

Registration number: 03251997

# Waveney Group Schemes Limited

Financial Statements

for the period from 1 November 2012 to 31 December 2013

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**Waveney Group Schemes Limited**  
**Company Information**

**Company secretary** J Owens

**Registered office** Towergate House  
Eclipse Park  
Sittingbourne Road  
Maidstone  
Kent  
ME14 3EN

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

## **Waveney Group Schemes Limited**

### **Strategic Report for the period from 1 November 2012 to 31 December 2013**

The directors present their strategic report for the period from 1 November 2012 to 31 December 2013.

#### **Principal activities and business review**

The principal activity of the Company is the provision of insurance intermediary services.

The results for Waveney Group Schemes Limited ("the Company") show a pre-tax profit of £1,622,322 (2012: £891,378) for the period and turnover of £2,973,224 (2012: £2,272,853). The Company has net assets of £3,836,719 (2012: £2,617,099).

#### **Business Objectives**

The Company continues to emphasise the importance of putting customers first - this is fundamental to the business. By treating every customer fairly and consistently, focussing on providing them with the best products, advice and service, the Company can build loyalty and advocacy, which in turn will strengthen reputation and support profits. Serving customers well involves dealing with complaints promptly and effectively, handling claims appropriately, having high standards around underwriting & pricing, and taking a customer-focussed approach to sales and marketing. Developing a strong customer base assists in developing income growth 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 enable us to attract and retain key staff. This will also be achieved by creating a shared understanding of our strategic goals and objectives, building the capability of our managers and leaders to manage performance and by every employee having the knowledge, skill and capability to perform their role.

#### **Principal risks and uncertainties**

On 19 November 2014 the unaudited consolidated financial statements for Towergate Holdings II Limited, an intermediate holding company, were published for the nine month period ended 30 September 2014. Those consolidated financial statements highlighted uncertainties over the Group's operational cash flow and liquidity requirements in Q1 2015, a requirement to renegotiate financial covenants which it might otherwise be unable to satisfy and the quantum, timing and recoveries of customer redress payments relating to advice given by the Group's Towergate Financial businesses. The Towergate Group noted on 23 December 2014 that it is in discussions with parties interested in potentially acquiring the Group. Further consideration of this disclosure and the impact on the preparation of the Company's financial statements can be found in Note 1.

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 and a close relationship with a number of debt providers.

**Waveney Group Schemes Limited**  
**Strategic Report for the period from 1 November 2012 to 31 December 2013**

*Operational Risk*

There is the risk of losses arising from inadequate or failed internal processes, from personnel and / or from external events. These are mitigated by employing an Enterprise Risk Management Framework owned by the Group Risk Officer and business continuity planning.

*Regulatory and Legal Risk*

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 FCA, a dedicated compliance function, and a compliance monitoring programme in place.

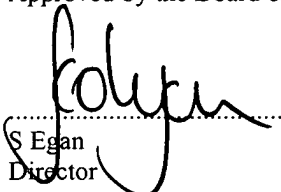
**Key performance indicators**

The directors of Towergate PartnershipCo Limited manage the Group's operations on a divisional basis. For this reason, the Company's directors believe 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 Waveney Group Schemes Limited.

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

Non financial key performance indicators are 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.

Approved by the Board on 12 January 2015 and signed on its behalf by:

  
S Egan  
Director

**Waveney Group Schemes Limited**  
**Directors' Report for the period from 1 November 2012 to 31 December 2013**

The directors present their report and the financial statements for the period from 1 November 2012 to 31 December 2013.

**Directors of the Company**

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

MS Hodges (*appointed 2 May 2013 and resigned 17 October 2014*)

S Egan (*appointed 2 May 2013*)

D Dove (*resigned 2 May 2013*)

D Malone (*resigned 2 May 2013*)

G Cook

D Bruce (*resigned 17 January 2014*)

**Dividends**

The directors recommend a final dividend payment of £16,000 be made in respect of the financial period ended 31 December 2013.

**Political and charitable donations**

The Company made charitable contributions of £Nil (2012: £Nil) and political contributions of £Nil (2012: £Nil) during the period.

**Going concern**

The financial statements of the Company set out on pages 9 to 22 have been prepared on a going concern basis. The directors believe 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**

All directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

**Disclosure of information to the auditors**

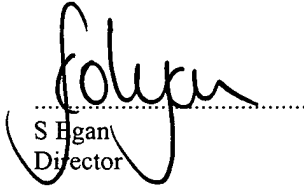
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

**Waveney Group Schemes Limited**  
**Directors' Report for the period from 1 November 2012 to 31 December 2013**

**Reappointment of auditors**

Our auditor, KPMG Audit Plc, has instigated an orderly wind down of business. The board has decided to put KPMG LLP forward to be appointed as auditors and the resolution concerning their appointment will be put forward for approval at the forthcoming board meeting.

Approved by the Board on 12 January 2015 and signed on its behalf by:

  
.....  
S Egan  
Director

## **Waveney Group Schemes Limited**

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the Strategic Report, 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 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 are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent Auditor's Report to the members of Waveney Group Schemes Limited**

We have audited the financial statements of Waveney Group Schemes Limited for the period from 1 November 2012 to 31 December 2013, set out on pages 9 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 Directors' Responsibilities (set out on page 6), 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 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](http://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 2013 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Emphasis of matter - going concern**

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 concerning the reliance of the Company on the Towergate Group to enable it to continue as a going concern. Note 1 discloses the need for the Directors of the Towergate Group successfully to manage the material uncertainties referred to in that note in order for the Group to continue as a going concern. This condition gives rise in turn to material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

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

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

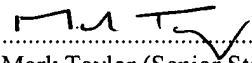


## **Independent Auditor's Report to the members of Waveney Group Schemes Limited**

### **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.



Mark Taylor (Senior Statutory Auditor)

For and on behalf of KPMG Audit Plc, Statutory Auditor

15 Canada Square  
Canary Wharf  
London  
E14 5GL

12 January 2015

**Waveney Group Schemes Limited**  
**Profit and Loss Account for the Period from 1 November 2012 to 31 December 2013**

	Note	1 November 2012 to 31 December 2013 £	Year ended 31 October 2012 £
Turnover		2,973,224	2,272,853
Administrative expenses		<u>(1,365,503)</u>	<u>(1,413,074)</u>
Operating profit	2	1,607,721	859,779
Other interest receivable and similar income	5	<u>14,601</u>	<u>31,599</u>
Profit on ordinary activities before taxation		1,622,322	891,378
Tax on profit on ordinary activities	6	<u>(386,702)</u>	<u>(227,456)</u>
Profit for the financial period	16	<u><u>1,235,620</u></u>	<u><u>663,922</u></u>

Turnover and operating profit derive wholly from continuing operations.

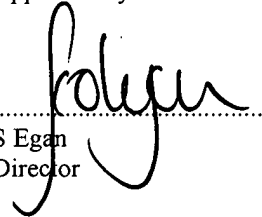
The Company has no recognised gains or losses for the period other than the results above.

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.

**Waveney Group Schemes Limited**  
**(Registration number: 03251997)**  
**Balance Sheet as at 31 December 2013**

	Note	31 December 2013 £	31 October 2012 £
<b>Fixed assets</b>			
Tangible assets	7	14,343	61,335
Investments	8	-	1
		<u>14,343</u>	<u>61,336</u>
<b>Current assets</b>			
Debtors	9	4,529,465	500,350
Investments	11	-	2,000,000
Cash at bank and in hand	10	691,318	1,382,576
		<u>5,220,783</u>	<u>3,882,926</u>
Creditors: Amounts falling due within one year	12	(1,396,341)	(1,295,020)
Net current assets		<u>3,824,442</u>	<u>2,587,906</u>
Total assets less current liabilities		3,838,785	2,649,242
Provisions for liabilities	14	(2,066)	(32,143)
Net assets		<u>3,836,719</u>	<u>2,617,099</u>
<b>Capital and reserves</b>			
Called up share capital	15	1,003	1,003
Share premium reserve	16	67,197	67,197
Profit and loss account	16	3,768,519	2,548,899
Shareholders' funds	17	<u>3,836,719</u>	<u>2,617,099</u>

Approved by the Board on 12 January 2015 and signed on its behalf by:

  
.....  
S Egan  
Director

The notes on pages 11 to 22 form an integral part of these financial statements.

## **Waveney Group Schemes Limited**

### **Notes to the Financial Statements**

#### **1 Accounting policies**

##### ***Basis of preparation***

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

##### ***Exemption from preparing a cash flow statement***

The Company is exempt from preparing a cash flow statement as 90% or more of the voting rights are held within the Group.

##### ***Going concern***

The financial statements of the Company set out on pages 9 to 22 have been prepared on a going concern basis. The directors believe 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 31 December 2013, the Company has net assets of £3,836,719 (2012:£2,617,099) and net current assets of £3,824,442 (2012:£2,587,906). The net assets include an inter-company debtor balance of £3,577,434 (2012: £40,153) and inter-company creditor of £104,327 (2012: £193,414).

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 wider Towergate Group, which were disclosed on 19 November 2014 in the consolidated financial statements of Towergate Holdings II Limited, an intermediate parent company, for the period ended 30 September 2014. Those consolidated financial statements highlighted uncertainties over the Group's operational cash flow and liquidity requirements in Q1 2015 and respective management's actions some of which require the agreement of third parties, the successful renegotiation of the Group's financial covenant attaching to a fully drawn £85m Revolving Credit Facility which it might otherwise be unable to satisfy and the quantum, timing and recoveries of customer redress payments relating to historic advice given by the Group's Towergate Financial businesses. The Towergate Group noted on 23 December 2014 that it is in discussions with parties interested in potentially acquiring the Group. Due to the uncertainties facing the Group, it has to be recognised that there is material uncertainty which may cast significant doubt as to the Group's ability to continue as a going concern and, if the assumptions underpinning the Group's remedial plans are not realised, the Group maybe unable to realise its assets and discharge its liabilities in the normal course of business.

In light of the uncertainties facing the Towergate Group highlighted above, the Directors have considered the recoverability of the inter-company debtor balance. Additional support would be required if the inter-company debtor was not recoverable to enable the Company to continue as a going concern. It has to be recognised that the significant uncertainties facing the Group give rise to a material uncertainty for the Company that may cast significant doubt over its ability to continue as a going concern and that it may therefore be unable to realise its assets and discharge its liabilities in the normal course of business.

Nevertheless, the Directors of the Company have considered the conclusions reached by the Directors of Towergate Holdings II Limited regarding the Group's going concern position and the trading performance and operational costs of the Company and believe that it will have adequate financial resources to enable it to continue in operational existence for the foreseeable future. Accordingly the Directors have continued to adopt the going concern basis in preparing the financial statements.

## **Waveney Group Schemes Limited**

### **Notes to the Financial Statements**

#### ***Turnover***

Brokerage commission and fees are recognised when the premiums on which that commission is earned are due and as the Company fulfills its obligations. Under the Company's current business terms, there are contractual obligations to provide certain services in relation to that commission and where these services are incomplete, a proportion of that income until its obligations are fulfilled.

#### ***Insurance transactions, client money and insurer money***

Insurance transactions arise from the settlement of transactions with insurance companies on behalf of insurance intermediaries who are members of the network. 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 Waveney Group Schemes Limited. That element of commission earned by Waveney Group Schemes 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.

#### ***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 on a straight line basis
Fixtures and fittings	15% per annum on a straight line basis
Furniture and equipment	20% per annum on a straight line basis
Motor vehicles	25% per annum on a straight line basis

#### ***Provisions***

A provision is recognised when there is a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

#### ***Deferred tax***

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 required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

#### ***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.

## Waveney Group Schemes Limited

### Notes to the Financial Statements

#### *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.

## 2 Operating profit

Operating profit is stated after charging/(crediting):

	1 November 2012 to 31 December 2013	Year ended 31 October 2012
	£	£
Operating leases - other	790	-
Operating leases - land and buildings	31,783	31,783
Loss on sale of tangible fixed assets	5,523	-
Depreciation of owned assets	26,678	17,805
Auditors remuneration - audit of these financial statements	<u>3,600</u>	<u>6,370</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 parent, Towergate PartnershipCo Limited.

## 3 Particulars of employees

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

	1 November 2012 to 31 December 2013	Year ended 31 October 2012
	No.	No.
Administration and support	23	23

The aggregate payroll costs were as follows:

	1 November 2012 to 31 December 2013	Year ended 31 October 2012
	£	£
Wages and salaries	755,591	539,157
Social security costs	46,376	53,099
Other pension schemes	<u>17,492</u>	<u>-</u>
	<u>819,459</u>	<u>592,256</u>

# **Waveney Group Schemes Limited** **Notes to the Financial Statements**

## **4 Directors' remuneration**

The directors' remuneration for the period was as follows:

	1 November 2012 to 31 December 2013 £	Year ended 31 October 2012 £
Remuneration	30,000	71,625
Contributions paid to money purchase schemes	1,800	-
	<u>31,800</u>	<u>71,625</u>

The emoluments of Messrs Hodges, Bruce and Egan are paid by other Group companies, which make no recharge to the Company. These directors are directors of the ultimate parent company and / or a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Their total emoluments are included in the financial statements of the ultimate parent company.

During the period the number of directors who were receiving benefits and share incentives was as follows:

	1 November 2012 to 31 December 2013 No.	Year ended 31 October 2012 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

## **5 Other interest receivable and similar income**

	1 November 2012 to 31 December 2013 £	Year ended 31 October 2012 £
Bank interest receivable	<u>14,601</u>	<u>31,599</u>

**Waveney Group Schemes Limited**  
**Notes to the Financial Statements**

**6 Taxation**

**Tax on profit on ordinary activities**

	<b>1 November 2012 to 31 December 2013 £</b>	<b>Year ended 31 October 2012 £</b>
<b>Current tax</b>		
Corporation tax charge	386,819	222,646
Adjustments in respect of previous years	<u>5,960</u>	<u>-</u>
UK Corporation tax	392,779	222,646
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>(6,077)</u>	<u>4,810</u>
Total tax on profit on ordinary activities	<u><u>386,702</u></u>	<u><u>227,456</u></u>

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

The tax on profit on ordinary activities for the period is higher than the standard rate of corporation tax in the UK (2012 -higher than the standard rate of corporation tax in the UK ) of 23.25% (2012 - 24.82%).

The differences are reconciled below:

	<b>1 November 2012 to 31 December 2013 £</b>	<b>Year ended 31 October 2012 £</b>
Profit on ordinary activities before tax	<u>1,622,322</u>	<u>891,378</u>
Corporation tax at standard rate	377,190	221,240
Capital allowances in excess of depreciation	3,559	1,977
Short term timing differences	-	(7,449)
Expenses not deductible for tax purposes	6,070	6,878
Adjustment for prior periods	<u>5,960</u>	<u>-</u>
Total current tax	<u><u>392,779</u></u>	<u><u>222,646</u></u>



## Waveney Group Schemes Limited

### Notes to the Financial Statements

#### Factors that may affect future tax charges

The Budget on 20 March 2013 announced that the UK corporation tax rate will reduce to 20% by April 2015. A reduction in the rate from 25% to 23% (effective from 1 April 2013) was substantively enacted on 3 July 2012, and a further reduction to 21% (effective from 1 April 2014) and then 20% (effective 1 April 2015) was substantively enacted on 17 July 2013.

This will reduce the Company's future current tax charge accordingly.

It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the Company's future current tax charge.

#### 7 Tangible fixed assets

	Fixtures and fittings £	Motor vehicles £	Office equipment £	Computer £	Total £
<b>Cost</b>					
At 1 November 2012	16,813	32,598	12,850	59,532	121,793
Additions	809	-	-	-	809
Disposals	-	(32,598)	-	-	(32,598)
Transfers	(4,771)	-	4,771	-	-
At 31 December 2013	<u>12,851</u>	<u>-</u>	<u>17,621</u>	<u>59,532</u>	<u>90,004</u>
<b>Depreciation</b>					
At 1 November 2012	9,615	9,128	8,887	32,828	60,458
Charge for the year	3,939	2,347	5,085	15,307	26,678
Eliminated on disposals	-	(11,475)	-	-	(11,475)
Transfers	(728)	-	(2,414)	3,142	-
At 31 December 2013	<u>12,826</u>	<u>-</u>	<u>11,558</u>	<u>51,277</u>	<u>75,661</u>
<b>Net book value</b>					
At 31 December 2013	<u>25</u>	<u>-</u>	<u>6,063</u>	<u>8,255</u>	<u>14,343</u>
At 31 October 2012	<u>7,198</u>	<u>23,470</u>	<u>3,963</u>	<u>26,704</u>	<u>61,335</u>

**Waveney Group Schemes Limited**  
**Notes to the Financial Statements**

**8 Investments held as fixed assets**

	<b>31 December</b>	<b>31 October 2012</b>
	<b>2013</b>	
	<b>£</b>	<b>£</b>
Shares in group undertakings and participating interests	<u>-</u>	<u>1</u>

The investment in Waveney Affinity Schemes Limited in which the company had owned 100% of ordinary shares was disposed of prior to the acquisition of the Company by Cullum Capital Ventures Limited.

**9 Debtors**

	<b>31 December</b>	<b>31 October 2012</b>
	<b>2013</b>	
	<b>£</b>	<b>£</b>
Trade debtors in relation to insurance transactions	<b>467,891</b>	272,321
Amounts owed by group undertakings	<b>3,577,434</b>	40,153
Other debtors	<b>18,484</b>	42,968
Prepayments and accrued income	<u><b>465,656</b></u>	<u>144,908</u>
	<u><b>4,529,465</b></u>	<u>500,350</u>

# **Waveney Group Schemes Limited** **Notes to the Financial Statements**

## **10 Cash at bank and in hand**

Cash at bank includes £435,098 (2012: £438,308) which constitutes restricted client money & insurer money and not available to pay the general debts of the Group.

## **11 Current asset investments**

	<b>31 December</b>	<b>31 October 2012</b>
	<b>2013</b>	
	<b>£</b>	<b>£</b>
Other investments	<u>-</u>	<u>2,000,000</u>

The current asset investment in 2012 relates to a bank deposit which was transferred into the current account during 2013.

## **12 Creditors: Amounts falling due within one year**

	<b>31 December</b>	<b>31 October 2012</b>
	<b>2013</b>	
	<b>£</b>	<b>£</b>
Trade creditors in relation to insurance transactions	<b>836,388</b>	658,675
Amounts owed to group undertakings	<b>104,327</b>	193,414
Corporation tax	<b>332,820</b>	96,646
Other taxes and social security	<b>14,642</b>	10,661
Other creditors	<b>9,701</b>	-
Accruals and deferred income	<b>98,463</b>	335,624
	<u><b>1,396,341</b></u>	<u>1,295,020</u>

# Waveney Group Schemes Limited

## Notes to the Financial Statements

### 13 Obligations under leases and hire purchase contracts

#### Operating lease commitments

As at 31 December 2013 the Company had annual commitments under non-cancellable operating leases as follows:

#### Operating leases which expire:

	31 December 2013 £	31 October 2012 £
<b>Land and buildings</b>		
Within one year	-	5,297
Within two to five years	<u>31,783</u>	<u>26,486</u>
	<u>31,783</u>	<u>31,783</u>
<b>Other</b>		
Within two to five years	<u>790</u>	<u>-</u>

### 14 Provisions

	Deferred tax £	Other provision £	Total £
At 1 November 2012	8,143	24,000	32,143
Credited to the profit and loss account	<u>(6,077)</u>	<u>(24,000)</u>	<u>(30,077)</u>
At 31 December 2013	<u>2,066</u>	<u>-</u>	<u>2,066</u>

#### Analysis of deferred tax

	31 December 2013 £	31 October 2012 £
Difference between accumulated depreciation and amortisation and capital allowances	(3,907)	(8,143)
Other timing differences	<u>1,841</u>	<u>-</u>
	<u>(2,066)</u>	<u>(8,143)</u>

**Waveney Group Schemes Limited**  
**Notes to the Financial Statements**

**15 Share capital**

**Allotted, called up and fully paid shares**

	<b>31 December 2013</b>		<b>31 October 2012</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
'A' Ordinary Shares of £1 each	1,000	1,000	1,000	1,000
'B' Ordinary Shares of £0.01 each	316	3.16	316	3.16
	<u>1,316</u>	<u>1,003</u>	<u>1,316</u>	<u>1,003</u>

**16 Reserves**

	<b>Share premium account</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 November 2012	67,197	2,548,899	2,616,096
Profit for the period	-	1,235,620	1,235,620
Dividends	-	(16,000)	(16,000)
At 31 December 2013	<u>67,197</u>	<u>3,768,519</u>	<u>3,835,716</u>

**17 Reconciliation of movement in shareholders' funds**

	<b>31 December 2013</b>	<b>31 October 2012</b>
	<b>£</b>	<b>£</b>
Profit attributable to the members of the Company	1,235,620	663,922
Dividends	<u>(16,000)</u>	<u>-</u>
Net addition to shareholders funds	1,219,620	663,922
Shareholders' funds at start of period	<u>2,617,099</u>	<u>1,953,177</u>
Shareholders' funds at end of period	<u>3,836,719</u>	<u>2,617,099</u>

## **Waveney Group Schemes Limited**

### **Notes to the Financial Statements**

#### **18 Pension schemes**

##### **Defined contribution pension scheme**

Towergate PartnershipCo Limited and the Company operate a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Company to the scheme and amounted to £17,492 (2012 - £Nil).

#### **19 Related party transactions**

##### **Other related party transactions**

During the period the Company made the following related party transactions:

##### **Towergate Underwriting Group Limited**

(an associated company)

The Company conducted business, on an arms length basis. The amounts transacted to the Company during the period totalled £1,552. At the balance sheet date the amount due to Towergate Underwriting Group Limited was £1,552 (2012 - £Nil).

##### **Waveney Insurance Brokers Limited**

(an associated company)

The Company conducted business, on an arms length basis. The amounts transacted by the Company during the period totalled £17,183. At the balance sheet date the amount due to Waveney Insurance Brokers Limited was £Nil (2012 - £17,183).

##### **Waveney Insurance Brokers (Commercial) Limited**

(an associated company)

The Company conducted business, on an arms length basis. The amounts transacted by the Company during the period totalled £62,195. At the balance sheet date the amount due to Waveney Insurance Brokers (Commercial) Limited was £102,775 (2012 - £164,970).

##### **Cullum Capital Ventures**

(an associated company)

The Company conducted business, on an arms length basis. The amounts transacted by the Company during the period totalled £3,577,434. At the balance sheet date the amount due from/(to) Cullum Capital Ventures was £3,577,434 (2012 - £Nil).

## **Waveney Group Schemes Limited**

### **Notes to the Financial Statements**

#### **20 Control**

The parent of the largest Group in which results are consolidated is Towergate PartnershipCo Limited.

Consolidated financial statements are available from:

Towergate House  
Eclipse Park  
Sittingbourne Road  
Maidstone  
Kent ME14 3EN

The ultimate parent company is Towergate PartnershipCo Limited.