

Berkeley Alexander Limited
Directors' report and financial statements

for the year to 31 December 2009

Registered Number 04102237



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Officers and professional advisers

Directors

M P Rea
R M Brown
E W G York
G D Hall

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

Directors' report

The directors present their report and the audited financial statements for the year to 31 December 2009

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 during 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 the end of the year are shown in the attached financial statements.

The results for the Company show a pre-tax profit of £370,463 for the year (prior period from 1 November 2007 to 31 December 2008: a profit of £289,185) and turnover of £1,399,594 (prior period from 1 November 2007 to 31 December 2008: £1,538,372). The company has net assets of £491,110 (31 December 2008: £224,908).

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

We expect market conditions to remain unchanged in 2010 and 2011. We anticipate the company will continue to perform satisfactorily in this period.

Proposed dividend

No final dividend was paid or proposed during the year (prior period: £nil).

Directors' report *(continued)*

Directors

The directors who held office during the year were as follows

T D Johnson (resigned 4 November 2009)
M P Rea (appointed 4 November 2009)
R M Brown
E W G York
G D Hall

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

Political and charitable contributions

The Company made charitable contributions during the current year of £25 (prior period £30)

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 Berkeley Alexander Limited

We have audited the financial statements of Berkeley Alexander Limited for the year ended 31 December 2009 set out on pages 6 to 19. 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 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 matters 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.



N B Priestley (Senior Statutory Auditor)

for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants

8 Salisbury Square

London

EC4Y 8BB

Date - 31 March 2010

**Profit and loss account
for the year to 31 December 2009**

		Year to 31 December 2009	Period from 1 November 2007 to 31 December 2008
	<i>Note</i>	£	£
Turnover	<i>1</i>	1,399,594	1,538,372
Administrative expenses	<i>2-4</i>	(1,029,654)	(1,270,913)
Operating profit	<i>2-4</i>	369,940	267,459
Interest receivable and similar income	<i>5</i>	2,239	25,669
Profit on sale of fixed asset		-	2,648
Interest payable and similar charges	<i>6</i>	(1,716)	(6,591)
Profit on ordinary activities before taxation	<i>2-6</i>	370,463	289,185
Tax on profit on ordinary activities	<i>7</i>	(104,261)	(80,297)
Profit for the financial year / period		266,202	208,888

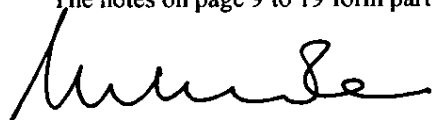
The notes on page 9 to 19 form part of these financial statements

Balance sheet at 31 December 2009

	<i>Note</i>	At 31 December 2009 £	At 31 December 2008 £
Fixed assets			
Intangible fixed assets	8	100,751	133,649
Tangible fixed assets	9	69,663	45,162
		<hr/> 170,414	<hr/> 178,811
Current assets			
Debtors	10	919,839	495,794
Cash at bank and in hand	11	240,578	247,460
		<hr/> 1,160,417	<hr/> 743,254
Creditors amounts falling due within one year	12	(678,584)	(500,378)
Net current assets		<hr/> 481,833	<hr/> 242,876
Total assets less current liabilities		<hr/> 652,247	<hr/> 421,687
Creditors amounts falling due after more than one year	13	(155,000)	(191,264)
Provisions for liabilities	14	(6,137)	(5,515)
Net assets		<hr/> 491,110	<hr/> 224,908
Capital and reserves			
Called up share capital	15	100	100
Profit and loss account	16	491,010	224,808
Shareholders' funds		<hr/> 491,110	<hr/> 224,908

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

The notes on page 9 to 19 form part of these financial statements



Michael Rea
Director

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

	Year to 31 December 2009	Period from 1 November 2007 to 31 December 2008
	£	£
Retained profit for the financial year / period	266,202	208,888
Opening shareholders' funds	224,908	16,020
	<hr/>	<hr/>
Closing shareholders' funds	491,110	224,908
	<hr/>	<hr/>

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

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 18

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

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 acquisition is capitalised Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life This is taken as 20 years

Intangible fixed assets and amortisation

Intangible fixed assets purchased separately from a business are capitalised at their cost

Intangible assets acquired as part of an acquisition are capitalised at their fair value where this can be measured reliably

Notes (continued)

1 Accounting policies (continued)

Tangible fixed assets and depreciation

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

Computer equipment	–	3 years straight line
Fixtures and fittings	–	10% reducing balance
Motor vehicles	–	25% reducing balance

Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Post-retirement benefits

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme 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 1 November 2007 to 31 December 2008 £
Profit on ordinary activities before taxation is stated after charging		
Fees payable to the company's auditor		
- audit of the company's financial statements	8,294	10,868
- other services pursuant to legislation	2,910	3,623
Depreciation and other amounts written off tangible fixed assets		
Owned	9,885	3,499
Held under hire purchase and finance lease	4,555	19,757
Amortisation of goodwill	5,483	3,427
Operating lease rentals	33,522	25,798
Loss on sale of fixed assets	1,073	2,648
	<hr/>	<hr/>

3 Remuneration of directors

	Year to 31 December 2009 £	Period from 1 November 2007 to 31 December 2008 £
Directors emoluments	99,550	115,883
	<hr/>	<hr/>
Number of directors		
	£	£
Retirement benefits are accruing to the following number of directors under		
Money purchase schemes	2	2
	<hr/>	<hr/>

The emoluments of Messrs Johnson, Brown 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.

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	Number of Employees
	Year to 31 December 2009	Period from 1 November 2007 to 31 December 2008
Administration	8	9
Brokerage	12	13
Management	5	4
	<u>25</u>	<u>26</u>

The aggregate payroll costs of these persons were as follows

	Year to 31 December 2009 £	Period from 1 November 2007 to 31 December 2008 £
Wages and salaries	552,095	668,152
Social security costs	56,909	64,425
Other pension costs	3,197	-
	<u>612,201</u>	<u>732,577</u>

5 Other interest receivable and similar income

	Year to 31 December 2009 £	Period from 1 November 2007 to 31 December 2008 £
Bank interest	<u>2,239</u>	<u>25,669</u>

6 Interest payable and similar charges

	Year to 31 December 2009 £	Period from 1 November 2007 to 31 December 2008 £
Finance charges and hire purchase interest	1,707	6,325
Other interest	9	266
	<u>1,716</u>	<u>6,591</u>

Notes (continued)

7 Taxation

	Year to 31 December 2009 £	Period from 1 November 2007 to 31 December 2008 £
<i>Analysis of charge in period</i>		
<i>UK corporation tax</i>		
Current tax on income for the period	104,707	71,122
Adjustment in respect of prior years	(1,082)	3,660
	<hr/>	<hr/>
Total current tax	103,625	74,782
	<hr/>	<hr/>
Deferred tax (see note 11)		
Origination/reversal of timing differences	636	728
Adjustment in respect of previous years	-	4,787
	<hr/>	<hr/>
Total deferred tax	636	5,515
	<hr/>	<hr/>
Tax on profit on ordinary activities	104,261	80,297
	<hr/>	<hr/>

Factors affecting the tax charge for the current period

The current tax charge for the year is lower (*prior period higher*) than the standard rate of corporation tax in the UK (28%, prior period 28.18%). The differences are explained below

	Year to 31 December 2009 £	Period from 1 November 2007 to 31 December 2008 £
Current tax reconciliation		
Profit on ordinary activities before taxation	370,464	289,185
	<hr/>	<hr/>
Current tax at 28% Prior period (28.18%)	103,730	81,492
Effects of		
Expenses not deductible for tax purposes	156	1,496
Amortisation of goodwill	1,535	966
Capital allowances for period in excess of depreciation	(413)	(728)
Prior year adjustment	-	(704)
Loss on disposal of fixed assets	(301)	-
Effect of higher rate on prior year adjustment	-	(1,794)
Tax losses incurred/utilised	-	(9,606)
	<hr/>	<hr/>
Total current tax charge (see above)	104,707	71,122
	<hr/>	<hr/>

Notes (continued)

7 Taxation (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 Company has estimated losses of £nil (prior period £nil) available for carry forward against future trading profits

8 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2009	137,076
Disposals	(27,415)
	<hr/>
At 31 December 2009	109,661
	<hr/>
Amortisation	
At 31 December 2008	3,427
Charge for year	5,483
	<hr/>
At 31 December 2009	8,910
	<hr/>
Net book value	
At 31 December 2009	100,751
	<hr/>
	<hr/>
At 31 December 2008	133,649
	<hr/>

All goodwill arising on acquisition is amortised over a 20 year period

The reduction of £27,415 in goodwill relates to the deferred consideration not payable on the 2008 portfolio purchase from Skelton Financial Services Limited

Notes (continued)

9 Tangible fixed assets

	Computer hardware £	Computer software £	Fixtures and fittings £	Motor Vehicles £	Total £
Cost					
At 1 January 2009	57,297	-	44,839	31,014	133,150
Additions	7,125	37,321	293	-	44,739
Disposals	-	-	-	(14,995)	(14,995)
At 31 December 2009	64,422	37,321	45,132	16,019	162,894
Depreciation					
At 31 December 2008	54,820	-	19,218	13,950	87,988
Charge for year	3,910	4,119	2,591	3,820	14,440
Elimination on disposal	-	-	-	(9,197)	(9,197)
At 31 December 2009	58,730	4,119	21,809	8,573	93,231
Net book value					
At 31 December 2009	5,692	33,202	23,323	7,446	69,663
At 31 December 2008	2,477	-	25,621	17,064	45,162

Included above are assets held under finance leases or hire purchase contracts as follows

	Computer hardware £	Computer software £	Fixtures and fittings £	Motor Vehicles £	Total £
Cost					
At 31 December 2008	26,834	-	5,980	31,014	63,828
Elimination on disposal	-	-	-	(14,995)	(14,995)
At 31 December 2009	26,834	-	5,980	16,019	48,833
Depreciation					
At 31 December 2008	26,574	-	1,226	13,950	41,750
Charge for year	260	-	475	3,820	4,555
Elimination on disposal	-	-	-	(9,197)	(9,197)
At 31 December 2009	26,834	-	1,701	8,573	37,108
Net book value					
At 31 December 2009	-	-	4,279	7,446	11,725
At 31 December 2008	260	-	4,754	17,064	22,078

Notes (continued)

10 Debtors

	31 December 2009 £	31 December 2008 £
Insurance debtors	119,647	87,504
Amounts due from group undertakings	744,234	386,486
Other debtors	961	961
Prepayments and accrued income	54,997	20,843
	<u>919,839</u>	<u>495,794</u>

11 Cash at bank and in hand

Cash at bank includes £238,878 (2008 £231,949) 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 2009 £	31 December 2008 £
Bank loans and overdraft	2,066	-
Insurance creditors	394,300	142,119
Corporation tax	101,018	71,123
Other creditors, accruals and deferred income	156,971	278,349
Net obligations under finance leases and hire purchase contracts	8,930	8,787
Other taxation and social security	15,299	-
	<u>678,584</u>	<u>500,378</u>

13 Creditors: amounts falling due after more than one year

	31 December 2009 £	31 December 2008 £
Subordinated loan from Cullum Capital Ventures Limited	155,000	155,000
Deferred consideration	-	27,415
Net obligations under finance leases and hire purchase contracts	-	8,849
	<u>155,000</u>	<u>191,264</u>

The amount owed to group undertakings of £155,000 (2008 £155,000) relates to an intra-group loan agreement between the Company and Cullum Capital Ventures Limited. The outstanding balance is to be paid upon written demand from the lender, Cullum Capital Ventures Limited. The Company is also entitled to repay all or part of the outstanding balance at any time. The Company has received no written demand from the lender and does not intend to repay any of the outstanding balance within twelve months of the balance sheet date.

Notes (continued)

14 Creditors: amounts falling due after more than one year (continued)

The maturity of obligations under finance leases and hire purchase contracts is as follows

	2009 £	2008 £
Within one year	8,930	10,528
In the second to fifth years	-	9,315
Over five years	-	-
	<hr/> 8,930	<hr/> 19,843
Less future finance charges	-	(2,207)
	<hr/> 8,930	<hr/> 17,636

14 Provisions for liabilities

	Deferred Taxation £
At beginning of year	5,515
Charge to profit and loss account in the year	622
As at 31 December 2009	<hr/> 6,137

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

15 Called up share capital

	31 December 2009 £	31 December 2008 £
Allotted, called up and fully paid 100 Ordinary shares of £1 each	<hr/> 100	<hr/> 100

Notes (continued)

16 Reserves

	Profit and loss account £
At the beginning of the year	224,808
Retained profit for the year	266,202
At 31 December 2009	<u>491,010</u>

17 Commitments

Annual commitments under non-cancellable operating leases are as follows

	31 December 2009	31 December 2008
	Land and buildings £	Land and buildings £
Operating leases which expire		
Within one year	-	-
In the second to fifth years inclusive	-	-
Over five years	25,833	25,498
	<u>25,833</u>	<u>25,498</u>

18 Ultimate parent company

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

Notes (continued)

19 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 £56,574 (2008 £88,603) and non insurance related receipts were £nil. Insurance creditors payable at the year end were £19,638 (2008 £37,428).

20 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 & 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
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