCOUNTING POLICIES (continued)

2.7 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, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

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 profit or loss.

(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, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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.

2.8 Foreign currency translation

Functional and presentation currency

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

2.9 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

R&QUIEM FINANCIAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

2. ACCOUNTING POLICIES (continued)

2.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.12 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

R&QUIEM FINANCIAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

**3. JUDGMENTS 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 entities 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 a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Recoverability of Debtors

The Company makes an estimate of the recoverable value of trade and other debtors including amounts owed by group undertakings. When assessing any impairment, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 11 for the net carrying amount of debtors and associated impairment provision.

(ii) Provision

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

As disclosed in note 16 the Company is faced with a number of disputes and complaints, regarding the provision of advice and services to clients over a number of years. The Company is currently providing redress to certain of these clients and is also contesting a number of the complaints made. Based on the latest available information and compensation factors the Directors have made full provision for their best estimate of the ultimate cost of settling these matters.

The amount provided is included within accruals and deferred income in note 13 and the provisions disclosure in note 16.

As further information becomes available, including any changes to the compensation factors, the estimate made by the Directors may go up or down. Any change in the estimate is reflected in the financial statements for the year in which the change was made.

R&QUIEM FINANCIAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

4. ANALYSIS OF TURNOVER

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

	2015 £000	2014 £000
Pension administration services	5	254
Financial services commission	-	96
Recharged Income	186	6
	<u>191</u>	<u>356</u>

All turnover arose within the United Kingdom.

5. OPERATING LOSS

The operating loss is stated after charging:

	2015 £000	2014 £000
Defined contribution pension cost	-	4
	<u>-</u>	<u>4</u>

6. AUDITORS' REMUNERATION

	2015 £000	2014 £000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	12	15
	<u>12</u>	<u>15</u>

7. EMPLOYEES

Staff costs were as follows:

	2015 £000	2014 £000
Wages and salaries	-	86
Social security costs	-	7
Cost of defined benefit scheme	-	4
	<u>-</u>	<u>97</u>

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.

The group operate a defined contribution pension scheme. Contributions to the scheme are made by the employing Company and form part of any recharge made by that Company.

R&QUIEM FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2015 £000	2014 £000
Interest receivable from group Companies	66	13
	<u>66</u>	<u>13</u>

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £000	2014 £000
Bank interest payable	1	-
Loans from group undertakings	30	-
	<u>31</u>	<u>-</u>

10. TAXATION

	2015 £000	2014 £000
CORPORATION TAX		
Current tax on profits for the year	(58)	-
Adjustments in respect of previous periods	(72)	-
TOTAL CURRENT TAX	<u>(130)</u>	<u>-</u>
DEFERRED TAX		
Origination and reversal of timing differences	-	5
TOTAL DEFERRED TAX	<u>-</u>	<u>5</u>
TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES	<u>(130)</u>	<u>5</u>

R&QUIEM FINANCIAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

10. TAXATION (continued)**FACTORS AFFECTING TAX CHARGE FOR THE YEAR/PERIOD**

The tax assessed for the year/period is lower than (2014 - *higher than*) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%). The differences are explained below:

	2015 £000	2014 £000
Profit on ordinary activities before tax	4	(40)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%)	1	(8)
EFFECTS OF:		
Capital allowances for year/period in excess of depreciation	(2)	-
Adjustments in respect of prior periods	(72)	-
Other timing differences	(57)	-
Other timing differences leading to an increase (decrease) in taxation	-	5
Group relief	-	8
TOTAL TAX CHARGE FOR THE YEAR/PERIOD	(130)	5

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

In the Finance Bill 2015, it was announced that the main rate of UK corporation tax would reduce to 19% from 1 April 2017 and to 18% from 1 April 2020. The Bill was substantively enacted on 26 October 2015.

In March 2016, it was announced that there would be a further reduction to 17% from 1 April 2020. The Finance Bill 2016 was not substantively enacted at the approval of these financial statements nor is it expected to have a material impact on the Company.

The Company's 2015 profits are taxed at an effective rate of 20.25%.

R&QUIEM FINANCIAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

11. DEBTORS: Amounts falling due within one year

	2015 £000	2014 £000
Trade debtors	154	154
Amounts owed by group undertakings	5,109	2,467
Other debtors	380	-
	<u>5,643</u>	<u>2,621</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 is a loan amount of £3,000,000 which is being charged interest, at Libor + 2.75%.

12. CASH AND CASH EQUIVALENTS

	2015 £000	2014 £000
Cash at bank and in hand	717	945
	<u>717</u>	<u>945</u>

13. CREDITORS: Amounts falling due within one year

	2015 £000	2014 £000
Amounts owed to group undertakings	2,800	913
Other creditors	233	299
Accruals and deferred income	782	809
	<u>3,815</u>	<u>2,021</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 £2,042,605 which is being charged interest, at Libor + 2.75%.

R&QUIEM FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

14. CREDITORS: Amounts falling due after more than one year

	2015 £000	2014 £000
Amounts owed to group undertakings	1,000	-
	<u>1,000</u>	<u>-</u>

The Company has a loan amounting to £1,000,000 from its immediate parent which is subordinated. The loan is being charged interest at Libor + 2.75% and is unsecured.

15. CONTINGENT LIABILITIES

A trading division of the Company undertook projects to advise members of defined benefit pension schemes where the members received incentivised transfer offers from their employer. Following the conclusion of the internal review in 2014, work continued on finalising the quantum of loss that clients of the Company may have suffered and the amount of compensation that they might be entitled to, calculated actuarially, by reference to Financial Ombudsman Services guidelines. Other claims against the Company with regard to past pension administration services are ongoing. Having regard to the warranties, indemnities, indemnity insurance and other remedies available, the Directors have concluded no further provision is required.

16. PROVISIONS

	Other provisions £000
At 1 January 2015	2,130
Utilised in year	(134)
AT 31 DECEMBER 2015	<u>1,996</u>

Other provisions relate to an estimate of compensation due relating to:

- i) projects undertaken to advise members of defined benefit pension schemes where the members have received incentivised transfer offers by their employer, and;
- ii) the alleged mis-selling of certain investment products.

Further details are disclosed in note 15.

17. SHARE CAPITAL

	2015 £000	2014 £000
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

R&QUIEM FINANCIAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

17. SHARE CAPITAL (continued)

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

18. RESERVES**Profit and loss account**

The profit and loss 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 transactions with or balances due to or from related parties.

20. CONTROLLING PARTY

The immediate parent undertaking is R&Quiem 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.

21. FIRST TIME ADOPTION OF FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.