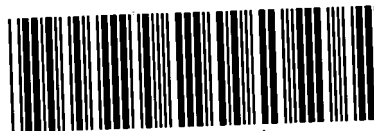


R&QUIEM FINANCIAL SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

TUESDAY



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19/06/2018
COMPANIES HOUSE

R&QUIEM FINANCIAL SERVICES LIMITED

COMPANY INFORMATION

DIRECTORS

M L Glover
C D Johnson
M A Metcalf
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 2017**

The Directors present their report and the Financial Statements for the year ended 31 December 2017.

On 6 October 2017 the Company was sold to Randall & Quilter IS Holdings Limited for £1 consideration. There were no changes to the Directors.

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 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 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 result for the year, after taxation, amounted to **£NIL (2016: £NIL)**.

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 (resigned 18 January 2018)
C D Johnson
M A Metcalf
D W Morgan

R&QUIEM FINANCIAL SERVICES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

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 the Director is aware, there is no relevant audit information of which the Company's auditors are 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 auditors are aware of that information.

POST BALANCE SHEET EVENTS


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

AUDITORS

The auditors, PKF 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 and signed on its behalf.



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

Date: 18 May 2018

R&QUIEM FINANCIAL SERVICES LIMITED

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

OPINION

We have audited the financial statements of R&Quiem Financial Services Limited (the 'Company') for the year ended 31 December 2017, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, 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).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its result 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 Auditors' 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 Auditors' Report thereon. Our opinion

R&QUIEM FINANCIAL SERVICES LIMITED

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

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.

R&QUIEM FINANCIAL SERVICES LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF R&QUIEM FINANCIAL SERVICES
LIMITED (CONTINUED)**

RESPONSIBILITIES OF DIRECTORS


As explained more fully in the Directors' Responsibilities Statement 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.

AUDITORS' 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 Auditors' 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.

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 Auditors' Report.



Ian Cowan (Senior Statutory Auditor)
for and on behalf of
PKF Littlejohn LLP
Statutory Auditor
London

Date: 29 May 2018

R&QUIEM FINANCIAL SERVICES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £000	2016 £000
Turnover	4	250	50
GROSS PROFIT		<u>250</u>	<u>50</u>
Administrative expenses		(211)	(13)
OPERATING PROFIT		<u>39</u>	<u>37</u>
Interest receivable and similar income	7	62	66
Interest payable and expenses	8	(101)	(57)
PROFIT BEFORE TAX		<u>-</u>	<u>46</u>
Tax on profit	9	-	(46)
PROFIT FOR THE FINANCIAL YEAR		<u>-</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>-</u></u>	<u><u>-</u></u>

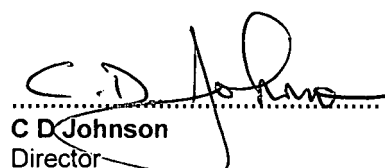
The notes on pages 10 to 19 form part of these Financial Statements.

R&QUIEM FINANCIAL SERVICES LIMITED
REGISTERED NUMBER: 02192234

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £000	2016 £000
CURRENT ASSETS			
Debtors: amounts falling due within one year	10	2,017	4,850
Cash and cash equivalents	11	867	240
		<u>2,884</u>	<u>5,090</u>
Creditors: amounts falling due within one year	12	(1,686)	(3,761)
NET CURRENT ASSETS		1,198	1,329
TOTAL ASSETS LESS CURRENT LIABILITIES		1,198	1,329
Creditors: amounts falling due after more than one year	13	(1,000)	(1,000)
PROVISIONS FOR LIABILITIES			
Other provisions	15	(649)	(780)
		<u>(649)</u>	<u>(780)</u>
NET LIABILITIES		(451)	(451)
CAPITAL AND RESERVES			
Called up share capital	16	1	1
Profit and loss account	17	(452)	(452)
		<u>(451)</u>	<u>(451)</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: 18 May 2018

The notes on pages 10 to 19 form part of these Financial Statements.

R&QUIEM FINANCIAL SERVICES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2017	1	(452)	(451)
OTHER COMPREHENSIVE INCOME FOR THE YEAR	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-
TOTAL TRANSACTIONS WITH OWNERS	-	-	-
AT 31 DECEMBER 2017	1	(452)	(451)

R&QUIEM FINANCIAL SERVICES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2016	1	(452)	(451)
OTHER COMPREHENSIVE INCOME FOR THE YEAR	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-
TOTAL TRANSACTIONS WITH OWNERS	-	-	-
AT 31 DECEMBER 2016	1	(452)	(451)

The notes on pages 10 to 19 form part of these Financial Statements.

R&QUIEM FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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 owner's 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 Director's 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 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 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 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 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- 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 2017 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. 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.

R&QUIEM FINANCIAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Turnover

Turnover comprises income from the provision of general insurance administration services, risk management support and recharges to other Group Companies. Income 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 Cash and cash equivalents

Cash and cash equivalents include 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 2017**

2. ACCOUNTING POLICIES (CONTINUED)**2.6 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 payments 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.

2.7 Foreign currency translation**Functional and presentation currency**

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

2.8 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.

2.9 Interest income

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. ACCOUNTING POLICIES (CONTINUED)

2.10 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.

2.11 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge 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 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 2017**

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

Estimates and judgments 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 judgments in applying the entity's accounting policies

No judgments 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 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 10 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 notes 14 and 15 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 12 and the provisions disclosure in note 15.

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 2017**

4. TURNOVER

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

	2017 £000	2016 £000
General administration services	250	50
	<u>250</u>	<u>50</u>

All turnover arose within the United Kingdom.

5. AUDITORS' REMUNERATION

	2017 £000	2016 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	12	12
	<u>12</u>	<u>12</u>

6. EMPLOYEES

No staff costs or Directors' remuneration has been recharged to the Company.

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2017 £000	2016 £000
Interest receivable from Group undertakings	62	66
	<u>62</u>	<u>66</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2017 £000	2016 £000
Loans from Group undertakings	101	57
	<u>101</u>	<u>57</u>

R&QUIEM FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

9. TAXATION

No provision has been made in the financial statements for corporation tax on the results for the period as a tax loss arises.

The credit for corporation tax comprises the following:

	2017 £000	2016 £000
CORPORATION TAX		
Adjustments in respect of previous periods	-	46
TOTAL CURRENT TAX	<u>-</u>	<u>46</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is the same as (2016 - *higher than*) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £000	2016 £000
Profit on ordinary activities before tax	-	46
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	-	9

EFFECTS OF:

Capital allowances for year in excess of depreciation	(1)	(2)
Adjustments to tax charge in respect of prior periods	-	46
Other timing differences leading to an (decrease) in taxation	(35)	(18)
Unrelieved tax losses carried forward	36	11
TOTAL TAX CHARGE FOR THE YEAR	<u>-</u>	<u>46</u>

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 substantively enacted on 6 September 2016.

The Company's 2017 profits are taxed at an effective rate of 19.25%.

R&QUIEM FINANCIAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

10. DEBTORS: Amounts falling due within one year

	2017	2016
	£000	£000
Trade debtors	-	95
Amounts owed by Group undertakings	2,016	2,225
Other debtors	1	2,530
	2,017	4,850

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 £2,000,000 (2016: £2,000,000) which is being charged interest, at Libor + 2.75%.

11. CASH AND CASH EQUIVALENTS

	2017	2016
	£000	£000
Cash at bank and in hand	867	240
	867	240

12. CREDITORS: Amounts falling due within one year

	2017	2016
	£000	£000
Amounts owed to Group undertakings	1,686	3,292
Other taxation and social security	-	10
Other creditors	-	233
Accruals and deferred income	-	227
	1,686	3,762

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 £1,585,532 (2016: £1,759,137) 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 2017

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

	2017 £000	2016 £000
Amounts owed to Group undertakings	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

The Company has received a subordinated loan amounting to £1,000,000 from its immediate Parent. The loan is unsecured. Any interest attributable to the subordinated loan has been waived.

14. 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. In 2016, the Financial Conduct Authority requested affected firms to suspend the payment of compensation amounts until further notice pending the outcome of an industry wide review. This suspension has now been lifted and the Company is in the process of finalising the small number of compensation payments that were affected. It is envisaged that this exercise will be largely complete by the middle of 2018.

The amount disclosed in note 15 is the Directors' best estimate of the amounts required to settle these matters. In addition having regard to the warranties, indemnities and indemnity insurance in place at the time of acquisition, the Directors are satisfied no further provision is required in addition to the amounts disclosed in note 15.

15. PROVISIONS

	Other provisions £000
At 1 January 2017	780
Claims paid in the year	(100)
Release of provision	(184)
Transfer of accrual to provisions	153
AT 31 DECEMBER 2017	<u>649</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) certain other claims arising on other operations that are discontinued.

Further details are disclosed in note 14.

R&QUIEM FINANCIAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

16. SHARE CAPITAL

	2017	2016
	£000	£000
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

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

17. RESERVES

Profit and loss account

The profit and loss represents accumulated profits and losses.

18. RELATED PARTY TRANSACTIONS

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

There are no other transactions with or balances due to or from related parties.

19. 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 71 Fenchurch Street, London, EC3M 4BS.

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