Chorlton Cloughley Group Limited
Directors' report and financial statements

for the year to 31 December 2009

Registered Number 03305013

Contents

Officers and professional advisers

Directors

W F Maloney
J G Dolan
F McGroggan
I Kells
R M Brown
M P Rea

Secretary

S T B Clark

Registered office

2 County Gate
Staceys Street
Maidstone
Kent
ME14 1ST

Auditors

KPMG Audit Plc
8 Salisbury Square
London
EC4Y 8BB

Registered number 3305013

Directors' report

The directors present their directors' report and the audited financial statements for the period ended 31 December 2009

Business review and principal activities

The profit and loss account for the period 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 £563,462 for the year (prior period from 23 January 2008 to 31 December 2008 £571,015) and turnover of £1,530,755 (prior period £1,541,333) The Company has net assets of £1,195,985 (31 December 2008 £795,098)

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 rate reductions in 2009 We are starting to see rate hardening and expect this to continue for the next year We anticipate the Company will continue to perform satisfactorily in this year

Dividend

The directors do not recommend the payment of a dividend

Directors' report *(continued)*

Directors

The directors who held office during the year were as follows

W F Maloney
J G Dolan
F McGroggan
I Kells
R M Brown
T D Johnson (resigned 4 November 2009)
M P Rea (appointed 4 November 2009)

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

Political and charitable contributions

The Company made political or charitable donations during the current year of £290 (prior period £nil)

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information

Auditors

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

By order of the board

Michael Rea
Director

31 March 2010

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 auditors' report to the members of Chorlton Cloughley Group Limited

We have audited the financial statements of Chorlton Cloughley Group Limited for the year ended 31 December 2009 set out on pages 6 to 18 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 section 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 auditors' 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 auditors

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 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/UKNP.

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 2009 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 Priestley

N B Priestley (Senior Statutory Auditor)

for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
8 Salisbury Square
London
EC4Y 8BB
31 March 2010

Profit and loss account
for the year ended 31 December 2009

	Note	Year ended 31 December 2009	Period from 23 January 2008 to 31 December 2008
		£	£
Turnover	*1*	**1,530,755**	1,541,333
Administrative expenses		**(970,894)**	(997,501)
Operating profit	*2*	**559,861**	543,832
Other interest receivable and similar income	*5*	**4,678**	27,183
Interest payable and similar charges	*6*	**(1,077)**	-
Profit on ordinary activities before taxation		**563,462**	571,015
Tax on profit on ordinary activities	*7*	**(162,575)**	(165,937)
Profit for the financial year		**400,887**	405,078

There is no difference between the operating profit on ordinary activities before taxation and the retained profit for the financial period stated above, and their historical cost equivalents

The notes on pages 9 to 18 form part of these financial statements

Balance sheet
at 31 December 2009

	Note	At 31 December 2009		At 31 December 2008	
		£	£	£	£
Fixed assets					
Tangible fixed assets	*8*		**12,235**		19,237
Investments	*9*		**44,208**		44,208
			56,443		63,445
Current assets					
Debtors	*10*	**2,005,365**		1,481,751	
Cash at bank and in hand		**352,957**		411,654	
		2,358,322		1,893,405	
Creditors: amounts falling due within one year	*11*	**(1,217,059)**		(1,158,010)	
Net current assets			**1,141,263**		735,395
Total assets less current liabilities			**1,197,706**		798,840
Provisions for liabilities	*12*		**(1,721)**		(3,742)
Net assets			**1,195,985**		795,098
Capital and reserves					
Called up share capital	*13*		**915**		915
Share premium account	*14*		**44,080**		44,080
Other reserves	*14*		**205**		205
Profit and loss account	*16*		**1,150,785**		749,898
Equity shareholders' funds			**1,195,985**		795,098

The notes on pages 9 to 18 form part of these financial statements

These financial statements were approved by the board of directors on 31 March 2010 and were signed on its behalf by

Michael Rea
Director

Reconciliation of movements in shareholders' funds for the year ended 31 December 2009

	Year to 31 December 2009 £	Period from 23 January 2008 to 31 December 2008 £
Retained profit for the financial period	**400,887**	405,078
Opening shareholders' funds	**795,098**	390,020
Closing shareholders' funds	**1,195,985**	795,098

The notes on pages 9 to 18 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 17

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

Investments

Investments in subsidiary undertakings, associates and joint ventures are stated at cost less amounts written off

Tangible fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Fixtures and fittings	–	5 years straight line
Plant and machinery	–	5 years straight line

Notes *(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

Pensions

Chorlton Cloughley Group Limited 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 against profits 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 period 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

Notes *(continued)*

2 Profit on ordinary activities before taxation

	Year to 31 December 2009 £	Period from 23 January 2008 to 31 December 2008 £
Profit on ordinary activities before taxation is stated after charging:		
Depreciation and other amounts written off tangible fixed assets		
Owned	**8,740**	6,047
Hire of plant and machinery – operating leases	**6,978**	11,442
Rent of land and buildings	**73,025**	69,968

	Year to 31 December 2009	Period from 23 January 2008 to 31 December 2008
Auditors' remuneration		
Audit of these financial statements	**8,475**	8,475
Amounts receivable by the auditors and their associates in respect of		
Other services pursuant to such legislation	**2,875**	2,875

3 Remuneration of directors

	Year to 31 December 2009 £	Period from 23 January 2008 to 31 December 2008 £
Directors' emoluments	147,983	166,619
Company contributions to money purchase pension schemes	12,303	22,179
	160,286	188,798

	Number of Directors	Number of Directors
Retirement benefits are accruing to the following number of directors under		
Money purchase schemes	3	4

The emoluments of Messrs Johnson, Brown and Rea are paid by Cullum Capital Ventures Limited, which makes no recharge to the Company Both 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

Notes *(continued)*

4 Staff numbers and costs

The average number of persons employed by the Company during the period, analysed by category, was as follows

	Number of employees	
	Year to 31 December 2009	Period from 23 January 2008 to 31 December 2008
Management	**2**	2
Broking	**15**	17
Administration	**2**	2
	19	21

The aggregate payroll costs, including directors, were as follows

	Year to 31 December 2009	Period from 23 January 2008 to 31 December 2008
	£	£
Wages and salaries	**468,253**	504,155
Social security costs	**53,401**	49,027
Other pension costs	**45,143**	51,380
	566,797	604,562

5 Interest receivable

	Year to 31 December 2009	Period from 23 January 2008 to 31 December 2008
	£	£
Bank interest	**4,678**	27,183

6 Interest payable and similar charges

	Year to 31 December 2009	Period from 23 January 2008 to 31 December 2008
	£	£
Interest on overdue corporation tax	**1,077**	-
	1,077	-

Notes *(continued)*

7 Taxation

Analysis of charge in year

	Year to 31 December 2009		Period from 23 January 2008 to 31 December 2008	
	£	£	£	£
UK corporation tax				
Current tax on income for the year/period	164,596		213,639	
Adjustments in respect of prior periods	-		(46,091)	
Total current tax		164,596		167,548
Deferred tax (see note 12)				
Origination/reversal of timing differences	(2,021)		(1,611)	
Total deferred tax		(2,021)		(1,611)
Tax on profit on ordinary activities		162,575		165,937

Factors affecting the tax charge for the current year

The current tax charge for the year is higher (prior period higher) than the standard rate of corporation tax in the UK (28 0%, prior period 28 4%) The differences are explained below

	Year to 31 December 2009	Period from 23 January 2008 to 31 December 2008
	£	£
Current tax reconciliation		
Profit on ordinary activities before taxation	**563,462**	571,015
Current tax at 28% (prior period 28 4%)	**157,770**	162,148
Effects of		
Expenses not deductible for tax purposes	**5,481**	6,593
Capital allowances in excess of depreciation	**1,345**	1,273
Adjustments to tax charge in respect of previous periods	-	(2,466)
Total current tax charge (see above)	**164,596**	167,548

Notes *(continued)*

8 Tangible fixed assets

	Plant and machinery £
Cost	
At 1 January 2009	68,396
Additions	1,738
At 31 December 2009	**70,134**
Depreciation	
At 31 December 2008	49,159
Charge for period	8,740
At 31 December 2009	**57,899**
Net book value	
At 31 December 2009	**12,235**
At 31 December 2008	19,237

Notes *(continued)*

9 Fixed asset investments

	Shares in group undertakings £
Cost	
At 31 December 2009	44,208
At 31 December 2008	44,208

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

	%	Country of incorporation	Principal Activity
Subsidiary undertakings			
CCG Financial Services Limited	100%	England and Wales	Financial Advisors

10 Debtors

	31 December 2009 £	31 December 2008 £
Insurance debtors	**584,012**	524,863
Amounts due from group undertakings	**1,397,949**	746,285
Other debtors	**470**	470
Directors' loan accounts	**-**	181,115
Prepayments and accrued income	**22,934**	29,018
	2,005,365	1,481,751

11 Creditors: amounts falling due within one year

	31 December 2009 £	31 December 2008 £
Insurance creditors	**717,848**	736,073
Amounts owed to group undertakings	**35,898**	41,364
Taxation and social security	**14,340**	16,309
Other creditors	**6,951**	22,517
Accruals and deferred income	**85,305**	75,632
Corporation Tax	**356,717**	266,115
	1,217,059	1,158,010

Notes *(continued)*

12 Provisions for liabilities

	Deferred taxation £
At beginning of year	3,742
Charge to profit and loss account in the period	(2,021)
As at 31 December 2009	**1,721**

The deferred tax provision relates to the timing differences between accumulated depreciation and amortisation and capital allowances

The elements of deferred taxation are as follows

	31 December 2009 £	31 December 2008 £
Difference between accumulated depreciation and amortisation and capital allowances	1,721	3,742
	1,721	**3,742**

13 Called up share capital

	31 December 2009 £	31 December 2008 £
Allotted, called up and fully paid		
815 Ordinary A shares of £1 each	**815**	815
100 Ordinary B shares of £1 each	**100**	100
	915	915

Both "A" and "B" ordinary share holders have equal rights to capital income and voting

Notes *(continued)*

14 Share premium and reserves

	Share premium account £	Other reserves £	Profit and loss account £
At the beginning of the period	44,080	205	749,898
Profit for the year	-	-	400,887
At end of the year	44,080	205	1,150,785

15 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 2009 was £58,482,565 (2008 £56,972,994) 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 & Co Limited
Moffatt & Co 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 & Co Limited
Chorlton Cloughley Group Limited
CCG Financial Services Limited
Protectagroup (CIB) Limited (formerly Culver Insurance Brokers Limited)
Crawford Davis Insurance Consultants Limited
Portishead Insurance Brokers 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

Notes *(continued)*

16 Commitments

Annual commitments under non-cancellable operating leases are as follows

	31 December 2009		31 December 2008	
	Land and buildings	**Other**	Land and buildings	Other
	£	**£**	£	£
Operating leases which expire				
Within one year	**-**	**4,095**	-	6,108
In the second to fifth years inclusive	**-**	**-**	-	6,912
Over five years	**74,616**	**-**	74,616	-
	74,616	**4,095**	74,616	13,020

17 Ultimate parent company

The Company is a subsidiary undertaking of Cullum Capital Ventures Limited which is the ultimate parent company 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

The largest group in which the results of the Company are consolidated is that headed by Cullum Capital Ventures Limited No other group financial statements include the results of the Company These financial statements provide information about the Company as an individual undertaking and not about its group

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

2 County Gate
Staceys Street
Maidstone
Kent
ME14 1ST

18 Related party disclosures

The Company is controlled by Cullum Capital Ventures Limited The ultimate controlling party is Mr P G Cullum, the chairman, by virtue of his controlling interest in the ultimate parent company's equity capital

The Company conducted business, on an arms length basis, with Towergate Underwriting Group Limited, a company in which Mr P G Cullum currently has a significant interest The total of commission receivable from Towergate Underwriting Group was £584,553 (prior period £351,569) and non insurance related receipts were £nil Insurance creditors payable at the year end were £152,268 (prior period end £89,387)