Company Registration No. 07454475

SPA UNDERWRITING SERVICES SELECT LIMITED

Report and Financial Statements

31 December 2011

REPORT AND FINANCIAL STATEMENTS 2011

CONTENTS

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the period from 29 November 2010 to 31 December 2011

PRINCIPAL ACTIVITIES

The company was incorporated on 29 November 2010

The company's principal activity during the period was as an insurance intermediary

The company is a subsidiary of Windsor Limited

BUSINESS REVIEW

The results of the company for the period are shown on page 4 The loss before tax for the period amounted to £153,659 The company intends to maintain its focus on the acquisition of new business, the improvement of profit ratios and the provision of a high quality of service to clients

The retained loss of £113,220 has been deducted from reserves

POST BALANCE SHEET EVENTS

Details of significant events since the balance sheet date are contained in note 14 to the financial statements

DIRECTORS

The directors of the company at 31 December 2011 and those who served during the period and to the date of this report were

P Holt
C Murphy

AUDITOR

Each of the persons who is a director at the date of approval of the Directors' report confirms that

(1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware,

(2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

The directors confirm that the directors' report has been prepared in accordance with the small companies' regime

Approved by the Board of Directors on 27th June 2012
and signed on behalf of the Board

C Murphy

Director

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual report and financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare such financial statements for each financial period Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing those financial statements, the directors are required to

(a) select suitable accounting policies and then apply them consistently,

(b) make judgements and estimates that are reasonable and prudent,

(c) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,

(d) 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

SPA UNDERWRITING SERVICES SELECT LIMITED

We have audited the financial statements of Spa Underwriting Services Select Limited for the period ended 31 December 2011, which comprise the profit and loss account, the balance sheet and the related notes 1 to 14 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the period 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 period for which the financial statements are prepared is consistent with the financial statements

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

Matthew Perkins

Matthew Perkins (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, England

27 June 2012

PROFIT AND LOSS ACCOUNT
Period ended 31 December 2011

	Note	Period ended 31 Dec 2011 £
Revenue		
Brokerage and fees	2	154,731
Interest and investment income		1,697
		156,428
Administrative expenses		(310,087)
Operating loss being loss on ordinary activities before tax	4	(153,659)
Tax on loss on ordinary activities	6	40,439
Loss on ordinary activities after tax and loss for the period	10	(113,220)

All results derive from continuing operations

There are no recognised gains and losses other than as stated in the profit and loss account Accordingly, a statement of total recognised gains and losses is not presented

BALANCE SHEET
31 December 2011

	Note	31 Dec 2011 £
Current assets		
Debtors	7	465,248
Cash		45,646
		510,894
Creditors amounts falling due within one year	8	(574,114)
Net current liabilities and net liabilities		(63,220)
Capital and reserves		
Called up share capital	9	50,000
Profit and loss account		(113,220)
Shareholders' deficit	10	(63,220)

These financial statements of Spa Underwriting Services Select Limited, registered number 07454475, were approved and authorised for issue by the Board of Directors on 27th June 2012

and signed on behalf of the Board

C Murphy

Director

NOTES TO THE FINANCIAL STATEMENTS
Period ended 31 December 2011

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards The principal accounting policies of the company have remained unchanged from the previous year

The company is exempt from filing a cash flow statement under FRS 1 as it is a wholly owned subsidiary and its parent company includes a cash flow statement in its financial statements, which are publicly available

The company is managed as part of the Windsor Group and the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future Accordingly, the directors continue to adopt the going concern basis in preparing the annual accounts

Revenue

Insurance and reinsurance brokerage and fees represent broking commissions and fees, net of commissions payable to other directly involved parties Brokerage income is generally recognised the later of when the insured is debited with the premium and the inception date of the policy Brokerage attributable to return and additional premiums or adjustments is brought into account as it arises

Interest on deposits is credited as it is earned

Pensions

Defined contribution schemes

Pensions costs charged in the profit and loss account represent the amount of the contributions payable to the scheme in respect of the accounting period

Tax

The tax expense represents the sum of the tax currently payable and deferred tax

The tax currently payable is based on taxable profit for the period and tax rates that have been enacted or substantively enacted by the balance sheet date

Deferred tax is provided in respect of deferred tax assets and liabilities using the full provision method on timing differences more likely than not to occur between the recognition of gains and losses in the financial statements and their recognition in a tax computation Deferred tax assets and liabilities are not discounted

NOTES TO THE FINANCIAL STATEMENTS
Period ended 31 December 2011

2. SEGMENTAL INFORMATION

2 1 Brokerage and fees and profit before tax

The company operates in the UK and all activities relate to insurance broking

2 2 Geographical analysis of brokerage and fees by client location

	Period ended 31 Dec 2011 £
United Kingdom	154,731

3. EMPLOYEES

	Period ended 31 Dec 2011 £
Staff costs during the period	
Wages and salaries	133,571
Social security costs	15,146
Pensions costs (note 12)	1,643
	150,360

	Period ended 31 Dec 2011
Average number of persons employed in insurance services	3

4 LOSS ON ORDINARY ACTIVITIES BEFORE TAX

	Period ended 31 Dec 2011 £
Loss on ordinary activities before tax is determined after taking account of the following items	
Auditor's remuneration in respect of audit services	1,464

NOTES TO THE FINANCIAL STATEMENTS
Period ended 31 December 2011

5 DIRECTORS

During the period, Mr Murphy was also a director of the ultimate parent company, Windsor Limited, and was remunerated in respect of his services to the group as a whole No information is disclosed below in respect of his remuneration as director of the group as it is disclosed in the annual report of Windsor Limited

The remuneration payable to the other director, including pension contributions, was

	Period ended 31 Dec 2011 £
Directors' emoluments	
Salaries, fees, bonuses and benefits	86,668

The remaining director was not a member of any pension scheme during the period

6 TAX ON LOSS ON ORDINARY ACTIVITIES

	Period ended 31 Dec 2011 £
Current tax credit	
Group relief due from a fellow subsidiary	40,439

Corporation tax has been charged at 26 5% in the period ended 31 December 2011 of the estimated assessable loss for the period

NOTES TO THE FINANCIAL STATEMENTS
Period ended 31 December 2011

6. TAX ON LOSS ON ORDINARY ACTIVITIES (CONTINUED)

The difference between the current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to loss before tax is as follows

	Period ended 31 Dec 2011 £
Loss before tax	153,659
Factors affecting the credit for the period	
Loss before tax at 26 5%	40,720
Expenses not deductible for tax purposes	(106)
Other timing differences	(175)
Total credit in the period	40,439

The 2011 Budget introduced a reduction in the main rate of corporation tax from 26% to 25% effective 1 April 2012 This change was substantively enacted on 19 July 2011 and as such deferred tax at the balance sheet date has been recognised at the 25% rate on the basis that it will materially reverse after 1 April 2012

In the 2012 Budget, issued on 21 March 2012, the Chancellor announced that the main rate of corporation tax would be further reduced to 24% with effect from 1 April 2012, with further annual 1% rate reductions down to 22% by 1 April 2014 As these future rate reductions had not been enacted at the balance sheet date, they have not been reflected in these financial statements The effect of these tax rate reductions will be accounted for in the period they are substantively enacted

7. DEBTORS

	31 Dec 2011 £
Insurance debtors	465,212
Other debtors	36
	465,248

8 CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 Dec 2011 £
Amounts owed to group companies	123,503
Insurance creditors	450,611
	574,114

NOTES TO THE FINANCIAL STATEMENTS
Period ended 31 December 2011

9 CALLED UP SHARE CAPITAL

	31 Dec 2011 £
Called up, allotted and fully paid	
50,000 Ordinary shares of £1 each	50,000

10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 Dec 2011 £
Loss for the period	(113,220)
Issue of share capital	50,000
Closing shareholders' deficit	(63,220)

11 CAPITAL COMMITMENTS

At 31 December 2011 there were no commitments for contracted capital expenditure

12 PENSIONS

Defined contribution scheme

Some of the company's employees participated in a defined contribution scheme operated by Windsor Limited In the period to 31 December 2011 pension costs totalling £1,643 were incurred

13 RELATED PARTY TRANSACTIONS

During the period the company entered into related party transactions with Windsor Partners Limited ('WPL') WPL provided accounting, computing, personnel, administration and group management services to the company, as well as managing the fixed assets and premises that the company utilised, in respect of which the company was charged £120,665 All of these balances were trading related

At 31 December 2011 the company had a creditor due to WPL of £123,503

14 PARENT COMPANY

The ultimate parent and controlling company is Windsor Limited, which is registered in England and Wales Windsor Partners Limited is the immediate parent company and the parent company of the largest and smallest group of which the company is a member and for which group financial statements are drawn up

Copies of the group financial statements of Windsor Limited are available from its registered office at 71 Fenchurch Street, London, EC3M 4BS

On 1 June 2012, it was announced that Hyperion Insurance Group Limited had reached agreement to acquire Windsor Limited, subject to regulatory approval As a result, the ultimate parent company may change to Hyperion Insurance Group Limited