

**Crawford Davis Insurance Consultants
Limited**

Directors' report and financial statements

for the year ended 31 December 2012

Registered Number 02953747

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Contents

Officers and professional advisers	1
Directors' report	2
Statement of Directors Responsibilities in respect of the Directors' Report and the financial statements	4
Independent auditor's report to the members of Crawford Davis Insurance Consultants Limited	5
Profit and loss account	6
Balance sheet	7
Reconciliation of movements in shareholders' funds	8
Notes to the financial statements	9

Officers and professional advisers

Directors

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

Secretary

S T B Clark

Registered office

Towergate House
Eclipse Park
Sittingbourne Road
Maidstone
Kent
ME14 3EN

Auditor

KPMG Audit Plc
6 Lower Brook Street
Ipswich
IP4 1AP

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2012

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 was insurance broking

On 01 October 2012 the business of the Company together with its assets and liabilities were sold to CCV Risk Solutions Limited, a fellow undertaking within the Towergate Partnershipco Limited group. The Company therefore ceased to trade on that date. The consideration receivable comprised the sum of the fair value of tangible assets and liabilities and the market value of goodwill as estimated by the directors based on advice from the Group's investment banking advisors. As the directors do not intend to acquire a replacement trade, they have not prepared the financial statements on a going concern basis. The effect of this is explained in note 1.

The directors took the decision to cease trading following the sale of the company's trade and assets.

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 £5,857,606 for the year (2011: £489,629) and turnover of £970,350 (2011: £1,279,549). The Company has net assets of £200,100 (2011: £1,432,967).

Discussion on the consolidated results of Towergate Partnershipco 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.

Dividend

The directors have paid ordinary dividends in respect of the current financial year of £6,977,867 (2011: £nil).

Directors and directors' interests

The directors who held office during the year were as follows:

S T B Clark	
M P Rea	
B Park	<i>(resigned 16 April 2012)</i>
S Egan	<i>(appointed 19 April 2012)</i>
G Barr	<i>(appointed 16 April 2012, resigned 8 August 2012)</i>
D J Bruce	<i>(appointed 8 August 2012)</i>
M S Hodges	<i>(appointed 2 November 2012)</i>

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.

Directors' report *(continued)*

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 £nil (2011: £100).

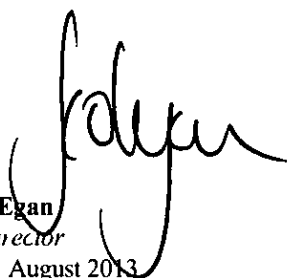
Disclosure of information to auditor

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



S Egan
Director
21 August 2013

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. As explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

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 2012 set out on pages 6 to 17. 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 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2012 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.

Emphasis of matter – Non-going concern basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reasons set out in that note.

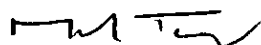
Opinion on other matter prescribed by the Companies Act 2006

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.



Mark Taylor (Senior Statutory Auditor)

for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants

6 Lower Brook Street

Ipswich

IP4 1AP

21 August 2013

Profit and loss account
for the year to 31 December 2012

		Year to 31 December 2012	Year to 31 December 2011
	Note	£	£
Turnover	1	970,350	1,279,549
Administrative expenses		(513,861)	(791,688)
Operating profit		456,489	487,861
Other interest receivable and similar income	5	1,117	1,768
Profit on disposal of trade and net assets	2	5,400,000	-
Profit on ordinary activities before taxation	2	5,857,606	489,629
Tax on profit on ordinary activities	6	(112,606)	(134,207)
Profit for the financial year		5,745,000	355,422

The Company's operating activities relate to discontinued activities

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

The notes on pages 9 to 17 form part of these financial statements

Balance sheet at 31 December 2012

	<i>Note</i>	At 31 December 2012	At 31 December 2011
		£	£
Fixed assets			
Intangible fixed assets	7	-	182,500
Tangible fixed assets	8	-	14,618
		-	197,118
Current assets			
Debtors	9	200,100	1,779,271
Cash at bank and in hand	10	-	315,359
		200,100	2,094,630
Creditors amounts falling due within one year	11	-	(771,664)
Net current assets		200,100	1,322,966
Total assets less current liabilities		200,100	1,520,084
Provisions for liabilities and charges	12	-	(87,117)
Net assets		200,100	1,432,967
Capital and reserves			
Called up share capital	13	200,100	200,100
Profit and loss account	14	-	1,232,867
Shareholders' funds		200,100	1,432,967

The notes on pages 9 to 17 form part of these financial statements

These financial statements were approved by the board of directors on 21 August 2013 and were signed on its behalf by


S Egan
Director

**Reconciliation of movements in shareholders' funds
for the year to 31 December 2012**

	Year to 31 December 2012 £	Year to 31 December 2011 £
Retained profit for the financial year	5,745,000	355,422
Dividends	(6,977,867)	-
Net (reduction in)/addition to shareholders' funds	(1,232,867)	355,422
Opening shareholders' funds	1,432,967	1,077,545
Closing shareholders' funds	200,100	1,432,967

The notes on pages 9 to 17 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 (UK Generally Accepted Accounting Practice) 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 Towergate Partnershipco 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 Towergate Partnershipco Limited within which the Company is included, can be obtained from the address given in note 16

Going Concern

In previous years, the financial statements have been prepared on a going concern basis. However on 1 October 2012 the directors took the decision to cease trading following the sale of the company's trade and assets. As they do not intend to acquire replacement trade, the directors have not prepared the financial statements on a going concern basis. No adjustments were necessary to the amounts at which the remaining net assets are included in these 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

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

Notes (continued)

1 Accounting policies (continued)

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 funds. 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

Towergate Partnership Limited, an intermediate parent company, has employee share incentive plans which entitle certain directors and employees of the company to benefit upon the sale or a listing of Towergate group.

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 Towergate Partnership Limited'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.

2 Profit on ordinary activities before taxation

	Year to 31 December 2012 £	Year to 31 December 2011 £
Profit on ordinary activities before taxation is stated after charging /(crediting)		
Depreciation and other amounts written off tangible fixed assets		
Owned	4,522	7,800
Amortisation of goodwill	7,500	14,000
Profit on disposal of trade and net assets	(5,400,000)	-
	<hr/>	<hr/>
Auditor's remuneration	£	£
Amounts receivable by the auditor and their associates in respect of		
Audit of these financial statements	10,386	8,856
Other services pursuant to such legislation	-	3,185
	<hr/>	<hr/>

On 1 October 2012 the business of the Company together with its assets and liabilities were sold to Cullum Capital Ventures Risk Solutions Limited for a consideration of £5,400,000.

Notes (continued)

3 Remuneration of directors

The emoluments of Messrs Park, Clark, Egan, Barr, Bruce, Hodges and Rea were paid by Towergate Partnershipco Limited, which makes no recharge to the Company. Their total emoluments are included in the financial statements of the ultimate parent company.

4 Staff numbers and costs

The average number of persons employed by the Company during the year, was as follows

Number of employees	
Year to	Year to
31 December 2012	31 December 2011
21	17

The aggregate payroll costs of these persons were as follows

	£	£
Wages and salaries	291,759	474,146
Social security costs	25,554	47,061
Other pension costs	4,791	10,177
	322,104	531,384

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 £4,791 (2011: £10,177).

Contributions amounting to £nil were due to the scheme (2011: £1,106) and are included in creditors.

5 Other interest receivable and similar income

	Year to	Year to
	31 December 2012	31 December 2011
	£	£
Bank interest	1,117	1,768

Notes (continued)

6 Tax on profit on ordinary activities

	£	Year to 31 December 2012 £	£	Year to 31 December 2011 £
<i>UK corporation tax</i>				
Current tax on income for the period	115,226		142,485	
Adjustment to tax charge in respect of prior year	(2,620)		(1,390)	
		<u>112,606</u>		<u>141,095</u>
Total current tax		112,606		141,095
<i>Deferred tax</i>				
Origination/reversal of timing differences	-		(6,888)	
		<u>-</u>		<u>(6,888)</u>
Total deferred tax		-		(6,888)
Tax on profit on ordinary activities		<u>112,606</u>		<u>134,207</u>

Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2011 higher) than the standard rate of corporation tax in the UK of 24.5% (2011 26.5%). The differences are explained below

	Year to 31 December 2012 £	Year to 31 December 2011 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	5,857,606	489,629
	<u>5,857,606</u>	<u>489,629</u>
Current tax at 24.5% (2011 26.5%)	1,435,113	129,718
<i>Effects of</i>		
Expenses not deductible for tax purposes	62	9,436
Amortisation not deductible for tax purposes	1,838	2,649
Depreciation in excess of capital allowances	1,118	682
Other	95	-
Profit on disposal of trade and net assets	(1,323,000)	-
Adjustment to tax charge in respect of prior year	(2,620)	(1,390)
	<u>112,606</u>	<u>141,095</u>
UK corporation tax charge on profit on ordinary activities for the year	<u>112,606</u>	<u>141,095</u>

Factors affecting future tax charges

The Budget on 20 March 2013 announced that the UK corporation tax rate will reduce to 20% by 2015. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively.

Notes (continued)

7 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2012	579,450
Transferred to CCV Risk Solutions Limited	(579,450)
At 31 December 2012	-
Amortisation	
At 31 December 2011	396,950
Charged in the year	7,500
Transferred to CCV Risk Solutions Limited	(404,450)
At 31 December 2012	-
Net book value	
At 31 December 2012	-
At 31 December 2011	182,500

8 Tangible fixed assets

	Furniture & equipment £	Computer software and hardware £	Fixtures & fittings £	Total £
Cost				
At 1 January 2012	21,132	42,611	5,561	69,304
Additions	5,788	3,679	-	9,467
Transferred to CCV Risk Solutions	(26,920)	(46,290)	(5,561)	(78,771)
At 31 December 2012	-	-	-	-
Depreciation				
At 1 January 2012	17,591	32,545	4,550	54,686
Charge for year	974	2,537	1,011	4,522
Transferred to CCV Risk Solutions	(18,565)	(35,082)	(5,561)	(59,208)
At 31 December 2012	-	-	-	-
Net book value				
At 31 December 2012	-	-	-	-
At 31 December 2011	3,541	10,066	1,011	14,618

Notes (continued)

9 Debtors

	31 December 2012 £	31 December 2011 £
Insurance debtors	-	346,121
Amounts due from group undertakings	200,100	1,392,703
Prepayments and accrued income	-	16,889
Deferred tax asset	-	23,558
	<u>200,100</u>	<u>1,779,271</u>

10 Cash at bank and in hand

The balance of cash at bank and in hand at 31 December was £nil (2011 £315,359). Cash at bank includes £nil (2011 £305,371) which constitutes client money and is not available to pay the general debts of the Company.

11 Creditors amounts falling due within one year

	31 December 2012 £	31 December 2011 £
Insurance creditors	-	521,749
Corporation tax	-	121,376
Other taxation and social security	-	11,298
Accruals and deferred income	-	115,730
Other creditors	-	1,511
	<u>-</u>	<u>771,664</u>

12 Provisions for liabilities and charges

	Provision for cancellations and lapsed policies £	Provision for share based payments £	Total £
Balance brought forward as at 1 January 2012	2,789	84,328	87,117
(Credit) to the profit & loss account in the year	-	(17,952)	(17,952)
Transferred to CCV Risk Solutions Limited	(2,789)	(66,376)	(69,165)
	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2012	-	-	-

Notes (continued)

13 Called up share capital

	31 December 2012 £	31 December 2011 £
Allotted, called up and fully paid		
200,100 Ordinary shares of £1 each	<u>200,100</u>	<u>200,100</u>

14 Reserves

	Profit and loss Account £
At the beginning of the year	1,232,867
Retained profit for the year	5,745,000
Dividends	(6,977,867)
	<u> </u>
At 31 December 2012	<u>-</u>

15 Share-based payments

Share appreciation rights

The Company participates in the Group's share appreciation rights plan which is restricted to employees and directors of CCV Ltd. Participants are selected on a discretionary basis and upon vesting receive a benefit based on the sales price of shares in CCV Ltd. The vesting conditions of the award are an exit, defined as a 90% sale of shares, or a listing of CCV Ltd. 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:

	2012 £	2011 £
Provision for share appreciation rights	-	19,481
Provision for social security costs	-	2,688
	<u>-</u>	<u>22,169</u>

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

	2012 £	2011 £
Liability at the beginning of the year	84,328	62,159
Granted and charged to profit and loss during the year	(17,952)	19,481
Increase in provision for social security costs	-	2,688
Transferred to CCV Risk Solutions Limited	(66,376)	-
	<u>-</u>	<u>84,328</u>

Notes (continued)

16 Parent undertaking

Towergate Partnershipco Limited is the ultimate parent company and Cullum Capital Ventures Limited an intermediate holding company

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

17 Post balance sheet events

On May 10, 2013 Towergate Finance plc, a fellow subsidiary company refinanced part of the group's borrowings and the existing bank debt of £394 million outstanding at that date was repaid. As part of the refinancing a new £85 million Revolving Credit Facility (RCF) with a syndicate of banks led by Lloyds Banking Group plc was put in place and £396 million Floating Rate Senior Secured Notes due February 15 2018 were issued by Towergate Finance plc. A debenture has been granted over the shares and assets of Towergate Finance plc and its material subsidiaries in favour of the lenders to the RCF and the Senior Secured noteholders under the terms of which all monies due or which may become due from Towergate Finance plc, or other group companies listed below, to the Secured Parties, are guaranteed

The group companies involved included principally
Towergate Holdings II Limited
Towergate Finance plc
Berkeley Alexander Limited
Broker Network Holdings Limited
Capital & County Insurance Brokers Limited
CCV Risk Solutions Limited
Countrywide Insurance Management Limited
Cox Lee & Co Limited
Crawford Davis Insurance Consultants Limited
Cullum Capital Ventures Limited
Eclipse Park Acquisitions Limited
Four Counties Finance Limited
Fusion Insurance Holdings Limited
Fusion Insurance Services Limited
Hayward Aviation Limited
HLI (UK) Limited
Just Insurance Brokers Limited
Managing Agents Reference Assistance Services Limited
Moffatt & Co Limited
Oyster Risk Solutions Limited
Paymentshield Group Holdings Limited
Paymentshield Holdings Limited
Paymentshield Limited
Portishead Insurance Management Limited
Protectagroup Acquisitions Limited
Protectagroup Holdings Limited
Protectagroup Limited
Richard V Wallis Limited
Roundcroft Limited

Notes *(continued)*

17 Post balance sheet events *(continued)*

TF Bell Holdings Limited
TL Risk Solutions Limited
The Broker Network Limited
The Hayward Holding Group Limited
The TF Bell Group Limited
Three Counties Insurance Brokers Limited
Towergate Insurance Limited
Towergate London Market Limited
Towergate Risk Solutions Limited
Towergate Underwriting Group Limited
Townfrost Limited