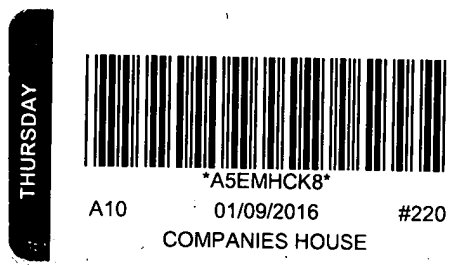


Registration number: 04102237

Berkeley Alexander Limited

Financial Statements

for the year ended 30 December 2015



Berkeley Alexander Limited

Contents

Strategic report	1 to 3
Director's Report	4 to 5
Statement of director's responsibilities	6
Independent auditor's report to the members of Berkeley Alexander Limited	7 to 8
Profit and loss account	9
Balance sheet	10
Reconciliation of movement in shareholder's funds	11
Notes to the financial statements	12 to 26

Berkeley Alexander Limited

Strategic report for the year ended 30 December 2015

The director presents his strategic report for the year ended 30 December 2015 for Berkeley Alexander Limited ("the Company"). The strategic report provides a review of the business for the financial year and describes how the director manages risks. The report outlines the developments and performance of the Company during the financial year, the position at the end of the year and discusses the main trends and factors that could affect the future. The Company is part of the Sentry Holdings Limited Group ("the Group"). Whilst Sentry Holdings Limited is the ultimate parent company, the directors of its subsidiary TIG Topco Limited ("Topco") manage the Group's operations on a daily basis.

Principal activities and business review

The principal activity of the Company is the provision of insurance intermediary services, primarily for personal policies relating to property. The majority of the Company's business is received through agents.

The results for the Company show turnover of £1,522,377 (2014: £1,450,117) and profit on ordinary activities before taxation of £237,317 (2014: £261,245) for the year. At 30 December 2015 the Company had net assets of £2,750,528 (2014: £2,572,520).

Business objectives

The Company continues to emphasise the fundamental importance of putting customers first. The Company has developed policies and processes with the aim of treating every customer fairly and consistently. This includes endeavouring to provide them with the best products, advice and service, which can build loyalty and advocacy, which in turn will strengthen reputation and support profits. Serving customers well involves dealing with complaints promptly and effectively, having high standards around underwriting and pricing, and taking a customer-focused approach to sales and marketing. The development of a strong customer base assists in developing income growth which is another objective of the business. The Company aims to both increase retention rates and attract new customers.

The Company also aspires to create a high performance culture, creating excellent customer service through highly engaged employees. The Company aims to attract, develop and promote the best talent and to create a supportive environment in which every employee continuously learns and develops. The Company's culture and competitive remuneration packages enables it to attract and retain key staff. This will also be achieved by creating a shared understanding of the Company's strategic goals and objectives, building the capability of managers and leaders to manage performance and by every employee having the knowledge, skill and capability to perform their role.

Outlook

The Company will continue to focus on retention of customers through enhanced customer contact and gaining new business through targeted marketing campaigns.

Key performance indicators

The directors of TIG Topco Limited manage the Group's operations on a divisional basis. For this reason, the Company's directors believe that a separate analysis for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business. The development, performance and position of the Group which includes this Company as a member of the Advisory division, is discussed in the Group's annual report. Financial key performance indicators relevant to the Company are Gross Written Premium and commission and fees income as a percentage of premium.

Berkeley Alexander Limited

Strategic report for the year ended 30 December 2015

Non financial key performance indicators include staffing levels which remained constant throughout the period. The Company actively encourages all employees to become involved in Group affairs and is also keen to encourage two-way communications on relevant business issues. This is achieved through regular employee meetings and presentations by senior management and is supported by a Group-wide communication plan. Further discussions on employee matters can be found in the director's report.

Principal risks and uncertainties

Group acquisition

On 2 April 2015 TIG Finco Plc (Finco), a newly formed intermediate holding company, acquired Towergate Insurance Limited (TIL), the previous ultimate parent company, for the total consideration of £735.0 million (m) from Towergate Finance Plc (who was ultimately owned by Advent International, a global private equity firm). This consideration was made up of the issue of £425.0m of senior secured notes by Finco and £310.0m cash which was provided through the issue of new shares in Finco's indirect parent company, TIG Topco Limited (Topco). On the same date Finco issued £300.0m share capital and received a capital contribution from Topco of £60.0m. There is a risk associated with the cost of debt which could impact other companies within the Group.

As a result of these arrangements, on 2 April 2015 funds controlled or managed by Highbridge Principal Strategies LLC became the Group's majority shareholder.

Risk management

The Company has a comprehensive strategy for the identification, mitigation and management of risk. A wide ranging assessment of business risks has been undertaken resulting in the compilation of a risk register. The risk register is subject to discussion at regular Risk Management Committee meetings and the Company's ongoing risk management ensures there is appropriate reporting from the business which will highlight changes in risk profile to the Risk Management Committee. The risks are managed and monitored to be within the agreed risk appetite. If a risk exceeds appetite, management actions will be put in place to bring it within appetite.

The principal risks and their mitigation are as follows:

Strategic and Commercial Risk

There are risks of changes to the competitive and / or economic environment. This is mitigated by a robust strategy and planning process, regular monitoring of economic and competitive environment and diversification of product lines and channels.

Financial Risk

There is the risk of adverse impact on business value or earning capacity as well as risk of inadequate cash flow to meet financial obligations. This risk is mitigated by proactive management of the business plan, regular monitoring of cash flows against risk appetite.

Operational Risk

There is the risk of losses arising from inadequate or failed internal processes or systems, from personnel and / or from external events. These are mitigated by having an Enterprise Risk Management Framework in place, which is owned by the Group Risk Officer. The framework requires all risks to have owners, and these owners have appropriate controls in place which are regularly monitored and significant changes to the risk escalated as required.

The Company's business depends on the ability of employees to process transactions using secure information systems. The capacity to service customers depends on storing, retrieving, processing and managing information. Interruption or loss of information processing capabilities through loss of stored data, the failure of computer equipment or software systems, a telecommunications failure or other disruption could have a material adverse effect on business, results of operations and financial condition. To mitigate these risks the Company has certain disaster recovery procedures in place and insurance to protect against such contingencies.

Berkeley Alexander Limited
Strategic report for the year ended 30 December 2015

Regulatory and Legal Risk

This is the risk of regulatory sanctions, material financial loss or loss to reputation suffered as a result of non compliance with laws, regulations and applicable administrative provisions. This risk is mitigated by a proactive relationship with the Financial Conduct Authority, a dedicated compliance function, and a compliance monitoring programme. Furthermore, there is a control framework that has been rolled out and embedded within the culture throughout the Company to reduce the risk of errors and non compliance.

Volatility in premiums and insurance market cycle

The Company derives most of its revenue from commissions and fees for broking services. Its commissions are generally based on insurance premiums, which are cyclical in nature and may vary widely based on market conditions. A significant reduction in commissions, along with general volatility or declines in premiums, could have a material adverse effect on the results of operations and the Company's financial condition. This risk is mitigated by ensuring that the Company has a range of products and by diversifying its portfolio. This should reduce the effect of a cycle on one specific class of business.

Approved by the Board on 2 August 2016 and signed on its behalf by:



M S Mugge
Director

Berkeley Alexander Limited

Director's Report for the year ended 30 December 2015

The director presents his report and the financial statements for the year ended 30 December 2015.

Directors of the Company

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

S Egan (resigned 14 September 2015)

A D Lyons (appointed 29 January 2015 and resigned 29 June 2015)

G D Hall (resigned 29 January 2015)

M S Mugge (appointed 11 September 2015)

Dividends

The director does not recommend a final dividend payment to be made in respect of the financial year ended 30 December 2015 (2014: £Nil).

Political and charitable donations

The company made charitable donations of £Nil (2014: £50) and political contributions of £Nil (2014: £Nil) during the period.

Employment of disabled persons

The Company's policy is to recruit disabled workers for those vacancies that they have the appropriate skills and technical ability to perform. Once employed, a career plan is developed to ensure that suitable opportunities exist for each disabled person. Employees who become disabled during their working life will be retrained if necessary and wherever possible will be given help with any necessary rehabilitation and training. The Company is prepared to modify procedures or equipment, wherever practicable, so that full use can be made of an individual's abilities.

Employee involvement

Employees are key to the Company's success, so an appropriate remuneration package is offered which rewards an individual's performance and contribution to the organisation. The Company is also keen to encourage individual's personal development to ensure that they have the skills required to undertake their role.

Going concern

The financial statements of the Company set out on pages 9 to 26 have been prepared on a going concern basis. The director believes the going concern basis to be appropriate following their assessment of the Company's financial position and its ability to meet its obligations as and when they fall due. Further details of this assessment can be found in note 1 to these financial statements.

Directors' liabilities

The director benefits from qualifying third-party indemnity provisions in place during the financial period and at the date of this report.

Disclosure of information to the auditors

The director has taken steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The director confirms that there is no relevant information that he knows of and of which he knows the auditor is unaware.

Berkeley Alexander Limited
Director's Report for the year ended 30 December 2015

Reappointment of auditors

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

Approved by the Board on 2 August 2016 and signed on its behalf by:



.....
M S Mugge
Director

Registered Office:

Towergate House
Eclipse Park
Sittingbourne Road
Maidstone
Kent
ME14 3EN

Berkeley Alexander Limited

Statement of director's responsibilities

The director is responsible for preparing the strategic report, the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law he has elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Berkeley Alexander Limited

We have audited the financial statements of Berkeley Alexander Limited for the year ended 30 December 2015, set out on pages 9 to 26. 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 Statement of director's responsibilities set out on page 6, the director is 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 web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 December 2015 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

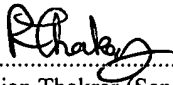
In our opinion the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Berkeley Alexander Limited

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.



.....
Rajan Thakrar (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor

15 Canada Square
Canary Wharf
London
E14 5GL

Date: 2 AUGUST 2016

Berkeley Alexander Limited
Profit and loss account for the year ended 30 December 2015

	Note	Year ended 30 December 2015 £	1 January 2014 to 30 December 2014 £
Turnover	2	1,522,377	1,450,117
Administrative expenses		<u>(1,284,352)</u>	<u>(1,190,982)</u>
Operating profit	3	238,025	259,135
Other interest receivable and similar income	6	-	2,110
Interest payable and similar charges	7	<u>(708)</u>	<u>-</u>
Profit on ordinary activities before taxation		237,317	261,245
Tax on profit on ordinary activities	8	<u>(59,309)</u>	<u>(51,891)</u>
Profit for the financial year	18	<u><u>178,008</u></u>	<u><u>209,354</u></u>

Turnover and operating profit derive wholly from continuing operations.

The Company has no recognised gains or losses for the year other than the results above.


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

The notes on pages 12 to 26 form an integral part of these financial statements.

Berkeley Alexander Limited
(Registration number: 04102237)
Balance sheet as at 30 December 2015

		30 December 2015 £	30 December 2014 £
	Note		
Fixed assets			
Intangible assets	9	67,853	73,336
Tangible assets	10	<u>12,967</u>	<u>45,352</u>
		<u>80,820</u>	<u>118,688</u>
Current assets			
Debtors	11	3,081,761	2,797,779
Cash at bank and in hand	12	<u>504,513</u>	<u>521,739</u>
		3,586,274	3,319,518
Creditors: Amounts falling due within one year	13	<u>(748,531)</u>	<u>(708,786)</u>
Net current assets		<u>2,837,743</u>	<u>2,610,732</u>
Total assets less current liabilities		2,918,563	2,729,420
Creditors: Amounts falling due after more than one year	14	(155,000)	(155,000)
Provisions for liabilities	16	<u>(13,035)</u>	<u>(1,900)</u>
Net assets		<u>2,750,528</u>	<u>2,572,520</u>
Capital and reserves			
Called up share capital	17	100	100
Profit and loss account	18	<u>2,750,428</u>	<u>2,572,420</u>
Shareholder's funds		<u>2,750,528</u>	<u>2,572,520</u>

Approved by the director on 2 August 2016



 M S Mugge
 Director

Berkeley Alexander Limited
Reconciliation of movement in shareholder's funds as at 30 December 2015

	30 December 2015 £	30 December 2014 £
Profit attributable to the shareholder's of the Company	<u>178,008</u>	<u>209,354</u>
Shareholder's funds at start of period	<u>2,572,520</u>	<u>2,363,166</u>
Shareholder's funds at end of period	<u><u>2,750,528</u></u>	<u><u>2,572,520</u></u>

Berkeley Alexander Limited
Notes to the financial statements for the year ended 30 December 2015

1 Accounting policies

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 Sentry Holdings Limited the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transaction or balances with entities which form part of the Group (or investees of the Group qualifying as related parties). The consolidated financial statements within which the Company is included, can be obtained from the address given in note 22.

Going concern

The financial statements of the Company set out on pages 9 to 26 have been prepared on a going concern basis. The director believes the going concern basis to be appropriate following their assessment of the Company's financial position and its ability to meet its obligations as and when they fall due as described below.

At 30 December 2015 the Company had net assets of £2,750,528 (2014: £2,572,520) and net current assets of £2,837,743 (2014: £2,610,732). The net assets include an amount owed by group undertakings of £2,700,769 (2014: £2,478,552), an amount due to group undertakings of £140,356 (2014: £81,971) and goodwill of £67,853 (2014: £73,336).

In reaching their view on preparation of the Company's financial statements on a going concern basis, the directors have therefore considered significant uncertainties facing the Towergate Group surrounding the potential liabilities arising from the past business review of enhanced transfer value ("ETV") and unregulated collective investment schemes ("UCIS") products that existed at the balance sheet date of 30 December 2015, and subsequent actions and developments in the period up to the date of approval of these financial statements.

A contingent liability has been recognised in respect of ETV at Group level, as there are a number of material uncertainties and it is not yet possible to make a reliable estimate of the Group's ultimate liability and related payment profile. A provision has been recognised in respect of UCIS at Group level, however uncertainty remains over the expected profile of redress payments.

During Q1 2016 the Group secured two sources of additional funding totalling up to £59m from Highbridge. Details are as follows:

- Disposal of the entire issued share capital of The Broker Network Limited and Countrywide Insurance Management Limited, both wholly owned subsidiaries of the Group, and the assets of Broker Network Underwriting, a trading style of Towergate Underwriting Group Limited. The consideration for the acquisition shall be satisfied in part by the allotment to Towergate of approximately 19.9% of the shares in the acquisition vehicle, Bravo Investment Holdings Limited, in part through an initial cash consideration of £29m and contingent consideration of up to a further £17.2m if certain events and performance measures occur. This transaction completed on 1 July 2016; and
- A five year facility from Highbridge secured by certain legacy assets of the Group. Binding heads of terms have been signed for this transaction, however, it remains subject to appropriate consents and/or approvals.

The first initiative resulted in a cash injection into the Group in July 2016, the second initiative will result in a cash injection to the Group if the facility is utilised.

Berkeley Alexander Limited
Notes to the financial statements for the year ended 30 December 2015

Proceeds from these initiatives will largely be applied towards an acceleration in the strategic investment in the group transformation plan.

On the basis of the Director's assessment of the Company's financial position and the Group's ability to continue to provide such support as might be required, the Director has a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Hence the Director continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Turnover

(a) Commission and fees

Revenue includes commission and fees receivable at the later of policy inception date or when the policy placement has been completed and confirmed. To the extent that the Company is contractually obliged to provide services after this date, a suitable proportion of income is deferred and recognised over the life of the relevant contracts to ensure that revenue appropriately reflects the cost of fulfilment of these obligations.

(b) Trading deals and profit commission arrangements

Profit sharing arrangements, fees for the provision of payment instalment plans and other contingent and non-contingent trading deals with third parties are recognised over the life of the relevant arrangement or when they can be measured with reasonable certainty. Trading deal income includes contributions to marketing or product development, volume payments and profit commissions receivable.

Insurance transactions, client money and insurer money

Insurance transactions arise from the settlement of transactions with insurance companies on behalf of insurance intermediaries under an insurance agency Terms Of Business Agreement. A debtor balance representing amounts owing from individual customers is recognised when the member arranges a policy, along with a creditor balance representing amounts due to the ultimate insurance provider and commissions earned by the intermediary and Berkeley Alexander Limited. That element of commission earned by Berkeley Alexander Limited is recognised in the profit and loss account at the time the policy is arranged.

Insurance broking debtors and creditors are reported in accordance with the requirements of FRS 5, 'Reporting the Substance of Transactions'. The standard precludes assets and liabilities being offset unless net settlement is legally enforceable, and as a result the insurance broking debtors and creditors have been shown as the gross amounts due in respect of each contract, instead of the net amount due to or from clients and underwriters.

The insurance broking account relates to money held by the Company in a client money account for future settlement of insurance transactions. Monies held in this account are used for this purpose only and are not available for general use by the Company.

Goodwill

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Goodwill

Straight line over 20 years

Berkeley Alexander Limited
Notes to the financial statements for the year ended 30 December 2015

Property, plant and equipment

Property, plant and equipment is stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset is included in the profit and loss account in the period of derecognition.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Computer equipment	25% per annum straight line
Short leasehold land and buildings	Over the remaining life of the lease

Impairment of fixed assets

The carrying amounts of the Company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable and at least annually, in the case of goodwill. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account.

Impairment losses recognised in respect of income-generating units are allocated first to reduce the carrying amount of any goodwill allocated to income generating units. An income-generating unit is the smallest identifiable group of assets that generate income that is largely independent of the income streams from other assets or group of assets.

Calculation of recoverable amount

An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the assets fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

Reversals of impairment

An impairment loss is reversed on intangible assets and goodwill only if subsequent external events reverse the effect of the original event which caused the recognition of the impairment or the loss arose on an intangible asset with a readily ascertainable market value and that market value has increased above the impaired carrying amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Berkeley Alexander Limited
Notes to the financial statements for the year ended 30 December 2015

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the director's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Taxation

The tax expense for the period comprises current and deferred tax. Income tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset only if a legal enforcement right exists to set off current tax assets against current tax liabilities and the deferred income taxes relate to the same taxation authority which permits the Company to make a single net payment.

Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Post retirement benefits

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

2 Turnover

The analysis of the Company's turnover for the year is as follows:

Berkeley Alexander Limited
Notes to the financial statements for the year ended 30 December 2015

	Year ended 30 December 2015	1 January 2014 to 30 December 2014
	£	£
Commission and fees	1,385,114	1,325,313
Trading deals and profit commissions	137,263	124,804
	<u>1,522,377</u>	<u>1,450,117</u>

Turnover consists entirely of sales made in the United Kingdom.

3 Operating profit

Operating profit is stated after charging:

	Year ended 30 December 2015	1 January 2014 to 30 December 2014
	£	£
Operating leases - land and buildings	41,365	34,452
Loss on sale of tangible fixed assets	462	-
Depreciation of owned assets	31,925	37,323
Amortisation of intangible fixed assets	5,483	5,483
Auditor's remuneration - audit of these financial statements	<u>14,820</u>	<u>11,160</u>

Amounts receivable by the Company's auditor in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent, Sentry Holdings Limited.

4 Staff costs

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

	Year ended 30 December 2015	1 January 2014 to 30 December 2014
	No.	No.
Management	7	5
Administration and support	9	5
Sales	<u>6</u>	<u>12</u>
	<u>22</u>	<u>22</u>

Berkeley Alexander Limited
Notes to the financial statements for the year ended 30 December 2015

The aggregate payroll costs were as follows:

	Year ended 30 December 2015	1 January 2014 to 30 December 2014
	£	£
Wages and salaries	598,125	561,895
Social security costs	54,383	52,299
Other pension schemes	8,679	8,810
	<u>661,187</u>	<u>623,004</u>

5 Directors' remuneration

The directors' remuneration for the year was as follows:

	Year ended 30 December 2015	1 January 2014 to 30 December 2014
	£	£
Remuneration	-	76,688
Contributions paid to money purchase schemes	-	5,564
	<u>-</u>	<u>82,252</u>

During the current financial period, the emoluments of all directors are paid by other Group Companies, which make no recharge to the Company. The directors are/were directors of TIG Topco Limited and the predecessor parent company (Towergate Insurance Limited) and 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 consolidated financial statements of TIG Topco Limited.

In respect of the highest paid director:

	Year ended 30 December 2015	1 January 2014 to 30 December 2014
	£	£
Remuneration	-	76,688
Company contributions to money purchase pension schemes	-	5,564

6 Other interest receivable and similar income

	Year ended 30 December 2015	1 January 2014 to 30 December 2014
	£	£
Bank interest receivable	<u>-</u>	<u>2,110</u>

Berkeley Alexander Limited
Notes to the financial statements for the year ended 30 December 2015

7 Interest payable and similar charges

	Year ended 30 December 2015	1 January 2014 to 30 December 2014
	£	£
Unwinding of discount on provisions	<u>708</u>	<u>-</u>

Berkeley Alexander Limited
Notes to the financial statements for the year ended 30 December 2015

8 Taxation

Tax on profit on ordinary activities

	Year ended 30 December 2015	1 January 2014 to 30 December 2014
	£	£
Current tax		
Corporation tax charge	59,978	64,463
Adjustments in respect of previous years	-	(2,715)
UK Corporation tax	<u>59,978</u>	<u>61,748</u>
Deferred tax		
Origination and reversal of timing differences	(3,785)	(7,464)
Deferred tax adjustment relating to previous years	<u>3,116</u>	<u>(2,393)</u>
Total deferred tax	<u>(669)</u>	<u>(9,857)</u>
Total tax on profit on ordinary activities	<u><u>59,309</u></u>	<u><u>51,891</u></u>

Factors affecting current tax charge for the year

The tax on profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK (2014 - higher than the standard rate of corporation tax in the UK) of 20.25% (2014 - 21.49%).

The differences are reconciled below:

	Year ended 30 December 2015	1 January 2014 to 30 December 2014
	£	£
Profit on ordinary activities before tax	<u>237,317</u>	<u>261,245</u>
Corporation tax at standard rate	48,057	56,142
Capital allowances in excess of depreciation	6,558	6,990
Expenses not deductible for tax purposes	5,425	1,331
Adjustment for prior periods	-	(2,715)
Changes in provisions	<u>(62)</u>	<u>-</u>
Total current tax	<u><u>59,978</u></u>	<u><u>61,748</u></u>

Berkeley Alexander Limited
Notes to the financial statements for the year ended 30 December 2015

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 24% to 23% (effective 1 April 2013) was substantively enacted on 3 July 2012. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. In the Budget on 8 July 2015, the Chancellor announced additional planned reductions to 18% by 2020. This will reduce the company's future current tax charge accordingly.

The deferred tax asset at 30 December 2014 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

9 Intangible fixed assets

	Goodwill £
Cost	
At 31 December 2014	<u>109,661</u>
At 30 December 2015	<u>109,661</u>
Amortisation	
At 31 December 2014	36,325
Charge for the year	<u>5,483</u>
At 30 December 2015	<u>41,808</u>
Net book value	
At 30 December 2015	<u><u>67,853</u></u>
At 30 December 2014	<u><u>73,336</u></u>

Goodwill relates to the purchase of a brokerage portfolio from Skelton Financial Services Limited on 1 July 2008.

Berkeley Alexander Limited
Notes to the financial statements for the year ended 30 December 2015

10 Tangible fixed assets

	Short leasehold land and buildings £	Computer equipment £	Total £
Cost			
At 31 December 2014	47,985	116,955	164,940
Disposals	<u>(679)</u>	<u>(1,358)</u>	<u>(2,037)</u>
At 30 December 2015	<u>47,306</u>	<u>115,597</u>	<u>162,903</u>
Depreciation			
At 31 December 2014	41,160	78,428	119,588
Charge for the year	4,739	27,186	31,925
Eliminated on disposals	<u>(366)</u>	<u>(1,211)</u>	<u>(1,577)</u>
At 30 December 2015	<u>45,533</u>	<u>104,403</u>	<u>149,936</u>
Net book value			
At 30 December 2015	<u>1,773</u>	<u>11,194</u>	<u>12,967</u>
At 30 December 2014	<u>6,825</u>	<u>38,527</u>	<u>45,352</u>

Berkeley Alexander Limited
Notes to the financial statements for the year ended 30 December 2015

11 Debtors

	30 December 2015 £	30 December 2014 £
Trade debtors	343,988	286,468
Amounts owed by Group undertakings	2,700,769	2,478,552
Deferred tax	22,400	21,731
Prepayments and accrued income	14,604	11,028
	<u>3,081,761</u>	<u>2,797,779</u>

Deferred tax

The movement in deferred tax in the year is as follows:

	Deferred tax £
At 31 December 2014	21,731
Credited to the profit and loss account	<u>669</u>
At 30 December 2015	<u>22,400</u>

Analysis of deferred tax

	30 December 2015 £	30 December 2014 £
Difference between accumulated depreciation and amortisation and capital allowances	22,148	18,131
Other timing differences	<u>252</u>	<u>3,600</u>
	<u>22,400</u>	<u>21,731</u>

12 Cash at bank and in hand

Cash at bank includes £147,862 (2014: £179,622) which constitutes restricted client money & insurer money and £165,265 (2014: £90,358) in office accounts which are considered restricted and not available to pay the general debts of the Group.

Berkeley Alexander Limited
Notes to the financial statements for the year ended 30 December 2015

13 Creditors: Amounts falling due within one year

	30 December 2015 £	30 December 2014 £
Trade creditors	485,493	513,997
Amounts owed to Group undertakings	140,356	81,971
Corporation tax	59,978	64,463
Other creditors	-	143
Accruals and deferred income	62,704	48,212
	<u>748,531</u>	<u>708,786</u>

14 Creditors: Amounts falling due after more than one year

	30 December 2015 £	30 December 2014 £
Amounts owed to Group undertakings	<u>155,000</u>	<u>155,000</u>

The amount owed to group undertakings of £155,000 (2014: £155,000) relates to a subordinated loan agreement between the Company and Cullum Capital Ventures Limited. This loan cannot be repaid with less than two years notice from the borrower, Berkeley Alexander Limited.

15 Obligations under leases and hire purchase contracts

Operating lease commitments

As at 30 December 2015 the Company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	30 December 2015 £	30 December 2014 £
Land and buildings		
Within two to five years	<u>41,365</u>	<u>37,900</u>

Berkeley Alexander Limited
Notes to the financial statements for the year ended 30 December 2015

16 Provisions

	Dilapidations £	Other provision £	Total £
At 31 December 2014	-	1,900	1,900
Additional provisions	10,929	8,110	19,039
Utilised during the period	-	(6,712)	(6,712)
Amounts unused and reversed	-	(1,900)	(1,900)
Unwind of discounted amount	708	-	708
At 30 December 2015	<u>11,637</u>	<u>1,398</u>	<u>13,035</u>

Dilapidation provision - provides for the estimated amounts payable for dilapidation on each property at the end of the lease term.

Other provision - provides for the estimated onerous cost in relation to a single contract for a commercial electronic comparison platform. The prior period provision relating to a provision for errors and omissions was written back in the current period.

The dilapidations provision is discounted at the rate of 8.75%. The finance charge relating to the unwinding of the discount has been charged to the profit and loss account.

17 Share capital

Allotted, called up and fully paid shares

	30 December 2015		30 December 2014	
	No.	£	No.	£
Ordinary Shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

18 Reserves

	Profit and loss account £
At 31 December 2014	2,572,420
Profit for the year	<u>178,008</u>
At 30 December 2015	<u>2,750,428</u>

19 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £8,679 (2014 - £8,810).

Berkeley Alexander Limited
Notes to the financial statements for the year ended 30 December 2015

20 Contingent liabilities

Guarantees

On 2 April 2015 the Group completed a financial restructuring and recapitalisation process. At that date Towergate Finance Plc sold its immediate subsidiary, Towergate Insurance Limited, to TIG Finco Plc. On the same date TIG Finco Plc issued £425.0m of 8.75% Senior Secured Notes and £75.0m of Floating Rate Super Senior Secured Notes.

The obligations of the Company under the 8.75% Senior Secured Notes and the Floating Rate Super Senior Secured Notes are guaranteed by TIG Midco Limited, the immediate parent company of TIG Finco Plc and all its material and certain other subsidiaries. These companies are listed below:

Berkeley Alexander Limited	Protectagroup Limited
Capital & County Insurance Brokers Limited	Richard V Wallis & Co Limited
Countrywide Insurance Management Limited	Roundcroft Limited
Cox Lee & Co Limited	T F Bell Holdings Limited
Fusion Insurance Services Limited	T L Risk Solutions Limited
Crawford Davis Insurance Consultants Limited	The Broker Network Limited
Cullum Capital Ventures Limited	The T F Bell Group Limited
Fusion Insurance Holdings Limited	Three Counties Insurance Brokers Limited
Fusion Insurance Services Limited	Towergate London Market Limited
HLI (UK) Limited	Townfrost Limited
Just Insurance Brokers Limited	CCV Risk Solutions Limited
Managing Agents Reference Assistance Services Limited	Eclipse Park Acquisitions Limited
Moffatt & Co Limited	Towergate Risk Solutions Limited
Paymentshield Holdings Limited	Broker Network Holdings Limited
Paymentshield Limited	Oyster Risk Solutions Limited
Portishead Insurance Management Limited	Paymentshield Group Holdings Limited
Protectagroup Acquisitions Limited	Towergate Underwriting Limited
Protectagroup Holdings Limited	Towergate Insurance Limited

21 Related party transactions

The Company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the Group.

Berkeley Alexander Limited
Notes to the financial statements for the year ended 30 December 2015

22 Control

At 30 December 2014, the ultimate parent company was Towergate Insurance Limited. On 2 April 2015, Highbridge Principal Strategies LLC became the Group's majority shareholder when its investment in Sentry Holdings Limited (incorporated in Jersey) acquired a direct interest in TIG Topco Limited (incorporated in Jersey) and indirect interests in Towergate Insurance Limited and its subsidiaries. At 30 December 2015, the ultimate parent company was Sentry Holdings Limited.

The consolidated financial statements of Sentry Holdings Limited are available upon request from:

Towergate House
Eclipse Park
Sittingbourne Road
Maidstone
Kent
ME14 3EN