# Crawford Davis Insurance Consultants Limited

## Directors' report and financial statements

## for the year ended 31 December 2011

## Registered Number 02953747

## Contents

# Officers and professional advisers

## Directors

M P Rea
S T B Clark
S Egan
D J Bruce

## Secretary

S T B Clark

## Registered office

Towergate House
Eclıpse Park
Sıttıngbourne Road
Maıdstone
Kent
ME14 3EN

## Auditor

KPMG Audıt Plc
15 Canada Square
Canary Wharf
London
E14 5GL

## 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 principal activity of the Company is insurance broking There have not been any significant changes in the Company s principal activities in the year 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 trading results for the year and the Company s financial position at end of the year are shown in the attached financial statements

The results for the Company show a pre-tax profit of £489,629 for the year (2010 £360,598) and turnover of £1,279,549 (2010 £1 088 043) The Company has net assets of £1 432 967 (2010 £1,077,545)

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 insurance market experienced modest rate increases in 2011 It is anticipated that the Company will continue to perform satisfactorily

### Dividend

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

### 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

| | |
|---|---|
| S T B Clark | |
| 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 period 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 year No provisions were in force at the date these accounts were approved

### Creditor policies

It is the Company s policy that payments to suppliers are made in accordance with those terms and conditions agreed between the Company and its suppliers, provided that all trading terms and conditions have been complied with

### Political and charitable contributions

The Company made charitable contributions during the current year of £100 (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 Crawford Davis Insurance Consultants Limited

We have audited the financial statements of Crawford Davis Insurance Consultants Limited for the year ended 31 December 2011 set out on pages 6 to 20 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 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 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 website 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 profit 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

NB Priest

N B Priestley (Senior Statutory Auditor)

**for and on behalf of KPMG Audit Plc, Statutory Auditor**
*Chartered Accountants*
15 Canada Square
Canary Wharf
London
E14 5GL

25 September 2012

# Profit and loss account for the year to 31 December 2011

| | *Note* | **Year to 31 December 2011** | Year to 31 December 2010 |
|---|---|---|---|
| | | **£** | £ |
| **Turnover** | *1* | **1,279,549** | 1,088,043 |
| Administrative expenses | | **(791,688)** | (727,944) |
| **Operating profit** | *2* | **487,861** | 360,099 |
| Other interest receivable and similar income | *5* | **1,768** | 1,348 |
| Interest payable and similar charges | *6* | **-** | (849) |
| **Profit on ordinary activities before taxation** | *2* | **489,629** | 360,598 |
| Tax on profit on ordinary activities | *7* | **(134,207)** | (80,233) |
| **Profit for the financial year** | | **355,422** | 280,365 |

The Company's operating activities relate to continuing activities

There are no recognised gains and losses in either year other than the profit above

The notes on pages 9 to 20 form part of these financial statements

# Balance sheet
# at 31 December 2011

| | Note | At 31 December 2011 | | At 31 December 2010 restated | |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **Fixed assets** | | | | | |
| Intangible fixed assets | 8 | | **182,500** | | 196,500 |
| Tangible fixed assets | 9 | | **14,618** | | 14 413 |
| | | | **197,118** | | 210,913 |
| **Current assets** | | | | | |
| Debtors | 10 | **1,779,271** | | 1,417,086 | |
| Cash at bank and in hand | 11 | **315,359** | | 336,304 | |
| | | **2,094,630** | | 1,753 390 | |
| **Creditors** amounts falling due within one year | 12 | **(771,664)** | | (814 855) | |
| **Net current assets** | | | **1,322,966** | | 938,535 |
| **Total assets less current liabilities** | | | **1,520.084** | | 1 149,448 |
| **Provisions for liabilities and charges** | 13 | | **(87,117)** | | (71,903) |
| **Net assets** | | | **1,432,967** | | 1,077,545 |
| **Capital and reserves** | | | | | |
| Called up share capital | 14 | | **200,100** | | 200,100 |
| Profit and loss account | 15 | | **1,232,867** | | 877,445 |
| **Shareholders' funds** | | | **1,432,967** | | 1 077 545 |

The notes on pages 9 to 20 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*

Registered number 02953747

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

| | Year to 31 December 2011 £ | Year to 31 December 2010 £ |
|---|---|---|
| **Retained profit for the financial year** | **355,422** | 280,365 |
| Increase in share capital | **-** | 200,000 |
| **Net addition to shareholders' funds** | **355,422** | 480,365 |
| Opening shareholders funds | **1,077,545** | 597,180 |
| **Closing shareholders' funds** | **1,432,967** | 1,077,545 |

The notes on pages 9 to 20 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 with the exception of the disclosure of certain liabilities, the impact of which is described in more detail in note 12

### 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

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 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 19

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

The Company has a significant intercompany debtor balance due from its parent company Cullum Capital Ventures Limited ('CCV") CCV as an individual undertaking is currently loss making and has net liabilities If this amount was not recoverable the Company would be left with net current liabilities The directors have considered the disclosures around going concern in the financial statements of CCV and have satisfied themselves that the funding position with CCV does not impact their assessment of going concern The directors believe they will continue to support the activities of CCV for the foreseeable future and therefore believe any balances due from CCV to be recoverable

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future Accordingly they continue to adopt the going concern basis in preparing the directors report and financial statements

### Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations in respect of acquisitions since 1 January 1998 is capitalised Positive goodwill is amortised to Nil by equal annual instalments over its estimated useful life This is taken as 5 years The estimated useful life of positive purchased goodwill acquired on or after 1 January 2010 is 20 years in line with other group companies

### Tangible fixed assets and depreciation

The cost of tangible fixed assets is their purchase cost together with any incidental costs of acquisition Depreciation is provided so as to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as

| | | |
|---|---|---|
| Furniture and equipment | – | 25% per annum |
| Computer hardware | – | 25% per annum |
| Fixtures and fittings | – | 33 3% per annum |

# Notes *(continued)*

## 1 Accounting policies *(continued)*

### Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

### Post –retirement benefits

The Company operates defined contribution pension schemes The assets of the schemes are held separately from those of the Company in independently administered fund The amount charged to the profit and loss represents the contributions payable to the schemes in respect of the accounting period

### 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

### Turnover

Turnover represents brokerage and fees for services provided Brokerage is recognised on the inception or renewal of a risk, with an element of brokerage deferred to match any significant post placement obligations Profit or volume based commission, which is received periodically, is recognised when the amount can be measured with reasonable certainty, which is typically the earlier of confirmation of the amount with the relevant provider or receipt of cash

Turnover consists entirely of sales made in the United Kingdom

### Employee share incentive plans

The Company's employee share incentive plans entitle certain directors and employees to benefit upon the sale or a listing of the Company

The cash-settled share appreciation rights, the fair value of the amount payable to the employee is recognised as an expense with a corresponding increase in liabilities The fair value is initially measured at grant date and spread over the estimated vesting period The fair value is measured based on management s estimate of the Company's share value The liability is revalued at each balance sheet date and the vesting period reviewed with any changes to fair value being recognised in the profit and loss account

## Notes *(continued)*

### 2 Profit on ordinary activities before taxation

| | **Year to 31 December 2011** | Year to 31 December 2010 |
|---|---|---|
| | **£** | £ |
| **Profit on ordinary activities before taxation is stated after charging** | | |
| Depreciation and other amounts written off tangible fixed assets | | |
| Owned | **7,800** | 5,858 |
| Amortisation of goodwill | **14,000** | 19,700 |
| Rentals under operating leases | **-** | 22,363 |

*Auditor's remuneration*

| | **£** | £ |
|---|---|---|
| Audit of these financial statements | **8,856** | 8,543 |
| Amounts receivable by the auditor and their associates in respect of | | |
| Other services pursuant to such legislation | **3,185** | 2,997 |

### 3 Remuneration of directors

The emoluments of Messrs Park, Clark and Rea were paid by Cullum Capital Ventures Limited, which makes no recharge to the Company Their total emoluments are included in the financial statements of the ultimate parent company

# Notes *(continued)*

## 4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows

| | Number of employees | |
|---|---|---|
| | **Year to 31 December 2011** | Year to 31 December 2010 |
| Broking | **12** | 14 |
| Management | **4** | 1 |
| Finance / Administration | **1** | 1 |
| | **17** | 16 |

The aggregate payroll costs of these persons were as follows

| | **£** | £ |
|---|---|---|
| Wages and salaries | **474,146** | 384,798 |
| Social security costs | **47,061** | 43 462 |
| Other pension costs | **10,177** | 10,688 |
| | **531,384** | 438,948 |

The Company operates a defined contribution pension scheme The pension cost charge for the period represents contributions payable by the Company to the scheme and amounted to £10,177 (2010 £10,688)

Contributions amounting to £1 106 were due to the scheme (2010 £1,075 due from) and are included in creditors

## 5 Other interest receivable and similar income

| | **Year to 31 December 2011 £** | Year to 31 December 2010 £ |
|---|---|---|
| Bank interest | **1,768** | 1,348 |

## 6 Interest payable and similar charges

| | **Year to 31 December 2011 £** | Year to 31 December 2010 £ |
|---|---|---|
| Interest on Corporation Tax | - | 849 |

## Notes *(continued)*

### 7 Tax on profit on ordinary activities

| | £ | Year to 31 December 2011 £ | £ | Year to 31 December 2010 £ |
|---|---|---|---|---|
| *UK corporation tax* | | | | |
| Current tax on income for the period | **142,485** | | 122,940 | |
| Over provision in previous years | **(1,390)** | | (25 373) | |
| | | **141,095** | | 97,567 |
| Total current tax | | **141,095** | | 97,567 |
| *Deferred tax* | | | | |
| Origination/reversal of timing differences | **(6,888)** | | (17,334) | |
| Effect of decreased tax rate | **-** | | - | |
| Total deferred tax | | **(6,888)** | | (17,334) |
| **Tax on profit on ordinary activities** | | **134,207** | | 80 233 |

*Factors affecting the tax charge for the current period*

The current tax charge for the period is higher *(2010 lower)* than the standard rate of corporation tax in the UK of 26 5% *(2010 28 %)* The differences are explained below

| | Year to 31 December 2011 £ | Year to 31 December 2010 £ |
|---|---|---|
| *Current tax reconciliation* | | |
| Profit on ordinary activities before tax | **489,629** | 360,598 |
| Current tax at 26 5% *(2010 28%)* | **129,718** | 100,967 |
| *Effects of* | | |
| Expenses not deductible for tax purposes | **9,436** | 17 838 |
| Amortisation not deductible for tax purposes | **2,649** | 5,516 |
| Depreciation in excess of capital allowances | **682** | 381 |
| Other | **-** | (1,762) |
| Over provision in prior year | **(1,390)** | (25,373) |
| **UK corporation tax charge on profit on ordinary activities for the year** | **141,095** | 97,567 |

## Notes *(continued)*

### 7 Tax on profit on ordinary activities *(continued)*

*Factors affecting future tax charges*

Future tax charges will be affected by the degree to which amortisation of goodwill is not allowable for tax purposes and entertaining is disallowed

The Finance Act 2011 enacted the reduction in corporation tax rate to 26% with effect from April 2011 and 25% from April 2012 The UK Government announced at the Budget 2012 on 21 March 2012 that the corporation tax rate would instead reduce to 24% from April 2012 with two further annual 1% cuts to 22% by April 2014 Other than the enacted changes to 26% and 25%, the effects of the announced changes are not reflected in the financial statements for the year ended 31 December 2011 as they were not substantively enacted at the balance sheet date

### 8 Intangible fixed assets

| | Goodwill<br>£ |
|---|---|
| **Cost** | |
| At 1 January 2011 | 579,450 |
| Additions | - |
| **At 31 December 2011** | **579,450** |
| **Amortisation** | |
| At 31 December 2010 | 382,950 |
| Charge for year | 14,000 |
| **At 31 December 2011** | **396,950** |
| **Net book value** | |
| **At 31 December 2011** | **182,500** |
| At 31 December 2010 | 196,500 |

Intangible fixed assets include amounts with an original cost of £319,450 (2010 £319 450) that have been fully amortised

## Notes *(continued)*

### 9 Tangible fixed assets

| | Furniture & equipment £ | Computer software and hardware £ | Fixtures & fittings £ | Total £ |
|---|---|---|---|---|
| **Cost** | | | | |
| At 1 January 2011 | 20 736 | 35,002 | 5,561 | 61,299 |
| Additions | 396 | 7 609 | - | 8,005 |
| **At 31 December 2011** | 21,132 | 42,611 | 5,561 | 69,304 |
| **Depreciation** | | | | |
| At 31 December 2010 | 15 148 | 29,210 | 2,528 | 46,886 |
| Charge for year | 2,443 | 3,335 | 2,022 | 7,800 |
| **At 31 December 2011** | 17,591 | 32,545 | 4,550 | 54,686 |
| **Net book value** | | | | |
| **At 31 December 2011** | **3,541** | **10,066** | **1,011** | **14,618** |
| At 31 December 2010 | 5,588 | 5,792 | 3,033 | 14,413 |

## Notes *(continued)*

### 10 Debtors

| | 31 December 2011 | 31 December 2010 |
|---|---|---|
| | £ | £ |
| Insurance debtors | **346,121** | 315,850 |
| Amounts due from group undertakings | **1,392,703** | 1,066,587 |
| Prepayments and accrued income | **16,889** | 17,981 |
| Deferred tax asset | **23,558** | 16,668 |
| | **1,779,271** | 1,417,086 |

The deferred tax asset relates to the movement in the provision in share based payments and timing differences between accumulated depreciation and capital allowances

### 11 Cash at bank and in hand

The balance of cash at bank and in hand at 31 December was £315,359 (2010 £336,304) Cash at bank includes £305 371 (2010 £330,120) which constitutes client money and is not available to pay the general debts of the Company

### 12 Creditors. amounts falling due within one year

| | 31 December 2011 | 31 December 2010 *restated* |
|---|---|---|
| | £ | £ |
| Insurance creditors | **521,749** | 499,358 |
| Corporation tax | **121,376** | 122,940 |
| Other taxation and social security | **11,298** | 13,738 |
| Deferred consideration | - | 60,000 |
| Accruals and deferred income | **115,730** | 103,320 |
| Other creditors | **1,511** | 15 499 |
| | **771,664** | 814 855 |

In the prior year various provisions were disclosed on the face of the balance sheet in creditors due less than one year The items disclosed as provisions are estimates based on information available at 31 December 2011 It is therefore more appropriate to disclose these items as provisions instead of creditors In the current year these provisions have been disclosed on the face of the balance sheet as provisions for liabilities and charges, and the prior year balance sheet has also been reclassified to reflect this change

### 13 Provisions for liabilities and charges

| | Provision for cancellations and lapsed policies | Provision for share based payments | Total |
|---|---|---|---|
| | £ | £ | £ |
| Balance brought forward as at 1 January 2011 *(restated)* | 9,744 | 62,159 | 71,903 |
| (credit)/charge to the profit & loss account in the year | (6 955) | 22 169 | 15 214 |
| **At 31 December 2011** | **2,789** | **84,328** | **87,117** |

In the prior year various provisions were disclosed on the face on the balance sheet in creditors due (more/less) than one year In the current year these provisions have been disclosed on the face of the balance sheet as provisions for liabilities and charges and the prior year balance sheet has also been reclassified to reflect this change

# Notes *(continued)*

## 14 Called up share capital

| | 31 December 2011 | 31 December 2010 |
|---|---|---|
| | £ | £ |
| **Allotted, called up and fully paid** | | |
| 200,100 Ordinary shares of £1 each | **200,100** | 200 100 |

## 15 Reserves

| | Profit and loss Account |
|---|---|
| | £ |
| At the beginning of the year | 877 445 |
| Retained profit for the year | 355,422 |
| **At 31 December 2011** | **1,232,867** |

# Notes *(continued)*

## 16 Share-based payments

Share appreciation rights

The Company operates a share appreciation rights plan which is restricted to employees and directors of CCV Participants are selected on a discretionary basis and upon vesting receive a benefit based on the sales price of shares in the Company The vesting conditions of the award are an exit, defined as a 90% sale of shares or a listing of CCV The timing of such an event is uncertain but for the purposes of accounting for the plan, the awards have been deemed to vest in 2014 In accordance with the requirements of FRS 20 for cash-settled share-based payment transactions, the cost of the awards granted to the employees and directors is initially measured at fair value at the grant date and spread over the vesting period The fair value of the amount payable including the Company's liability to related social security costs, is recognised as an expense with a corresponding increase in liabilities The liability is revalued at each balance sheet date with any change to fair value being recognised in the profit and loss account

The total expense recognised for the year and the total liabilities recognised at the end of the year arising from employee share schemes are as follows in the Group and the Company

| | **2011** | 2010 |
|---|---|---|
| | **£** | £ |
| Provision for share appreciation rights | **19,481** | 54,621 |
| Provision for social security costs | **2,688** | 7,538 |
| | **22,169** | 62,159 |

The movement in provisions for cash-settled share-based payments are as follows

| | **2011** | 2010 |
|---|---|---|
| | **£** | £ |
| Liability at the beginning of the year | **62,159** | - |
| Granted and charged to profit and loss during the year | **19,481** | 54 621 |
| Increase in provision for social security costs | **2,688** | 7,538 |
| | **84,328** | 62,159 |

## Notes *(continued)*

### 17 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

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

### 18 Commitments

Annual commitments under non-cancellable operating leases are as follows

| | **31 December 2011** | 31 December 2010 |
|---|---|---|
| | **Land and Buildings** | Land and buildings |
| | **£** | £ |
| Operating leases which expire | | |
| In the second to fifth years inclusive | - | 14,000 |
| Over five years | - | 11,163 |
| | - | 25,163 |

### 19 Parent undertaking

The Company is a subsidiary undertaking of Cullum Capital Ventures Limited which was the intermediate parent company at year end 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

### 20 Related party disclosures

The following are the related parties of the Company
Cullum Capital Ventures Limited the intermediate holding company
Mr P G Cullum, the director of Cullum Capital Ventures Limited, by virtue of his significant interest in the intermediate holding company s equity capital

### 21 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