

Registration number: 04450179

Sullivan Garrett Limited

Financial Statements

for the year ended 31 December 2014

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Sullivan Garrett Limited

Strategic report for the year ended 31 December 2014

The director presents his strategic report for the year ended 31 December 2014 for Sullivan Garrett Limited ("the Company"). The strategic report provides a review of the business for the financial year and describes how the directors manage 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 Towergate Insurance Limited Group ("the Group").

Principal activities and business review

The principal activity of the Company is the provision of insurance intermediary services but the Company no longer trades and the directors therefore took the decision on 30 September 2014 to cease trading completely.

The results for the Company show turnover of £Nil (2013: £Nil) and profit on ordinary activities before taxation of £Nil (2013: £1) for the year. At 31 December 2014 the Company had net assets of £1,000 (2013: £1,102,095).

Key performance indicators

The directors of Towergate Insurance Limited manage the Group's operations on a divisional basis.

The development, performance and position of the Towergate Insurance Limited group, which includes the Company, is discussed in the Group's annual report which does not form part of this report.

For this reason, the Company's director believes that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of Sullivan Garrett Limited.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are now integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks of the Group, which include those of the Company, are discussed in the Group's annual report.

Sullivan Garrett Limited
Strategic report for the year ended 31 December 2014

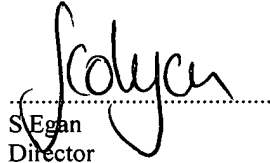
Group restructuring

On 2 April 2015 control of the Group changed as a consequence of the financial restructuring of the senior secured creditors and senior unsecured creditors of Towergate Finance plc (a former intermediate parent company). As part of this, TIG Finco plc acquired the Group for consideration of £735m made up of (i) the issue of £425m of senior secured notes by TIG Finco plc, and (ii) the issue of new shares in TIG Topco Limited, TIG Finco plc's indirect parent company, valued at £310m.

As a result of these transactions, in April 2015, the Group and its subsidiaries became part of a new group with Highbridge Principal Strategies LLC as the majority shareholder.

As part of the restructuring, additional capital of £122m was received by the Group through the issue by TIG Topco Limited of new shares for £50m and the issue by TIG Finco plc of £75m of super senior secured notes at a discount of £3m. This capital was raised to provide liquidity to the Group and specifically to fund (i) the costs of the restructuring of £42m; (ii) Long Term Incentive Plans which became payable following the restructuring of £30m; (iii) retention bonuses of £8m; and (iv) minority interest buy outs of £2m.

Approved by the Board on 13/7/2015 and signed on its behalf by:


S Egan
Director

Sullivan Garrett Limited
Director's Report for the year ended 31 December 2014

The director presents his report and the financial statements for the year ended 31 December 2014.

Directors of the Company

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

S Egan

M S Hodges (resigned 17 October 2014)

Dividends

The director recommends a final dividend payment of £1,101,095 to be made in respect of the financial year ended 31 December 2014 (2013: £Nil).

Political and charitable donations

The Company made charitable donations of £Nil (2013: £Nil) and political donations of £Nil (2013: £Nil) during the year.

Going concern

The financial statements of the Company set out on pages 8 to 14 were prepared on a non-going concern basis. In the previous year, the financial statements were prepared on a going concern basis. However on 30 September 2014 the directors took the decision to cease trading therefore the director has not prepared the financial statements on a going concern basis. No adjustments were necessary to the amount at which the remaining net assets are included in these financial statements.

Post balance sheet event

The Group has undergone a financial restructuring which completed in April 2015 of which this company is a guarantor, details of this restructuring are included in note 12.

Director's liabilities

The directors benefit 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 auditors are aware of that information. The director confirms that there is no relevant information that he knows of and of which he knows the auditors are unaware.

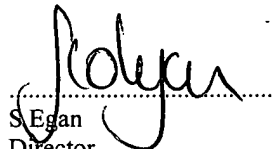
Sullivan Garrett Limited
Director's Report for the year ended 31 December 2014

Reappointment of auditors

During the year KPMG Audit Plc resigned and KPMG LLP was appointed as statutory auditors of the Company on 26 March 2015.

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 13/7/2015 and signed on its behalf by:


S. Egan
Director

Hexagon House Grimbald Grag Close
St James Business Park
Knaresborough
North Yorkshire
HG5 8PJ

Sullivan Garrett 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.

Sullivan Garrett Limited
Independent auditor's report to the members of Sullivan Garrett Limited

We have audited the financial statements of Sullivan Garrett Limited for the year ended 31 December 2014, set out on pages 8 to 14. 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 5, 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 31 December 2014 and of its results for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - non-going concern basis of preparation

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

Opinion on other matter prescribed by the Companies Act 2006

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

Sullivan Garrett Limited
Independent auditor's report to the members of Sullivan Garrett 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.

L. Pomeroy

.....
Lawrence Pomeroy (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor

1 The Embankment
Neville Street
Leeds
LS1 4DW

Date: 13/7/2015

Sullivan Garrett Limited
Profit and loss account for the year ended 31 December 2014

	Note	2014 £	2013 £
Turnover		-	-
Operating profit	2	-	-
Other interest receivable and similar income	5	-	1
Profit on ordinary activities before taxation		-	1
Profit for the financial year		-	1

Turnover and operating profit derive wholly from discontinued operations.

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

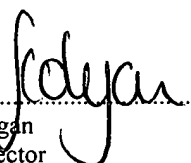
There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

The notes on pages 11 to 14 form an integral part of these financial statements.

Sullivan Garrett Limited
(Registration number: 04450179)
Balance sheet as at 31 December 2014

	Note	2014 £	2013 £
Current assets			
Debtors	6	1,000	1,111,404
Creditors: Amounts falling due within one year	7	-	(9,309)
Net assets		<u>1,000</u>	<u>1,102,095</u>
Capital and reserves			
Called up share capital	8	1,000	1,000
Profit and loss account	9	-	1,101,095
Shareholder's funds		<u>1,000</u>	<u>1,102,095</u>

Approved by the director on 13/7/2015


 S Egan
 Director

Sullivan Garrett Limited
Reconciliation of movement in shareholder's funds as at 31 December 2014

	2014	2013
	£	£
Profit attributable to the members of the Company	-	1
Dividends	<u>(1,101,095)</u>	<u>-</u>
Net (reduction)/addition to shareholder's funds	(1,101,095)	1
Shareholder's funds at 1 January	<u>1,102,095</u>	<u>1,102,094</u>
Shareholder's funds at 31 December	<u><u>1,000</u></u>	<u><u>1,102,095</u></u>

Sullivan Garrett Limited
Notes to the financial statements for the year ended 31 December 2014

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 Towergate Insurance Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the Group (or investees of the Group qualifying as related parties). The consolidated financial statements of Towergate Insurance Limited within which the Company is included, can be obtained from the address given in note 11.

Going concern

The financial statements of the Company set out on pages 8 to 14 were prepared on a non going concern basis. In the previous year, the financial statements have been prepared on a going concern basis. However on 30 September 2014 the directors took the decision to cease trading therefore the director has not prepared the 2014 financial statements on a going concern basis. No adjustments were necessary to the amount at which the remaining net assets are included in these financial statements.

In respect of the recoverability of amounts owed by Group undertakings in the Company's financial statements the director has considered significant uncertainties facing the Group that existed at the balance sheet date of 31 December 2014 and subsequent actions and developments in the period up to the date of approval of these financial statements.

The uncertainties that existed at the balance sheet date were disclosed on 19 November 2014 in the consolidated financial statements of Towergate Holdings II Limited, an intermediate parent company in the Group, for the period ended 30 September 2014. Those consolidated financial statements highlighted uncertainties over that group's operational cash flow and liquidity requirements and respective management actions, some of which required the agreement of third parties, the successful renegotiation of that group's financial covenant attaching to a fully drawn £85.0m revolving credit facility and the quantum, timing and recoveries of customer redress payments relating to advice given by the Group's Towergate Financial businesses.

On 2 April 2015 control of the Group changed as a consequence of the financial restructuring of the senior secured creditors and senior unsecured creditors of Towergate Finance plc (an intermediate parent company in the Group). As part of this, TIG Finco plc acquired the Group for consideration of £735.0m and additional capital was made available of £122.0m through the issue by TIG Topco Limited of new shares for £50.0m and the issue by TIF Finco plc of £75.0m of super senior secured notes at a discount of £3.0m. This capital was raised to provide liquidity and to fund the costs of the restructuring of £82.0m.

Sullivan Garrett Limited
Notes to the financial statements for the year ended 31 December 2014

The Group sold the Towergate Financial Group of businesses on 16 March 2015. As part of the sale the potential liabilities in relation to the advice given on the sale of Enhanced Transfer Values and Unregulated Collective Investment Schemes remain with the Group. Given the number of material uncertainties that continue to exist, it is not yet possible to make a reliable estimate of the Group's ultimate liability in connection with these investigations. However, purely for the purposes of developing business plans and cash flow projections for the Group, a range of £65.0m to £85.0m has been adopted as a potential redress cost, excluding expenses. No provision has been recognised in this Company for the redress costs or expenses for the past business review as the issue relates to the Towergate Financial Group of businesses only.

On the basis of their assessment of the Group's financial position, the Company's director has a reasonable expectation that the amounts due from Group undertakings at the balance sheet date are recoverable.

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 Operating profit

Arrived at after charging:

	2014	2013
	£	£
Auditor's remuneration - audit of these financial statements	<u>-</u>	<u>-</u>

In the current year the audit fee of £2,300 (2013: £2,300) has been borne by another company within the Group, which has made no recharge to the Company.

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 Towergate Insurance Limited, being the largest Group in which the results of the Company are consolidated.

3 Staff costs

The Company had no employees in the current year or the preceding year. All administration is performed by employees of the Group, for which the costs are borne in other group companies who make no recharge to the Company.

4 Directors' remuneration

The emoluments of Messrs Hodges and Egan were paid by other Group companies, which made no recharge to the Company. These directors are / were 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.

Sullivan Garrett Limited
Notes to the financial statements for the year ended 31 December 2014

5 Other interest receivable and similar income

	2014	2013
	£	£
Bank interest receivable	<u>-</u>	<u>1</u>

6 Debtors

	2014	2013
	£	£
Amounts owed by Group undertakings	<u>1,000</u>	<u>1,111,404</u>

7 Creditors: Amounts falling due within one year

	2014	2013
	£	£
Amounts owed to Group undertakings	<u>-</u>	<u>9,309</u>

8 Share capital

Allotted, called up and fully paid shares

	No.	2014 £	No.	2013 £
Ordinary Shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

9 Reserves

	Profit and loss account £
At 1 January 2014	1,101,095
Dividends	<u>(1,101,095)</u>
At 31 December 2014	<u>-</u>

10 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.

Sullivan Garrett Limited
Notes to the financial statements for the year ended 31 December 2014

11 Control

At the balance sheet date the ultimate parent company of the Company was Towergate PartnershipCo Limited. On 2 April 2015 the Group completed its financial restructuring and recapitalisation transactions and an intermediate holding Company, Towergate Insurance Limited, was sold to TIG Finco plc. The ultimate holding company of the Group is now TIG Topco Limited and this is the parent company of the largest Group in which the results of the Company will be consolidated.

At 31 December 2014 the parent company of the largest Group in which the results of the Company were consolidated was Towergate Insurance Limited.

These consolidated financial statements are available from:

Towergate House
Eclipse Park
Sittingbourne Road
Maidstone
Kent
ME14 3EN

12 Post balance sheet events

On 2 April 2015 the Group completed a financial restructuring in relation to the senior secured creditors and senior unsecured creditors of Towergate Finance plc, a former intermediate parent company. As part of these arrangements TIG Finco plc (a newly formed holding company) acquired the Group for consideration of £735.0m made up of the issue of £425.0m of Senior Secured Notes by TIG Finco plc and the issue of new shares in TIG Finco plc's indirect parent company, TIG Topco Limited, valued at £310.0m. The impact on the Group of this restructuring is to change the debt being guaranteed by this Group.

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

As part of the financial restructuring, additional capital of £122.0m was received by the Group through the issue by TIG Topco Limited of new shares for £50.0m and the issue by TIG Finco plc of £75.0m of Super Senior Secured Notes at a discount of £3.0m. The additional funds, which have been passed to the Group through a loan arrangement, provide liquidity to the Group and have enabled it to fund the restructuring costs of £42.0m, the vesting of long term incentive plans which have crystallised (or will in the future crystallise as a result of the restructuring) of £30.0m, retention bonuses of £8.0m and minority interest buy outs of £2.0m.