

Registration number: 03305013

# Chorlton Cloughley Group Limited

Financial Statements

for the Year Ended 31 December 2013

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**Chorlton Cloughley Group Limited**  
**Company Information**

**Company secretary** J Owens

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

**Auditors** KPMG Audit Plc  
Senior Statutory Auditor  
1 The Embankment  
Neville Street  
Leeds  
LS1 4DW

## **Chorlton Cloughley Group Limited**

### **Strategic Report for the Year Ended 31 December 2013**

The directors present their strategic report for the year ended 31 December 2013.

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

The results for Chorlton Cloughley Group Limited ("the Company") show a pre-tax profit of £788,157 (2012: £308,159) for the year and turnover of £567,184 (2012: £1,508,337). The Company has net assets of £200,205 (2012: £1,973,913).

The principal activity of the company was the provision of insurance intermediary services until 30 September 2013 when the business of the Company together with its assets and liabilities were sold to Towergate Underwriting Group Limited, a fellow undertaking within the Towergate PartnershipCo Group. The legal date of this transfer was 30 September 2013 however control of the business operations were substantially transferred as at 31 May 2013. Accordingly, the transaction was recorded as at 31 May 2013, which generated an exceptional profit of £704,000

The Company ceased to trade on 30 September 2013.

The consideration receivable comprised the sum of the fair value of the tangible fixed assets and liabilities and the market value of goodwill as estimated by the directors.

#### **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 and the quantum, timing and recoveries of customer redress payments relating to advice given by the Group's Towergate Financial businesses. 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.

##### *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.

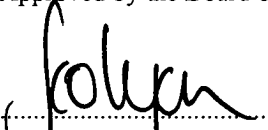
**Chorlton Cloughley Group Limited**  
**Strategic Report for the Year Ended 31 December 2013**

**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 Chorlton Cloughley Group 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.

Approved by the Board on 19 December 2014 and signed on its behalf by:

  
.....  
S Egan  
Director

**Chorlton Cloughley Group Limited**  
**Directors' Report for the Year Ended 31 December 2013**

The directors present their report and the financial statements for the year ended 31 December 2013.

**Directors of the Company**

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

M S Hodges (*resigned 17 October 2014*)

M P Rea

S Egan

S T B Clark (*resigned 8 October 2013*)

D J Bruce (*resigned 17 January 2014*)

**Dividends**

The directors recommend a final dividend payment of £2,698,305 (2012: £nil) be made in respect of the financial year ended 31 December 2013.

**Political and charitable donations**

The Company made charitable contributions of £Nil (2012: £725) and political contributions of £Nil (2012: £Nil) during the year.

## **Chorlton Cloughley Group Limited**

### **Directors' Report for the Year Ended 31 December 2013**

#### **Going concern**

In the previous years, the financial statements have been prepared on a going concern basis. However on 30 September 2013 the directors took the decision to cease trading following the sale of the company's trade and assets, the transfer was substantially complete in May 2013. As they do not intend to acquire replacement trade, the directors have 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.

At 31 December 2013, the company's net assets of £200,205 (2012: £1,973,913) and net current assets of £200,205 (2012: £1,694,565) comprised an inter-company debtor balance of £200,205 (2012: £1,535,514) and an inter-company creditor balance of £Nil (£2012: £71,917).

The Company's inter-company debtors are subject to a conditional arrangement that has been made between certain group undertakings that states it is not the present intention to seek repayment of amounts due in respect of these inter-company loans for a period of 12 months from the date of approval of these financial statements. The arrangement has been made on the basis of updated balances at 30 November 2014 which amounted to an inter-company debtor balance of £200,205. The arrangement represents a statement of present intention and could be subject to change in respect of actions deemed appropriate by the Group undertaking including (i) a sale of all or part of the Towergate Group or any of its assets, (ii) a financial restructuring of the Group or any of its members; and/or (iii) any other measures to improve the Groups liquidity.

In reaching their view on the carrying value of this balance, 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 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 and the quantum, timing and recoveries of customer redress payments relating to advice given by the Group's Towergate Financial businesses. 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.

It has to be recognised that the uncertainties facing the Towergate Group highlighted above give rise to a material uncertainty over the recoverability of the inter-company debtor balance. 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, on that basis, have made no provision against the balance.

#### **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**

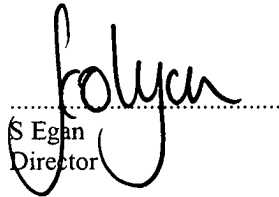
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of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

**Chorlton Cloughley Group Limited**  
**Directors' Report for the Year Ended 31 December 2013**

**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 19 December 2014 and signed on its behalf by:

  
.....  
S Egan  
Director

## **Chorlton Cloughley Group 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.

As explained in Note 1, the Directors do not believe it is appropriate to prepare these financial statements on a going concern basis.

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 Chorlton Cloughley Group Limited**

We have audited the financial statements of Chorlton Cloughley Group Limited for the year ended 31 December 2013, set out on pages 10 to 25. 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 7), 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 year 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 - recoverability of inter-company balance**

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 recoverability of the Company's inter-company debtor of £200,205 against which no provision has been made. 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. Were it to be unable to do so, the Company's debtor would not be recoverable.

### **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 Directors' 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 Chorlton Cloughley Group 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 Audit Plc, Statutory Auditor

1 The Embankment  
Neville Street  
Leeds  
LS1 4DW

19 December 2014

**Chorlton Cloughley Group Limited**  
**Profit and Loss Account for the Year Ended 31 December 2013**

	Note	2013 £	2012 £
Turnover		567,184	1,508,337
Administrative expenses		<u>(483,027)</u>	<u>(1,203,340)</u>
Operating profit	2	84,157	304,997
Exceptional profit on sale or termination of operations	3	704,000	-
Other interest receivable and similar income	6	<u>-</u>	<u>3,162</u>
Profit on ordinary activities before taxation		788,157	308,159
Tax on profit on ordinary activities	7	<u>(18,565)</u>	<u>(77,459)</u>
Profit for the financial year	16	<u><u>769,592</u></u>	<u><u>230,700</u></u>

Turnover and operating profit derive wholly from discontinued operations.

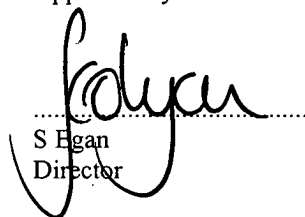
The Company has no recognised gains or losses for the year other than the results above.

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.

**Chorlton Cloughley Group Limited**  
**(Registration number: 03305013 )**  
**Balance Sheet as at 31 December 2013**

	Note	2013 £	2012 £
<b>Fixed assets</b>			
Intangible assets	8	-	303,435
Tangible assets	9	-	20,297
		<u>-</u>	<u>323,732</u>
<b>Current assets</b>			
Debtors	10	200,205	2,296,562
Cash at bank and in hand	11	-	653,521
		<u>200,205</u>	<u>2,950,083</u>
Creditors: Amounts falling due within one year	12	-	(1,255,518)
Net current assets		<u>200,205</u>	<u>1,694,565</u>
Total assets less current liabilities		<u>200,205</u>	<u>2,018,297</u>
Provisions for liabilities	14	-	(44,384)
Net assets		<u><u>200,205</u></u>	<u><u>1,973,913</u></u>
<b>Capital and reserves</b>			
Called up share capital	15	155,920	915
Share premium reserve	16	44,080	44,080
Other reserves	16	205	205
Profit and loss account	16	-	1,928,713
Shareholders' funds	17	<u><u>200,205</u></u>	<u><u>1,973,913</u></u>

Approved by the Board on 19 December 2014 and signed on its behalf by:

  
.....  
S Egan  
Director

The notes on pages 12 to 25 form an integral part of these financial statements.

## **Chorlton Cloughley Group 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***

In the previous years, the financial statements have been prepared on a going concern basis. However on 30 September 2013 the directors took the decision to cease trading following the sale of the company's trade and assets, the transfer was substantially complete in May 2013. As they do not intend to acquire replacement trade, the directors have 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.

At 31 December 2013, the company's net assets of £200,205 (2012: £1,973,913) and net current assets of £200,205 (2012: £1,694,565) comprised an inter-company debtor balance of £200,205 (2012: £1,535,514) and an inter-company creditor balance of £Nil (£2012: £71,917).

The Company's inter-company debtors are subject to a conditional arrangement that has been made between certain group undertakings that states it is not the present intention to seek repayment of amounts due in respect of these inter-company loans for a period of 12 months from the date of approval of these financial statements. The arrangement has been made on the basis of updated balances at 30 November 2014 which amounted to an inter-company debtor balance of £200,205. The arrangement represents a statement of present intention and could be subject to change in respect of actions deemed appropriate by the Group undertaking including (i) a sale of all or part of the Towergate Group or any of its assets, (ii) a financial restructuring of the Group or any of its members; and/or (iii) any other measures to improve the Groups liquidity.

In reaching their view on the carrying value of this balance, 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 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 and the quantum, timing and recoveries of customer redress payments relating to advice given by the Group's Towergate Financial businesses. 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.

It has to be recognised that the uncertainties facing the Towergate Group highlighted above give rise to a material uncertainty over the recoverability of the inter-company debtor balance. 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, on that basis, have made no provision against the balance.

## **Chorlton Cloughley Group Limited**

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

#### ***Turnover***

Turnover represents brokerage and fees for services provided. Brokerage is recognised on the inception or renewal of a risk, with an element of brokerage deferred to match any significant post placement obligations. Profit or volume based commission, which is received periodically, is recognised when the amount can be measured with reasonable certainty, which is typically the earlier of confirmation of the amount with the relevant provider or receipt of cash.

Turnover consists entirely of sales made in the United Kingdom.

#### ***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 Chorlton Cloughley Group Limited. That element of commission earned by Chorlton Cloughley Group 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.

#### ***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. This is generally taken as twenty years. 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:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Goodwill	Straight line over 20 years

#### ***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
Furniture and equipment	20% per annum on a straight line basis

# Chorlton Cloughley Group Limited

## Notes to the Financial Statements

### ***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.

### ***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.

### ***Shared-based payments***

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 estimated vesting period. The fair value is measured based on management's estimate of the Company's share value. The liability is revalued at each balance sheet date and the vesting period reviewed with any changed to fair value being recognised in the profit and loss account.

## **2 Operating profit**

Operating profit is stated after charging:

	<b>2013</b>	2012
	<b>£</b>	£
Depreciation of owned assets	<b>6,712</b>	9,658
Amortisation	<b>7,435</b>	17,844
Auditors' remuneration - audit of these financial statements	<b>7,047</b>	17,267

**Chorlton Cloughley Group Limited**  
**Notes to the Financial Statements**

**3 Exceptional items**

	2013	2012
	£	£
Exceptional profit on sale or termination of operations	<u>704,000</u>	<u>-</u>

During the year the trade together with the assets and liabilities of Chorlton Cloughley Group Limited were sold to Towergate Underwriting Group Limited, a fellow group subsidiary company within the Towergate PartnershipCo Limited Group. The legal date of this transfer was 30 September 2013 however control of the business operations were substantially transferred as at 31 May 2013. Accordingly the transaction was recorded as at 31 May 2013, which generated an exceptional profit of £704,000. The consideration was £2,899,424 and the net assets of the Company at that time were £1,905,371 after goodwill of £290,053 was written off.

**4 Particulars of employees**

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

	2013	2012
	No.	No.
Administration and support	12	23

The aggregate payroll costs were as follows:

	2013	2012
	£	£
Wages and salaries	314,264	671,949
Social security costs	17,492	72,984
Other pension schemes	<u>10,316</u>	<u>32,455</u>
	<u>342,072</u>	<u>777,388</u>



**Chorlton Cloughley Group Limited**  
**Notes to the Financial Statements**

**5 Directors' remuneration**

The directors' remuneration for the year was as follows:

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Remuneration	-	66,410
Contributions paid to money purchase schemes	-	4,559
	<u>-</u>	<u>70,969</u>

The emoluments of Messrs Hodges, Rea, 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 year the number of directors who were receiving benefits and share incentives was as follows:

	<b>2013</b>	<b>2012</b>
	<b>No.</b>	<b>No.</b>
Accruing benefits under money purchase pension scheme	<u>-</u>	<u>1</u>

**6 Other interest receivable and similar income**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Bank interest receivable	<u>-</u>	<u>3,162</u>

**Chorlton Cloughley Group Limited**  
**Notes to the Financial Statements**

**7 Taxation**

**Tax on profit on ordinary activities**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
Corporation tax charge	<b>21,230</b>	81,172
Adjustments in respect of previous years	<b>(1,921)</b>	(3,321)
UK Corporation tax	<b>19,309</b>	77,851
<b>Deferred tax</b>		
Origination and reversal of timing differences	<b>(744)</b>	(392)
<b>Total tax on profit on ordinary activities</b>	<b>18,565</b>	77,459

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

The tax on profit on ordinary activities for the year is lower 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 - 24.5%).

The differences are reconciled below:

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<b>788,157</b>	308,159
Corporation tax at standard rate	<b>183,247</b>	75,499
Capital allowances in excess of depreciation	<b>728</b>	649
Short term timing differences	<b>-</b>	(475)
Non-taxable income	<b>(163,680)</b>	-
Expenses not deductible for tax purposes	<b>936</b>	1,128
Non-tax deductible amortisation of goodwill and impairment	<b>-</b>	4,371
Adjustment for prior periods	<b>(1,921)</b>	(3,321)
<b>Total current tax</b>	<b>19,310</b>	77,851

# Chorlton Cloughley Group 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 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.

### 8 Intangible fixed assets

	<b>Goodwill</b> <b>£</b>
<b>Cost</b>	
At 1 January 2013	356,870
Disposals	<u>(356,870)</u>
At 31 December 2013	<u>-</u>
<b>Amortisation</b>	
At 1 January 2013	53,435
Charge for the year	13,383
Eliminated on disposals	<u>(66,818)</u>
At 31 December 2013	<u>-</u>
<b>Net book value</b>	
At 31 December 2013	<u><u>-</u></u>
At 31 December 2012	<u><u>303,435</u></u>

**Chorlton Cloughley Group Limited**  
**Notes to the Financial Statements**

**9 Tangible fixed assets**

	Office equipment £	Computer £	Total £
<b>Cost</b>			
At 1 January 2013	21,391	89,322	110,713
Disposal of businesses	<u>(21,391)</u>	<u>(89,322)</u>	<u>(110,713)</u>
At 31 December 2013	<u>-</u>	<u>-</u>	<u>-</u>
<b>Depreciation</b>			
At 1 January 2013	18,077	72,340	90,417
Charge for the year	875	5,837	6,712
Disposal of businesses	<u>(18,952)</u>	<u>(78,177)</u>	<u>(97,129)</u>
At 31 December 2013	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net book value</b>			
At 31 December 2013	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2012	<u>3,314</u>	<u>16,982</u>	<u>20,296</u>

**Chorlton Cloughley Group Limited**  
**Notes to the Financial Statements**

**10 Debtors**

	2013	2012
	£	£
Trade debtors in relation to insurance transactions	-	740,831
Amounts owed by group undertakings	200,205	1,535,514
Other debtors	-	7,316
Deferred tax	-	8,128
Prepayments and accrued income	-	4,773
	<u>200,205</u>	<u>2,296,562</u>

Amounts owed by group undertakings are subject to a conditional arrangement between certain group companies. Further details are set out in Note 1.

**11 Cash at bank and in hand**

Cash at bank includes £Nil (2012: £653,185) which constitutes restricted client money & insurer money and not available to pay the general debts of the Group.

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

	2013	2012
	£	£
Bank loans and overdrafts	-	1,861
Trade creditors in relation to insurance transactions	-	1,022,645
Amounts owed to group undertakings	-	71,917
Corporation tax	-	81,173
Other taxes and social security	-	17,463
Other creditors	-	4,057
Accruals and deferred income	-	56,402
	<u>-</u>	<u>1,255,518</u>

**Chorlton Cloughley Group 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:**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Land and buildings</b>		
Over five years	<u>-</u>	<u>76,200</u>

# Chorlton Cloughley Group Limited

## Notes to the Financial Statements

### 14 Provisions

	FRS 5 Provision for future claims handling expenses £	Other provision £	Total £
At 1 January 2013	9,911	34,473	44,384
Net amounts arising from the disposal of businesses	<u>(9,911)</u>	<u>(34,473)</u>	<u>(44,384)</u>
At 31 December 2013	<u>-</u>	<u>-</u>	<u>-</u>

### Explanation of provisions

The assets and liabilities of the company were sold on 30 September 2013 to Towergate Underwriting Group Limited, another company within the Towergate PartnershipCo Limited Group, as such the value of the provisions were transferred out at this date.

### 15 Share capital

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

	No.	2013 £	No.	2012 £
Ordinary 'A' Shares of £1 each	155,820	155,820	815	815
Ordinary 'B' Shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
	<u>155,920</u>	<u>155,920</u>	<u>915</u>	<u>915</u>

Both 'A' and 'B' ordinary shareholders have equal rights to capital income and voting.

#### New shares allotted

During the year 155,005 'A' Ordinary shares having an aggregate nominal value of £155,005 were allotted for an aggregate consideration of £155,005 which was settled through the intercompany account.

### 16 Reserves

	Share premium account £	Other reserves £	Profit and loss account £	Total £
At 1 January 2013	44,080	205	1,928,713	1,972,998
Profit for the year	-	-	769,592	769,592
Dividends	<u>-</u>	<u>-</u>	<u>(2,698,305)</u>	<u>(2,698,305)</u>
At 31 December 2013	<u>44,080</u>	<u>205</u>	<u>-</u>	<u>44,285</u>

**Chorlton Cloughley Group Limited**  
**Notes to the Financial Statements**

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

	2013 £	2012 £
Profit attributable to the members of the Company	769,592	230,700
Dividends	(2,698,305)	-
New share capital subscribed	<u>155,005</u>	<u>-</u>
Net (reduction)/addition to shareholders funds	(1,773,708)	230,700
Shareholders' funds at 1 January	<u>1,973,913</u>	<u>1,743,213</u>
Shareholders' funds at 31 December	<u><u>200,205</u></u>	<u><u>1,973,913</u></u>



## **Chorlton Cloughley Group 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 year represents contributions payable by the Company to the scheme and amounted to £10,316 (2012 - £32,455).

Contributions totalling £Nil (2012 - £4,057) were payable to the scheme at the end of the year and are included in creditors.

#### **19 Share-based payments**

##### **Scheme details and movements**

The Company operates a share appreciation rights plan which is restricted to employees and directors of Chorlton Cloughley Group Limited. 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 on exit, defined as a 90% sales of shares, or a listing of Cullum Capital Ventures Limited. 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.

##### **Charge/credit arising from share-based payments**

The total charge/(credit) for the year for share-based payments was £Nil (2012 - £7,773), of which £Nil (2012 - £Nil) related to equity-settled share-based payment transactions.

The carrying value of the liability/(asset) arising from share-based payments was £Nil (2012 - £34,473).

During the year the trade, assets and liabilities of the Company were sold to Towergate Underwriting Group Limited, a fellow subsidiary company within the Towergate PartnershipCo group. The liability of £34,473 was therefore transferred on completion of this sale.

## **Chorlton Cloughley Group Limited**

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

#### **20 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.

#### **21 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.