

**Arthur Marsh & Son Limited**  
**Directors' report and financial statements**

**for the year ended 31 December 2011**

**Registered Number 04299683**

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## **Officers and professional advisers**

### **Directors**

M P Rea  
S T B Clark  
G Barr  
D J Bruce

### **Secretary**

S T B Clark

### **Registered office**

Towergate House  
Eclipse Park  
Sittingbourne Road  
Maidstone  
Kent  
ME14 3EN

### **Auditor**

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

## **Directors' report**

The directors present their report and the audited financial statements for the year to 31 December 2011

### **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 results for the Company show a pre-tax profit of £510,341 for the year (2010: £672,292) and turnover of £1,729,132 (2010: £1,939,621). The Company has net assets of £2,449,364 (2010: £2,085,058).

Discussion on the consolidated results of Cullum Capital Ventures Limited group of companies ('the Group') which includes the Company, can be found in the Group's annual report which does not form part of this report.

### **Future outlook**

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

### **Dividend**

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

### **Changes in group structure**

On 11 February 2011 a new holding company, Towergate Partnershipco Limited, was created in which funds advised by Advent International invested £200,000,000. Towergate Partnershipco Limited acquired for a combination of new shares and cash all of the Ordinary share capital of Cullum Capital Ventures Limited. Towergate Partnershipco Limited also acquired Towergate Partnership Limited.

On 27 June 2012, Cullum Capital Ventures Limited's existing debt facilities were transferred to Towergate Insurance Limited in exchange for new shares.

These changes in group structure have resulted in Towergate Partnershipco Limited becoming the ultimate parent company and Cullum Capital Ventures Limited an intermediate holding company. Mr PG Cullum ceased to be the controlling party of the group.

## Directors' report (continued)

### Directors and directors' interests

The directors who held office during the period were as follows

M P Rea  
S T B Clark  
B Park (appointed 23 March 2011, resigned 16 April 2012)

Directors appointed after the year end were as follows

S Egan (appointed 19 April 2012)  
G Barr (appointed 16 April 2012, resigned 08 August 2012)  
D J Bruce (appointed 08 August 2012)

The interests of the directors who held office at the end of the financial 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

### Third party indemnity provisions

The Company did not provide qualifying third party indemnity provisions to any of its directors during the year. No provisions were in force at the date these accounts were approved.

### Creditor policies

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

### Political and charitable contributions

The Company made no charitable contributions during the current year (2010: £Nil).

### Disclosure of information to auditor

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware and each director has taken all the steps that they ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Auditor

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

By order of the board



D J Bruce  
Director

25 September 2012

## **Statement of Directors' responsibilities in respect of the Directors' report and the financial statements**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

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

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **Independent auditor's report to the members of Arthur Marsh & Son Limited**

We have audited the financial statements of Arthur Marsh & Son Limited for the year ended 31 December 2011 set out on pages 6 to 21. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



N B Priestley (Senior Statutory Auditor)

**for and on behalf of KPMG Audit Plc, Statutory Auditor**

*Chartered Accountants*

15 Canada Square

Canary Wharf

London

E14 5GL

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

		Year to 31 December 2011	Year to 31 December 2010
	<i>Note</i>	£	£
<b>Turnover</b>	<i>1</i>	1,729,132	1,939,621
Administrative expenses		(1,221,494)	(1,270,670)
<b>Operating profit</b>		<u>507,638</u>	<u>668,951</u>
Other interest receivable and similar income	<i>5</i>	3,013	3,341
Interest payable and similar charges	<i>6</i>	(310)	-
<b>Profit on ordinary activities before taxation</b>	<i>2</i>	<u>510,341</u>	<u>672,292</u>
Tax on profit on ordinary activities	<i>7</i>	(146,035)	(175,591)
<b>Profit for the financial year</b>		<u><u>364,306</u></u>	<u><u>496,701</u></u>

Turnover and operating profit relates entirely to continuing operations

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

The notes on pages 9 to 21 form part of these financial statements



## Balance sheet at 31 December 2011

	<i>Note</i>	At 31 December 2011	At 31 December 2010 <i>restated</i>
		£	£
<b>Fixed assets</b>			
Intangible fixed assets	8	712,221	753,594
Tangible fixed assets	9	70,326	80,180
		<u>782,547</u>	<u>833,774</u>
<b>Current assets</b>			
Debtors	10	2,566,936	2,238,766
Cash at bank and in hand	11	567,816	666,983
		<u>3,134,752</u>	<u>2,905,749</u>
<b>Creditors</b> amounts falling due within one year	12	(1,084,043)	(1,363,885)
<b>Net current assets</b>		2,050,709	1,541,864
<b>Total assets less current liabilities</b>		2,833,256	2,375,638
<b>Creditors</b> amounts falling due after more than one year	13	(274,081)	(274,081)
<b>Provisions for liabilities</b>	14	(109,811)	(16,499)
<b>Net assets</b>		<u>2,449,364</u>	<u>2,085,058</u>
<b>Capital and reserves</b>			
Called up share capital	15	100,002	100,002
Share premium account	16	804,188	804,188
Profit and loss account	16	1,545,174	1,180,868
<b>Shareholders' funds</b>		<u>2,449,364</u>	<u>2,085,058</u>

The notes on pages 9 to 21 form part of these financial statements

These financial statements were approved by the board of directors on 25 September 2012 and were signed on its behalf by



**D J Bruce**  
*Director*

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

	Year to 31 December 2011 £	Year to 31 December 2010 £
Retained profit for the financial period	364,306	496,701
Opening shareholders' funds	2,085,058	1,588,357
	<hr/>	<hr/>
Closing shareholders' funds	2,449,364	2,085,058
	<hr/>	<hr/>

The notes on pages 9 to 21 form part of these financial statements

## **Notes**

*(forming part of the financial statements)*

### **1 Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements with the exception of the disclosure of certain liabilities, the impact of which is described in more detail in note 12

#### **Basis of preparation**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and under historical cost accounting rules. The financial statements have been prepared on a going concern basis.

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 20.

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.

#### **Goodwill**

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations in respect of acquisitions since 1 January 1998 is capitalised. Positive goodwill is amortised to Nil by equal annual instalments over its estimated useful life. This is taken as 20 years.

#### **Employee share incentive plans**

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

The cash-settled share appreciation rights: the fair value of the amount payable to the employee is recognised as an expense with a corresponding increase in liabilities. The fair value is initially measured at grant date and spread over the period during which employees become unconditionally entitled to payment. The fair value is measured based on prices achieved for the sale of the Company's shares in recent transactions. The liability is revalued at each balance sheet date and settlement date with any changes to fair value being recognised in the profit and loss account.

## **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 by equal instalments over their estimated useful economic lives as follows

Fixtures, fittings and equipment	–	20% Reducing balance
Computer software	–	20% Reducing balance
Leasehold improvements	–	The remaining life of the lease

#### **Leases**

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

#### **Taxation**

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all 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

### **2 Profit on ordinary activities before taxation**

	Year to 31 December 2011 £	Year to 31 December 2010 £
<b>Profit on ordinary activities before taxation is stated after charging</b>		
Amortisation of goodwill	41,372	40,436
Depreciation and other amounts written off owned tangible fixed assets	17,882	23,284
Rentals under operating leases – plant and machinery	–	3,455
Rentals under operating leases – land and buildings	66,882	66,795
<i>Auditors' remuneration</i>		
	£	£
Audit of these financial statements	8,856	8,543
Amounts receivable by the auditor and their associates in respect of		
Other services pursuant to such legislation	3,185	2,997

## Notes (continued)

### 3 Remuneration of directors

The emoluments of Messrs Rea, Brown and Clark are paid by Cullum Capital Ventures Limited, which makes no recharge to the Company. All are directors of the ultimate parent company 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 financial statements of the ultimate parent company.

### 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:

	<b>Number of employees</b>	
	<b>Year to 31 December 2011</b>	<b>Year to 31 December 2010</b>
Administration	4	4
Broking	22	22
Management	1	1
	<u>27</u>	<u>27</u>

The aggregate payroll costs of these persons were as follows:

	<b>£</b>	<b>£</b>
Wages and salaries	745,093	702,413
Social security costs	80,316	74,208
Other pension costs	12,957	18,520
	<u>838,366</u>	<u>795,141</u>

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 £12,957 (2010: £18,520).

Contributions amounting to £Nil (2010: £Nil) were payable to the scheme and are included in creditors.

**Notes (continued)**

**5 Other interest receivable and similar income**

	Year to 31 December 2011 £	Year to 31 December 2010 £
Bank interest receivable	3,013	3,341
	<u>3,013</u>	<u>3,341</u>
	<u>3,013</u>	<u>3,341</u>

**6 Interest payable and similar charges**

	Year to 31 December 2011 £	Year to 31 December 2010 £
Interest on overdue tax	310	-
	<u>310</u>	<u>-</u>
	<u>310</u>	<u>-</u>

Of the above amount £Nil (2010 £Nil) was payable to group undertakings

## Notes (continued)

### 7 Taxation

Analysis of charge in year

	Year to 31 December 2011 £	Year to 31 December 2010 £
<i>UK corporation tax</i>		
Current tax on income for the year	139,696	187,942
Under/(over) provision in prior years	6,975	(11,622)
	<u>146,671</u>	<u>176,320</u>
Total current tax	146,671	176,320
<i>Deferred tax</i>		
Origination/reversal of timing differences	(636)	(729)
	<u>(636)</u>	<u>(729)</u>
Total deferred tax	(636)	(729)
<b>Tax on profit on ordinary activities</b>	<u><u>146,035</u></u>	<u><u>175,591</u></u>

#### *Factors affecting the tax charge for the current year*

The current tax charge for the year is higher (2010 lower) than the standard rate of corporation tax in the UK of 26.5% (2010 28%). The differences are explained below

	Year to 31 December 2011 £	Year to 31 December 2010 £
<b>Current tax reconciliation</b>		
Profit on ordinary activities before tax	510,341	672,292
Current tax at 26.5% (2010 28%)	135,205	188,242
Effects of		
Expenses not deductible for tax purposes	3,727	(1,650)
Depreciation in excess of capital allowances	764	1,350
Adjustments in respect of previous years	6,975	(11,622)
<b>Total current tax charge (see above)</b>	<u><u>146,671</u></u>	<u><u>176,320</u></u>

#### *Factors that may affect future current and total tax charges*

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

## **Notes (continued)**

### **8 Intangible fixed assets**

	<b>Goodwill</b>
	<b>£</b>
<b>Cost</b>	
At 1 January 2011	1,802,451
Additions	-
Disposals	-
<b>At 31 December 2011</b>	<b>1,802,451</b>
<b>Amortisation</b>	
At 31 December 2010	1,048,858
Charge for year	41,372
Amortisation on disposal	-
<b>At 31 December 2011</b>	<b>1,090,230</b>
<b>Net book value</b>	
<b>At 31 December 2011</b>	<b>712,221</b>
	<hr/>
At 31 December 2010	753,594
	<hr/>

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



## Notes (continued)

### 9 Tangible fixed assets

	Leasehold improvements £	Fixtures, fittings and equipment £	Computer equipment & software £	Total £
<b>Cost</b>				
At 1 January 2011	25,255	60,448	61,908	147,611
Additions	-	7,550	478	8,028
Disposals	-	-	-	-
<b>At 31 December 2011</b>	<b>25,255</b>	<b>67,998</b>	<b>62,386</b>	<b>155,639</b>
<b>Depreciation</b>				
At 31 December 2010	7,216	32,178	28,037	67,431
Disposal	-	-	-	-
Charge for period	4,728	6,308	6,846	17,882
<b>At 31 December 2011</b>	<b>11,944</b>	<b>38,486</b>	<b>34,883</b>	<b>85,313</b>
<b>Net book value</b>				
<b>At 31 December 2011</b>	<b>13,311</b>	<b>29,512</b>	<b>27,503</b>	<b>70,326</b>
At 31 December 2010	18,039	28,270	33,871	80,180

### 10 Debtors

	31 December 2011 £	31 December 2010 £
Insurance debtors	439,420	510,564
Amounts owed by group undertakings	1,963,865	1,657,069
Prepayments and accrued income	163,651	71,133
	<b>2,566,936</b>	<b>2,238,766</b>

### 11 Cash at bank and in hand

Cash at bank and in hand as at 31 December 2011 was £567,816 (2010: £666,983). Cash at bank includes £549,364 (2010: £625,389) which constitutes client money and is not available to pay the general debts of the Company.

## Notes (continued)

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

	31 December 2011	31 December 2010
	£	<i>restated</i> £
Bank loans and overdrafts	-	17,565
Insurance creditors	746,817	888,292
Corporation tax	206,733	187,933
Other taxation and social security	25,760	22,239
Other creditors, accruals and deferred income	104,733	247,856
	<u>1,084,043</u>	<u>1,363,885</u>

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

### 13 Creditors, amounts falling due after more than one year

	31 December 2011	31 December 2010
	£	£
Subordinated loan from Cullum Capital Ventures Limited	274,081	274,081
	<u>274,081</u>	<u>274,081</u>

The subordinated loan incurs no interest. The Company, as the borrower, cannot repay any part of the subordinated loan without first giving two years' notice in writing, to its ultimate parent company Cullum Capital Ventures Limited, as the lender.

### 14 Provisions for liabilities

	Deferred Taxation	Errors & Omissions Accruals	Provision for cancellations and lapsed policies	Total
	£	£	£	£
At beginning of year ( <i>restated</i> )	3,323	2,500	10,676	16,499
Charged/(credited) to profit in the year	(636)	97,000	(3,052)	93,312
As at 31 December 2011	<u>2,687</u>	<u>99,500</u>	<u>7,624</u>	<u>109,811</u>

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

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

## Notes (continued)

### 15 Called up share capital

	31 December 2011 £	31 December 2010 £
<b>Allotted, called up and fully paid</b>		
95,566 A Ordinary shares of £1	95,566	95,566
4,436 B Ordinary shares of £1	4,436	4,436
	<u>100,002</u>	<u>100,002</u>
Shares classified in shareholders' funds		

B Ordinary shareholders have no entitlement to dividends or voting B Ordinary shareholders rank pari passu alongside A Ordinary shareholders in the event of any return of assets

### 16 Share premium and reserves

	Share premium account £	Profit and loss account £
At the beginning of the year	804,188	1,180,868
Profit for the year	-	364,306
	<u>804,188</u>	<u>1,545,174</u>
<b>At 31 December 2011</b>		

## Notes (continued)

### 17 Share-based payments

#### Share plans

#### Share appreciation rights

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

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

	2011	2010
	£	£
Provision for share appreciation rights	-	-
Provision for social security costs	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

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

	2011	2010
	£	£
Liability at the beginning of the year	-	5,805
Granted and (credited)/charged to profit and loss during the year	-	(5,146)
Revaluation and charged/(credited) to profit and loss during the year		
Revaluation debited/(credited) to goodwill		
Settled during the year		
Increase/(decrease) in provision for social security costs	-	(659)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

## **Notes** *(continued)*

### **18 Contingent liabilities**

A guarantee and debenture have been granted over the shares and the assets of the Company in favour of the Lloyds Banking Group (previously Bank of Scotland Plc), under the terms of which all monies due or which may become due from the Company, or other group companies listed below, to the Lloyds Banking Group, are guaranteed. The amount due by group companies at 31 December 2011 was £47,754,261 (2010 £52,726,940). Further details of the aggregate liabilities due by group companies to the Lloyds Banking Group are set out in the financial statements of the parent company. The group companies involved include principally

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

## Notes (continued)

### 19 Commitments

Annual commitments under non-cancellable operating leases are as follows

	31 December 2011	31 December 2010
	Land and buildings	Land and buildings
	£	£
Operating leases which expire In the second to fifth years inclusive	66,882	66,795
	<hr/>	<hr/>
	66,882	66,795
	<hr/>	<hr/>

### 20 Ultimate parent undertaking

The Company is a subsidiary undertaking of Cullum Capital Ventures Limited which was the intermediate parent company at the year end. These financial statements present information about the Company as an individual undertaking and not about its Group.

On 11 February 2011 a new holding company Towergate Partnershipco Limited, was created in which funds advised by Advent International invested £200 million. Towergate Partnershipco Limited has acquired for a combination of new shares and cash all of the Ordinary share capital of Cullum Capital Ventures Limited. Towergate Partnershipco Limited also acquired Towergate Partnership Limited.

This change in group structure has resulted in Towergate Partnershipco Limited becoming the ultimate parent company and Cullum Capital Ventures Limited an intermediate holding company. Mr PG Cullum ceased to be the controlling party of the group.

The largest group in which the results of the Company are consolidated is that headed by Towergate Partnershipco Limited. 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

Towergate House  
Eclipse Park  
Sittingbourne Road  
Maidstone  
Kent  
ME14 3EN

## **Notes** *(continued)*

### **21 Related party disclosures**

The following are the related parties of the Company

Cullum Capital Ventures Limited the intermediate holding company

Mr P G Cullum, the director of Cullum Capital Ventures Limited, by virtue of his significant interest in the intermediate holding company's equity capital

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 Company conducted business, on an arms length basis, with Towergate Underwriting Group Limited a company in which Mr PG Cullum currently has a significant interest. The total of commission receivable from Towergate Underwriting Group was £831,245 (2010 £875,609) and non insurance related receipts were £18,224 (2010 £nil). Insurance creditors payable at the year end were £273,509 (2010 £349,881).

### **22 Post balance sheet**

On 27th June 2012, Cullum Capital Ventures Limited issued 265,061 new Ordinary £1 shares. The transfer to Towergate Insurance Limited of Cullum Capital Ventures Limited's existing debt facilities was made in exchange for these new shares. Towergate Insurance Limited became the immediate parent company of Cullum Capital Ventures Limited. Towergate Partnershipco Limited remained the ultimate parent company.