

Dawson Pennington & Company Limited

Directors' report and financial statements

for the year ended 31 December 2011

Registered Number 00991769



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Officers and professional advisers

Directors

M P Rea
S Egan
D J Bruce

Secretary

S T B Clark

Registered office

Towergate House
Eclipse Park
Sittingbourne Road
Maidstone
Kent
ME14 3EN

Auditor

KPMG Audit Plc
1 The Embankment
Neville Street
Leeds
LS1 4DW

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2011

Business review and principal activities

The profit and loss account for the year is set out on page 6

The Company is a non-trading holding Company owning 100% of the issued share capital of Chorlton Cloughley Group Limited a Company trading in insurance broking, and 100% of the issued share capital of 3P's Limited, a non trading Company. There have not been any significant changes in the Company's principal activities in the period under review. The directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

The results for the Company show a pre-tax profit of £Nil for the year (2010: £Nil) and turnover of £Nil (2010: £Nil). The Company has net assets of £25,382 (2010: £25,382).

Discussion on the consolidated results of Cullum Capital Ventures Limited group of companies (the Group), which includes the Company, can be found in the Group's annual report which does not form part of this report.

Future outlook

The directors do not expect the Company to resume trading in the foreseeable future.

Dividend

No dividends were paid or proposed during the year (2010: £Nil).

Going Concern

The Company is part of the Cullum Capital Ventures group which has considerable financial resources. The group also has long term relationships with a number of customers and insurance companies. As a consequence, the directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors of the Company have considered resources within the group available to the Company and group, and having taken these into consideration, the directors believe the Company has sufficient resources to continue in operational existence for the foreseeable future. The directors believe the continued expansion of CCV will be achieved through the use of current cash reserves and any further loan facilities obtained in the future.

Changes in group structure

On 11 February 2011 a new holding company, Towergate Partnershipco Limited, was created in which funds advised by Advent International invested £200,000,000. Towergate Partnershipco Limited acquired for a combination of new shares and cash all of the Ordinary share capital of Cullum Capital Ventures Limited. Towergate Partnershipco Limited also acquired Towergate Partnership Limited.

On 27 June 2012, Cullum Capital Ventures Limited's existing debt facilities were transferred to Towergate Insurance Limited in exchange for new shares.

These changes in group structure have resulted in Towergate Partnershipco Limited becoming the ultimate parent company and Cullum Capital Ventures Limited an intermediate holding company. Mr PG Cullum ceased to be the controlling party of the group.

Directors' report *(continued)*

Directors and directors' interests

The directors who held office during the year were as follows

M P Rea
B Park *(appointed 23 March 2011, resigned 16 April 2012)*

Directors appointed after the year end were as follows

S Egan *(appointed 19 April 2012)*
G Barr *(appointed 16 April 2012, resigned 08 August 2012)*
D J Bruce *(appointed 08 August 2012)*

The interests of the Directors who held office at the end of the financial year in the shares of group companies are disclosed in the financial statements of the ultimate parent company

No directors have been granted share options in the shares of the Company or other group companies

Third Party Indemnity Provisions

The Company did not provide qualifying third party indemnity provisions to any of its Directors during the period
No provisions were in force at the date these accounts were approved

Political and charitable contributions

The Company made charitable contributions during the current year of £Nil (2010 £Nil)

Disclosure of information to auditor

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office

By order of the board



D J Bruce
Director

25th September 2012

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently
- make judgments and 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, 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Dawson Pennington & Company Limited

We have audited the financial statements of Dawson Pennington & Company Limited for the year ended 31 December 2011 set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with chapters 3 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 set out on page 4, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm

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 result for the year then ended,
- have been properly prepared in accordance with UK 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.

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.



John Ellacott (Senior Statutory Auditor)

for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants

1 The Embankment

Neville Street

Leeds

LS1 4DW

Profit and loss account for the year ended 31 December 2011

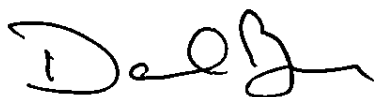
During the financial year and the preceding financial period, the Company did not trade and received no income and incurred no expenditure. Consequently, during those periods the Company made neither a profit nor a loss.

Balance sheet at 31 December 2011

	<i>Note</i>	At 31 December 2011		At 31 December 2010	
		£	£	£	£
Fixed assets					
Investments	5		238,028		238,028
Current assets					
Debtors	6	250		-	
Cash at bank and in hand		-		250	
Creditors amounts falling due within one year	7	(212,896)		(212,896)	
Net current liabilities			(212,646)		(212,646)
Net assets			25,382		25,382
Capital and reserves					
Called up share capital	8	1,547		1,547	
Profit and loss account	9	23,835		23,835	
Equity shareholders' funds			25,382		25,382

The notes on pages 8 to 12 form part of these financial statements.

These financial statements were approved by the board of directors on 25 September 2012 and were signed on its behalf by



D J Bruce
Director

Reconciliation of movements in shareholders' funds for the year ended 31 December 2011

	Year ended 31 December 2011	Year ended 31 December 2010
	£	£
Retained profit for the financial year	-	-
Opening shareholders' funds	25,382	25 382
Closing shareholders' funds	25,382	25 382

The notes on pages 8 to 12 form part of these financial statements

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and under historical cost accounting rules

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As the Company is a wholly owned subsidiary of Cullum Capital Ventures Limited and 100% of the Company's voting rights are controlled within the group headed by Cullum Capital Ventures Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Cullum Capital Ventures Limited within which the Company is included can be obtained from the address given in note 11.

The Company is part of the Cullum Capital Ventures group, which has considerable financial resources. The group also has long term relationships with a number of customers and insurance companies. As a consequence, the directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors of the Company have considered resources within the group available to the Company and group, and having taken these into consideration, the directors believe the Company has the resources to continue in operational existence for the foreseeable future.

Accordingly, the directors continue to adopt the going concern basis in preparing the Directors' report and financial statements.

Investments

Investments in subsidiary undertakings, associates and joint ventures are stated at cost less provisions for permanent diminution in value.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all material timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date except as otherwise required by FRS 19.

Notes (continued)

2 Notes to the profit and loss account

	Year ended 31 December 2011 £	Year ended 31 December 2010 £
Profit on ordinary activities before taxation is stated after charging		
Fees payable to the Company's auditor		
- audit of the Company's financial statements	2,952	2,848
	<u> </u>	<u> </u>

Audit fees for the Company are borne by other companies within the Cullum Capital Ventures Group and no recharge is made to the Company

3 Remuneration of directors

The emoluments of Messrs Park and Rea are paid by Cullum Capital Ventures Limited which makes no recharge to the Company. All are directors of the ultimate parent Company and / or a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Their total emoluments are included in the financial statements of the ultimate parent Company.

4 Staff numbers and costs

There were no staff directly employed by Dawson Pennington & Company for the financial year.

5 Investments

	Shares in group undertakings £
Cost	
At 1 January 2011	238,028
At 31 December 2011	238,028
	<u> </u>
At 31 December 2010	238,028
	<u> </u>

The companies in which the Company's interest at the period end is more than 20% are as follows:

	Country of incorporation	Principal activity	Class and percentage of shares held
<i>Subsidiary undertakings</i>			
Chorlton Cloughley Group Limited	England and Wales	Insurance Broking	Ordinary 100%
CCV Limited (previously 3P's Limited)	England and Wales	Dormant	Ordinary 100%

Notes (continued)

6 Debtors

	31 December 2011 £	31 December 2010 £
Amounts due from group undertakings	250	250
	<u>250</u>	<u>250</u>

7 Creditors, amounts falling due within one year

	31 December 2011 £	31 December 2010 £
Amounts due to group undertakings	212,896	212,896
	<u>212,896</u>	<u>212,896</u>

8 Called up share capital

	31 December 2011 £	31 December 2010 £
Allotted, called up and fully paid		
A Ordinary shares of £1 each	1,417	1,417
B Ordinary shares of £1 each	130	130
	<u>1,547</u>	<u>1,547</u>

B shareholders have no rights to dividends or voting

9 Reserves

	Profit and loss Account £
At the beginning of the year	23,835
Retained profit for the year	-
At 31 December 2011	<u>23,835</u>

Notes (continued)

10 Contingent assets and liabilities

A guarantee and debenture have been granted over the shares and the assets of the Company in favour of the Lloyds Banking Group (previously Bank of Scotland Plc), under the terms of which all monies due or which may become due from the Company or other group companies listed below, to the Lloyds Banking Group, are guaranteed. The amount due by group companies at 31 December 2011 was £47,754,261 (2010: £52,726,940). Further details of the aggregate liabilities due by group companies to the Lloyds Banking Group are set out in the financial statements of the parent Company. The group companies involved include principally:

Arthur Marsh & Son Limited
Ainsbury (Insurance Brokers) Limited
Berkeley Alexander Limited
Bishop Skinner Acquisitions Limited
Bishop Skinner Client Services Limited
Bishop Skinner Insurance Brokers Holdings Limited
Bishop Skinner Insurance Brokers Limited
Brian Potter & Associates Limited
CCV Risk Solutions Limited
Chorlton Cloughley Group Limited
Cox Lee & Co Limited
Crawford Davis Insurance Consultants Limited
Cullum Capital Ventures Limited
Dawson Pennington & Company Limited
Fenton Insurance Solutions Limited
Four Counties Finance Limited
Four Counties Insurance Brokers Limited
HLI (UK) Limited
Hodge Insurance Brokers Limited
Infinity Sports And Leisure Limited
Just Insurance Brokers Limited
Knowmaster Limited
Milburn Insurance Services Limited
Moffatt & Co Limited
Oyster Property Insurance Specialists Limited
Portishead Insurance Management Limited
Protectagroup Limited
Protectagroup Services Limited
Protectagroup Acquisitions Limited
Protectagroup (CIB) Limited
(formerly known as Culver Insurance Brokers Limited)
Protectagroup Club Card Limited
Protectagroup Holdings Limited
Rhodepark Limited
Richard V Wallis & Co Limited
Roundcroft Limited
Topcrest Insurance Brokers Limited
Walter Ainsbury & Son Limited
BIB Underwriters Limited
BIBU Acquisitions Limited
BIB (Darlington) Limited
BIB (Darlington) Acquisitions Limited
Goodwood Insurance Services Limited
Antur Insurance Services Limited
Antur (West Wales) Limited

Notes (continued)

11 Parent undertaking

The Company is a subsidiary undertaking of Cullum Capital Ventures Limited which was the intermediate holding Company at year end. The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

On 11 February 2011 a new holding Company, Towergate Partnershipco Limited, was created in which funds advised by Advent International invested £200 million. Towergate Partnershipco Limited has acquired, for a combination of new shares and cash, all of the Ordinary share capital of Cullum Capital Ventures Limited. Towergate Partnershipco Limited also acquired Towergate Partnership Limited.

This change in group structure has resulted in Towergate Partnershipco Limited becoming the ultimate parent Company and Cullum Capital Ventures Limited an intermediate holding Company. Mr PG Cullum ceased to be the controlling party of the group.

The largest group in which the results of the Company are consolidated is that headed by Towergate Partnershipco Limited.

The consolidated financial statements of the group are available to the public and may be obtained from

Towergate House
Eclipse Park
Sittingbourne Road
Maidstone
Kent
ME14 3EN

12 Related party disclosures

The balance due to CCV Limited, a wholly owned subsidiary, was £209,200 at 31 December 2011.

The balance due to Chorlton Cloughley Group Limited, a wholly owned subsidiary of the Company, was £3,446 at 31 December 2011.

13 Post balance sheet event

On 27th June 2012, Cullum Capital Ventures Limited issued 265,061 new Ordinary £1 shares. The transfer to Towergate Insurance Limited of Cullum Capital Ventures Limited's existing debt facilities was made in exchange for these new shares. Towergate Insurance Limited became the immediate parent company of Cullum Capital Ventures Limited. Towergate Partnershipco Limited remained the ultimate parent company.