

Towergate Commercial Limited

Directors' report and financial
statements

Registered number 03409685

For the year ended 31 December 2011

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Directors' Report

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

Principal activities and business review

The results for Towergate Commercial Limited ("the Company") show a pre-tax loss of £1,855 (2010 Profit £951) for the year and turnover of £nil (2010 £nil). The Company has net liabilities of £1,054,745 (2010 £1,053,075).

The principal activity of the company was the provision of commercial lines insurance packages. However the company no longer manages any live risks and is currently in run off.

Discussion on the consolidated results of Towergate Partnershipco Limited group of companies ('the Group'), which includes the Company, can be found in the Chairman's Statement and the Operating and Financial Review in the Group's annual report which does not form part of this report.

Future outlook

The company no longer manages any live risks and there are no plans to resume broking in the foreseeable future.

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are now integrated with the principal risks of the Towergate Partnershipco Limited group and are not managed separately. Accordingly, the principal risks and uncertainties of the Towergate Partnershipco Limited, which include those of the company, are discussed in the group's annual report which does not form part of this report.

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 Towergate Commercial 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.

Political and charitable contributions

The Company made charitable contributions of £nil (2010 £nil) and political contributions of £nil (2010 £nil) during the year.

Proposed dividend

A final dividend of £nil was paid during the year (2010 £nil).

Directors' Report *(continued)*

Directors

The directors who held office during the year were as follows

PG Cullum	<i>(non-executive)</i>	
S Egan	<i>appointed</i>	<i>19 April 2012</i>
TD Phillip	<i>resigned</i>	<i>30 June 2012</i>

Disclosure of information to auditors

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

Auditors

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

By order of the board



S Egan
Director
21 September 2012

Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements

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

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

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period

In preparing these financial statements, the directors are required to

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

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

Independent auditor's report to the members of Towergate Commercial Limited

We have audited the financial statements of Towergate Commercial Limited for the year ended 31 December 2011 set out on pages 5 to 11. 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



J. Da Costa (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

27 September 2012

Profit and loss account
for the year ended 31 December 2011

	<i>Note</i>	2011 £	2010 £
Administrative expenses		(2,090)	-
Operating loss		(2,090)	-
Interest receivable and similar income		235	951
(Loss)/ Profit on ordinary activities before taxation	2	(1,855)	951
Tax on (loss)/ profit on ordinary activities	3	185	247
(Loss)/ Profit for the financial year	7 8	(1,670)	1,198

The Company has no recognised gains or losses other than the profits and losses shown above and therefore no separate statement of total recognised gains and losses has been presented

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

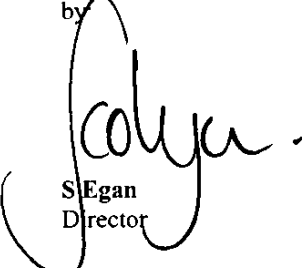
The notes on pages 7 to 11 form part of these financial statements

Balance sheet
at 31 December 2011

	<i>Note</i>	2011		2010	
		£	£	£	£
Current assets					
Debtors	4	40,762		52,265	
Cash at bank and in hand		-		190,959	
		<u>40,762</u>		<u>243,224</u>	
Creditors amounts falling due within one year	5	(1,095,507)		(1,296,299)	
Net current liabilities		<u>(1,054,745)</u>		<u>(1,053,075)</u>	
Net liabilities		<u>(1,054,745)</u>		<u>(1,053,075)</u>	
Capital and reserves					
Called up share capital	6	2		2	
Profit and loss account	7	(1,054,747)		(1,053,077)	
Equity shareholders' deficit	8	<u>(1,054,745)</u>		<u>(1,053,075)</u>	

The notes on pages 7 to 11 form part of these financial statements

These financial statements were approved by the board of directors on 21 September 2012 and were signed on its behalf by


S Egan
 Director

Company registered number 03409685

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and under historical cost accounting rules

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 Partnershipco 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 Partnershipco Limited within which the company is included, can be obtained from the address given in note 9

Going concern

The financial statements have been prepared on the going concern basis, notwithstanding net current liabilities of £11m, which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by The Towergate Partnershipco Limited, the company's ultimate parent. The Towergate Partnershipco Limited has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. The directors consider that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Taxation

The charge for taxation is based on the profit or loss for the period and takes into account taxation deferred. Deferred tax is recognised without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Remuneration of directors and staff costs

Directors received no remuneration from the company during either the current year or the preceding year.

The company had no employees in the current year or the preceding year. All administration is performed by employees of the Group.

Notes *(continued)*

2 Loss on ordinary activities before taxation

	2011	2010
	£	£
<i>(Loss)/profit on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration		
- Audit of these financial statements	2,090	-

Auditors' remuneration for the company is borne by Towergate Underwriting Group Limited, a fellow group undertaking

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

Notes (continued)

3 Taxation

Analysis of credit in period:

	2011 £	2010 £
UK corporation tax		
Current tax on (loss)/profit for the year	-	-
Adjustments in respect of prior year	(185)	(247)
	<u>(185)</u>	<u>(247)</u>
Tax on (loss)/profit on ordinary activities	<u>(185)</u>	<u>(247)</u>

Factors affecting the tax charge for the current year

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

	2011 £	2010 £
(Loss)/ profit on ordinary activities before tax	(1,855)	951
	<u>(1,855)</u>	<u>951</u>
Current tax at 26.5% (2010 28%)	(492)	266
Losses carried forward	833	184
Depreciation less than capital allowances	(341)	(450)
	<u>833</u>	<u>184</u>
Current tax charge for the year	<u>-</u>	<u>-</u>

The Budget announcements on 21 March 2012 included proposals to increase the reduction in the main UK Corporation Tax rate scheduled for 1 April 2012 to a 2% reduction from 26% to 24% and that the rate would be reduced further from 24% to 22% over the following two tax years. These proposed changes had not been enacted into UK law at the balance sheet date. This will reduce the company's future current tax charge.

Notes (continued)

4 Debtors

	2011 £	2010 £
Amounts owed by group undertakings	40,762	52,265
	<u>40,762</u>	<u>52,265</u>

5 Creditors' amounts falling due within one year

	2011 £	2010 £
Trade creditors	-	202,697
Amounts owed to group undertakings	1,095,507	1,093,602
	<u>1,095,507</u>	<u>1,296,299</u>

6 Called up share capital

	2011 £	2010 £
<i>Allotted, called up and fully paid</i>		
2 Ordinary shares of £ 1 each	2	2
	<u>2</u>	<u>2</u>

7 Reserves

	Profit and loss account £
At beginning of year	(1,053,077)
Loss for the financial year	(1,670)
	<u>(1,054,747)</u>

Notes (continued)

8 Reconciliation of movements in shareholders' deficit

	2011	2010
	£	£
(Loss)/ Profit for the financial year	(1,670)	1,198
Net (increase)/decrease in shareholders' deficit	(1,670)	1,198
Shareholders' deficit at beginning of year	(1,053,075)	(1,054,273)
Shareholders' deficit at end of year	(1,054,745)	(1,053,075)

9 Parent undertaking

The Company's immediate parent is Towergate Insurance Limited and ultimate parent company is Towergate Partnershipco Limited. Both companies are incorporated in England and Wales.

The consolidated financial statements of Towergate Partnershipco Limited are available to the public and may be obtained from

Towergate House
Eclipse Park
Sittingbourne Road
Maidstone
Kent ME14 3EN

10 Controlling party

At 31 December 2010 Mr PG Cullum, the Chairman, was the controlling party by virtue of his controlling interest in the parent Company's equity capital. Mr PG Cullum ceased to be the controlling party on 11 February 2011. There was no controlling party at 31 December 2011.