

Registered number: 02192234

R&QUIEM FINANCIAL SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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R&QUIEM FINANCIAL SERVICES LIMITED

COMPANY INFORMATION

DIRECTORS

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 AUDITOR

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

BANKERS

Barclays Bank Plc
Leicester
LE87 2BB

R&QUIEM FINANCIAL SERVICES LIMITED

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R&QUIEM FINANCIAL SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their report and the Financial Statements for the year ended 31 December 2021.

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 result for the year, after taxation, amounted to £NIL (2020 - £NIL).

The Directors do not recommend the payment of a dividend.

DIRECTORS

The Directors who served during the year were:

C D Johnson
M A Metcalf
D W Morgan

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.

R&QUIEM FINANCIAL SERVICES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

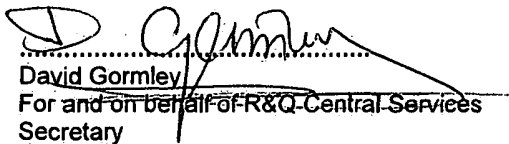
AUDITOR

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 by:


.....
David Gormley
For and on behalf of R&Q Central Services
Secretary

Date: 26th April 2022.

R&QUIEM FINANCIAL SERVICES LIMITED

INDEPENDENT AUDITOR'S 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 2021, 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 2021 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 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.

EMPHASIS OF MATTER

We draw attention to Note 2.3 to the Financial Statements which explains that the Company has no ongoing in business and is winding up its affairs. Therefore the Directors do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the Financial Statements. Accordingly the Financial Statements have been prepared on a basis other than going concern as described in Note 2.3. Our opinion is not modified in this respect of this matter.

R&QUIEM FINANCIAL SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF R&QUIEM FINANCIAL SERVICES 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 course of 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 this gives rise to a material misstatement in the Financial Statements themselves. 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 AUDITOR'S REPORT TO THE SHAREHOLDER OF R&QUIEM FINANCIAL SERVICES
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.

R&QUIEM FINANCIAL SERVICES LIMITED

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

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 our knowledge and experience of the Company.
- 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 inter-company 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.

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.

R&QUIEM FINANCIAL SERVICES LIMITED

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

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.

TUE Seaman

Thomas Seaman (Senior Statutory Auditor)
for and on behalf of
PKF Littlejohn LLP
Statutory Auditor
15 Westferry Circus
Canary Wharf
London
E14 4HD
Date: 29 April 2022

R&QUIEM FINANCIAL SERVICES LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £000	2020 £000
Administrative expenses		(4)	(10)
OPERATING LOSS		(4)	(10)
Interest receivable and similar income	6	4	10
RESULT BEFORE TAX		-	-
RESULT AFTER TAX		-	-
Retained earnings at the beginning of the year		(452)	(452)
		(452)	(452)
RETAINED EARNINGS AT THE END OF THE YEAR		(452)	(452)

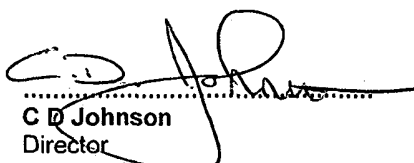
The notes on pages 10 to 18 form part of these Financial Statements.

R&QUIEM FINANCIAL SERVICES LIMITED
REGISTERED NUMBER: 02192234

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
CURRENT ASSETS			
Debtors: amounts falling due within one year	8	319	340
Cash at bank and in hand	9	657	665
		<u>976</u>	<u>1,005</u>
Creditors: amounts falling due within one year	10	(1,004)	(1,025)
NET CURRENT LIABILITIES		(28)	(20)
TOTAL ASSETS LESS CURRENT LIABILITIES		(28)	(20)
PROVISIONS FOR LIABILITIES			
Other provisions	13	(423)	(431)
		<u>(423)</u>	<u>(431)</u>
NET LIABILITIES		(451)	(451)
CAPITAL AND RESERVES			
Called up share capital	14	1	1
Profit and loss account	15	(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: 26 April 2022

The notes on pages 10 to 18 form part of these Financial Statements.

R&QUIEM FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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 Directors' expectations. The Company ceased to be authorised by the Financial Conduct Authority on 1 February 2019.

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 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 11 Financial Instruments paragraphs 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 2021 and these Financial Statements may be obtained from 71 Fenchurch Street, London, EC3M 4BS.

R&QUIEM FINANCIAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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. 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.

Notwithstanding this, the Company has no ongoing business and is winding up its affairs, therefore the Company is not a going concern. This has no effect on the amounts reported in the Financial Statements.

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 Foreign currency translation

Functional and presentational currency

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

2.6 Interest income

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

2.7 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.

R&QUIEM FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.8 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 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, 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.

2.9 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 profit or loss 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.

R&QUIEM FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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 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 9 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 12 and 13 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.

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 is made.

4. AUDITOR'S REMUNERATION

	2021 £000	2020 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	8	8

Fees payable to the Company's auditor have been borne by the Company's parent undertaking Randall & Quilter IS Holdings Limited.

R&QUIEM FINANCIAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

5. 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.

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021 £000	2020 £000
Interest receivable from Group undertakings	4	10
	<u>4</u>	<u>10</u>

7. TAXATION

No provision has been made in the Financial Statements for corporation tax on the results for the period.

The charge for corporation tax comprises the following:

	2021 £000	2020 £000
TOTAL CURRENT TAX	-	-

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is the same as (2020 - the same as) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

Effects of:

TOTAL TAX CHARGE FOR THE YEAR	-	-
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FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The Company has tax losses carried forward in the UK of £0.9m (2020: £0.9m) that are available indefinitely for offset against future taxable profits of the Company. No deferred tax asset has been recognised for these losses due to uncertainty of future profits.

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 2021 results are taxed at 19% (2020: 19%).

R&QUIEM FINANCIAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. DEBTORS: Amounts falling due within one year

	2021	2020
	£000	£000
Amounts owed by Group undertakings	319	340
	319	340

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 £310,913 (2020: £338,055) which is being charged interest at 1.107%.

9. CASH AND CASH EQUIVALENTS

	2021	2020
	£000	£000
Cash at bank and in hand	657	665
	657	665

10. CREDITORS: Amounts falling due within one year

	2021	2020
	£000	£000
Amounts owed to Group undertakings	1,004	1,025
	1,004	1,025

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

The Company has received a subordinated loan amounting to £1,000,000 (2020: £1,000,000) from its immediate Parent. The loan is unsecured. Any interest attributable to the subordinated loan has been waived.

R&QUIEM FINANCIAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. FINANCIAL INSTRUMENTS

	2021	2020
	£000	£000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	319	340
Financial liabilities		
Financial liabilities measured at amortised cost	(1,004)	(1,025)

Financial assets measured at amortised cost comprise amounts owed by Group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise amounts owed to Group undertakings and other creditors.

12. 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 an internal review in 2014, the quantum of loss that clients of the Company may have suffered and the amount of compensation that they might be entitled to was calculated actuarially, by reference to Financial Ombudsman Services guidelines. In 2016, following an industry wide review, the Financial Conduct Authority suspended the payment of compensation amounts. This suspension was lifted in 2017 and the Company has finalised the small number of compensation payments that were affected in 2019.

The amount disclosed in note 13 is the Directors' best estimate of the amounts required to settle a number of other unrelated notified matters. Having regard to the warranties, indemnities and indemnity insurance in place, the Directors are satisfied no further provision is required in addition to the amounts disclosed in note 13.

R&QUIEM FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

13. PROVISIONS

	Other provisions £000
As at 1 January 2021	431
Claims paid during the year	(8)
	<u>423</u>
AS AT 31 DECEMBER 2021	<u>423</u>

The effect of the movement in provisions in the Statement of Income and Retained Earnings is £NIL.

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 12.

14. SHARE CAPITAL

	2021 £000	2020 £000
Allotted, called up and fully paid		
1,000 (2020 - 1,000) Ordinary shares of £1.00 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.

15. RESERVES

Profit and loss account

The profit and loss represents accumulated profits and losses.

16. 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.

R&QUIEM FINANCIAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

17. 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.