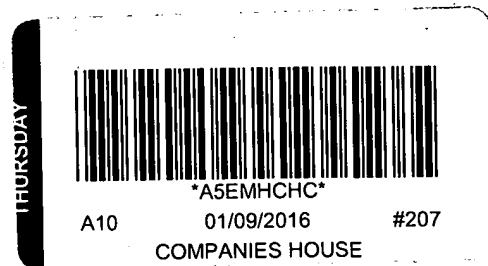


Registration number: 04299683

Arthur Marsh & Son Limited

Financial Statements

for the year ended 30 December 2015



Arthur Marsh & Son Limited

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Arthur Marsh & Son Limited

Strategic report for the year ended 30 December 2015

The director presents his strategic report for the year ended 30 December 2015 for Arthur Marsh & Son Limited ("the Company"). The strategic report provides a review of the business for the financial year and describes how the director manages risks. The report outlines the developments and performance of the Company during the financial year, the position at the end of the year and discusses the main trends and factors that could affect the future. The Company is part of the Sentry Holdings Limited Group ("the Group"). Whilst Sentry Holdings Limited is the ultimate parent company, the directors' of its subsidiary TIG Topco Limited ("Topco") manage the Group's operations on a daily basis.

Principal activities and business review

The principal activity of the Company is the provision of insurance broking services until 31 July 2015 when the business of the Company together with its assets and liabilities were sold to Towergate Underwriting Group Limited, a fellow group subsidiary. The Company therefore ceased to trade on that date.

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

The results for the Company show turnover of £867,216 (2014: £1,548,023) and profit on ordinary activities before taxation of £371,341 (2014: £532,290) for the year. At 30 December 2015 the Company had net assets of £904,190 (2014: £3,616,961).

Outlook

On 31 July 2015 the directors took the decision to cease trading following the sale of the Company's trade and assets to Towergate Underwriting Group Limited, a fellow group subsidiary. It is the director's intention to ultimately wind-up the Company.

Key performance indicators

The directors of TIG Topco Limited manage the Group's operation on a divisional basis. For this reason, the Company's directors believe that a separate analysis for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business. The development, performance and position of the Group which includes this Company as a member of the insurance brokers division, is discussed in the Group's annual report. Financial key performance indicators relevant to the Company for the trading period are Gross Written Premium and commission and fees income as a percentage of premium.

Non financial key performance indicators include staffing levels which decreased by 23% before the staff moved to Towergate Underwriting Group Limited when the business was transferred on 31 July 2015. 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.

However, with the transfer of business and assets to Towergate Underwriting Group Limited on 31 July 2015, KPI's are no longer considered relevant to the Company.

Arthur Marsh & Son Limited

Strategic report for the year ended 30 December 2015

Principal risks and uncertainties

Group acquisition

On 2 April 2015 TIG Finco Plc (Finco), a newly formed intermediate holding company, acquired Towergate Insurance Limited (TIL), the previous ultimate parent company, for the total consideration of £735.0 million (m) from Towergate Finance Plc (who was ultimately owned by Advent International, a global private equity firm). This consideration was made up of the issue of £425.0m of senior secured notes by Finco and £310.0m cash which was provided through the issue of new shares in Finco's indirect parent company, TIG Topco Limited (Topco). On the same date Finco issued £300.0m share capital and received a capital contribution from Topco of £60.0m. There is a risk associated with the cost of debt which could impact other companies within the Group.

As a result of these arrangements, on 2 April 2015 funds controlled or managed by Highbridge Principal Strategies LLC became the Group's majority shareholder.

Risk management

The Company has a comprehensive strategy for the identification, mitigation and management of risk. A wide ranging assessment of business risks has been undertaken resulting in the compilation of a risk register. The risk register is subject to discussion at regular Risk Management Committee meetings and the Company's ongoing risk management ensures there is appropriate reporting from the business which will highlight changes in risk profile to the Risk Management Committee. The risks are managed and monitored to be within the agreed risk appetite. If a risk exceeds appetite, management actions will be put in place to bring it within appetite.

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.

Operational Risk

There is the risk of losses arising from inadequate or failed internal processes or systems, from personnel and / or from external events. These are mitigated by having an Enterprise Risk Management Framework in place, which is owned by the Group Risk Officer. The framework requires all risks to have owners, and these owners have appropriate controls in place which are regularly monitored and significant changes to the risk escalated as required.

The Company's business depends on the ability of employees to process transactions using secure information systems. The capacity to service customers depends on storing, retrieving, processing and managing information. Interruption or loss of information processing capabilities through loss of stored data, the failure of computer equipment or software systems, a telecommunications failure or other disruption could have a material adverse effect on business, results of operations and financial condition. To mitigate these risks the Company has certain disaster recovery procedures in place and insurance to protect against such contingencies.

Regulatory and Legal Risk

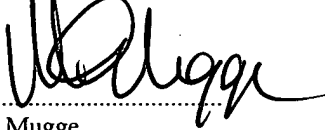
This is the risk of regulatory sanctions, material financial loss or loss to reputation suffered as a result of non compliance with laws, regulations and applicable administrative provisions. This risk is mitigated by a proactive relationship with the Financial Conduct Authority, a dedicated compliance function, and a compliance monitoring programme. Furthermore, there is a control framework that has been rolled out and embedded within the culture throughout the Company to reduce the risk of errors and non compliance.

Arthur Marsh & Son Limited
Strategic report for the year ended 30 December 2015

Volatility in premiums and insurance market cycle

The Company derives most of its revenue from commissions and fees for broking services. Its commissions are generally based on insurance premiums, which are cyclical in nature and may vary widely based on market conditions. A significant reduction in commissions, along with general volatility or declines in premiums, could have a material adverse effect on the results of operations and the Company's financial condition. This risk is mitigated by ensuring that the Company has a range of products and by diversifying its portfolio. This should reduce the effect of a cycle on one specific class of business.

Approved by the Board on 7 June 2016 and signed on its behalf by:



.....
M S Mugge
Director

Arthur Marsh & Son Limited
Director's Report for the year ended 30 December 2015

The director presents his report and the financial statements for the year ended 30 December 2015.

Directors of the Company

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

S Egan (resigned 14 September 2015)

M P Rea (resigned 16 April 2015)

M S Mugge (appointed 11 September 2015)

Dividends

The director recommends a final dividend payment of £3,007,723 to be made in respect of the financial year ended 30 December 2015 (2014: £Nil).

Employment of disabled persons

The Company's policy is to recruit disabled workers for those vacancies that they have the appropriate skills and technical ability to perform. Once employed, a career plan is developed to ensure that suitable opportunities exist for each disabled person. Employees who become disabled during their working life will be retrained if necessary and wherever possible will be given help with any necessary rehabilitation and training. The Company is prepared to modify procedures or equipment, wherever practicable, so that full use can be made of an individual's abilities.

Employee involvement

Employees are key to the Company's success, so an appropriate remuneration package is offered which rewards an individual's performance and contribution to the organisation. The Company is also keen to encourage individual's personal development to ensure that they have the skills required to undertake their role.

Going concern

In the previous years, the financial statements have been prepared on a going concern basis. However on 31 July 2015, the directors took the decision to cease trading following the sale of the Company's trade and assets. As there is no intention to acquire replacement trade, the director has prepared the financial statements on a break up basis. No adjustments were necessary to the amount at which the remaining net assets are included in the financial statements.

Directors liabilities

The director benefits from qualifying third-party indemnity provisions in place during the financial period and at the date of this report.

Disclosure of information to the auditors

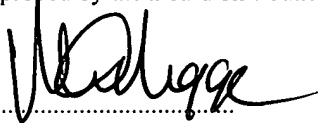
The director has taken steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The director confirms that there is no relevant information that he knows of and of which he knows the auditor is unaware.

Arthur Marsh & Son Limited
Director's Report for the year ended 30 December 2015

Reappointment of auditors

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

Approved by the Board on 7 June 2016 and signed on its behalf by:



.....
M S Mugge
Director

Registered Office:

Towergate House
Eclipse Park
Sittingbourne Road
Maidstone
Kent
ME14 3EN

Arthur Marsh & Son Limited

Statement of director's responsibilities

The director is responsible for preparing the strategic report, the director's report and the financial statements in accordance with applicable law and regulations.

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

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

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

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

As explained in note 1, the director does not believe it is appropriate to prepare these financial statements on a going concern basis.

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

We have audited the financial statements of Arthur Marsh & Son Limited for the year ended 30 December 2015, set out on pages 9 to 22. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Statement of director's responsibilities set out on page 6, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - non-going concern basis of preparation

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

Opinion on other matter prescribed by the Companies Act 2006

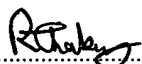
In our opinion the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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



.....
Rajan Thakrar (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor

15 Canada Square
Canary Wharf
London
E14 5GL

Date: 8 JUNE 2016

Arthur Marsh & Son Limited
Profit and loss account for the year ended 30 December 2015

		Year ended 30 December 2015	1 January 2014 to 30 December 2014
	Note	£	£
Turnover	2	867,216	1,548,023
Administrative expenses		<u>(495,875)</u>	<u>(1,019,060)</u>
Operating profit	3	371,341	528,963
Other interest receivable and similar income	6	<u>-</u>	<u>3,327</u>
Profit on ordinary activities before taxation		371,341	532,290
Tax on profit on ordinary activities	7	<u>(76,389)</u>	<u>(127,985)</u>
Profit for the financial year	16	<u><u>294,952</u></u>	<u><u>404,305</u></u>

Turnover and operating profit derive wholly from discontinued operations.

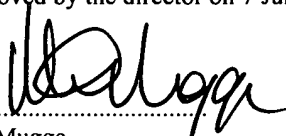
The Company has no recognised gains or losses for the year other than the results above.

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.

Arthur Marsh & Son Limited
(Registration number: 04299683)
Balance sheet as at 30 December 2015

	Note	30 December 2015 £	30 December 2014 £
Fixed assets			
Intangible assets	8	-	588,101
Tangible assets	9	-	20,062
		<u>-</u>	<u>608,163</u>
Current assets			
Debtors	10	904,190	4,858,801
Cash at bank and in hand	11	-	750,357
		<u>904,190</u>	<u>5,609,158</u>
Creditors: Amounts falling due within one year	12	-	(2,326,279)
Net current assets		<u>904,190</u>	<u>3,282,879</u>
Total assets less current liabilities		<u>904,190</u>	<u>3,891,042</u>
Creditors: Amounts falling due after more than one year	13	-	(274,081)
Net assets		<u><u>904,190</u></u>	<u><u>3,616,961</u></u>
Capital and reserves			
Called up share capital	15	100,002	100,002
Share premium reserve	16	804,188	804,188
Profit and loss account	16	-	2,712,771
Shareholder's funds		<u><u>904,190</u></u>	<u><u>3,616,961</u></u>

Approved by the director on 7 June 2016


M S Mugge
Director

Arthur Marsh & Son Limited
Reconciliation of movement in shareholder's funds as at 30 December 2015

	30 December 2015	30 December 2014
	£	£
Profit attributable to the shareholder's of the Company	294,952	404,305
Dividends	<u>(3,007,723)</u>	<u>-</u>
Net (reduction)/addition to shareholder's funds	(2,712,771)	404,305
Shareholder's funds at start of period	<u>3,616,961</u>	<u>3,212,656</u>
Shareholder's funds at end of period	<u><u>904,190</u></u>	<u><u>3,616,961</u></u>

The notes on pages 12 to 22 form an integral part of these financial statements.

Arthur Marsh & Son Limited
Notes to the financial statements for the year ended 30 December 2015

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom (UK Generally Accepted Accounting Practice) and under historical cost accounting rules.

Under FRS1 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 Sentry Holdings Limited the Company has taken advantage of the exemption contained in FRS 8 and therefore not disclose transactions or balances with entities which form part of the Group (or investees of the Group qualifying as related parties.) The consolidated financial statements within which the Company results will be consolidated, can be obtained from the address given in note 19.

Going concern

On 31 July 2015 the director took the decision to cease trading following the sale of the Company's trade and assets to Towergate Underwriting Group Limited, a fellow group subsidiary. It is the director's intention to ultimately wind-up the Company and for this reason, the financial statements of the Company set out on pages 9 to 22 have been prepared on a break up basis. No adjustments were necessary to the amount at which the net assets are included in the financial statements.

Turnover

(a) Commission and fees

Revenue includes commission and fees receivable at the later of policy inception date or when the policy placement has been completed and confirmed. To the extent that the Company is contractually obliged to provide services after this date, a suitable proportion of income is deferred and recognised over the life of the relevant contracts to ensure that revenue appropriately reflects the cost of fulfilment of these obligations. The Company also makes provision for the cancellation of live policies after the balance sheet date based on previous experience of the volume of these.

(b) Trading deals and profit commission arrangements

Profit sharing arrangements, fees for the provision of payment instalment plans and other contingent and non-contingent trading deals with third parties are recognised over the life of the relevant arrangement or when they can be measured with reasonable certainty. Trading deal income includes contributions to marketing or product development, volume payments and profit commissions receivable.

Insurance transactions, client money and insurer money

The Company acts as an agent in placing the insurable risks of its clients with insurers and, as such, is not liable as principals for amounts arising from such transactions. In recognition of this relationship, debtors from insurance broking transactions are not included as an asset of the Company.

Other than amounts receivable for fees and commissions earned on a transaction, no recognition of the insurance transaction occurs until the Company receives cash in respect of premiums or claims, at which time a corresponding liability is established in favour of the insurer or the client.

In certain circumstances, the Company advances premiums, refunds or claims to insurance underwriters or clients prior to collection. These advances are reflected in the balance sheet as part of trade receivables.

The insurance broking account relates to money held by the Company in a client money account for future settlement of insurance transactions. Monies held in this account are used for this purpose only and are not available for general use by the Company.

Arthur Marsh & Son Limited
Notes to the financial statements for the year ended 30 December 2015

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. 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:

Goodwill	Straight line over 20 years
----------	-----------------------------

Property, plant and equipment

Property, plant and equipment is stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset is included in the profit and loss account in the period of derecognition.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

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 straight line
Leasehold improvements	Over the remaining life of the lease

Taxation

The tax expense for the period comprises current and deferred tax. Income tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legal enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority which permits the Company to make a single net payment.

Arthur Marsh & Son Limited
Notes to the financial statements for the year ended 30 December 2015

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.

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.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

2 Turnover

The analysis of the Company's turnover for the year is as follows:

	Year ended 30 December 2015	January 2014 to 30 December 2014
	£	£
Commission and fees	807,154	1,444,293
Trading deals and profit commissions	60,062	103,730
	<u>867,216</u>	<u>1,548,023</u>

Turnover consists entirely of sales made in the United Kingdom.

3 Operating profit

Arrived at after charging:

	Year ended 30 December 2015	January 2014 to 30 December 2014
	£	£
Operating leases - land and buildings	29,879	48,276
Depreciation of owned assets	1,292	8,982
Amortisation of intangible fixed assets	24,133	41,372
Auditors remuneration - audit of these financial statements	<u>-</u>	<u>11,760</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 ultimate parent, Sentry Holdings Limited.

Arthur Marsh & Son Limited
Notes to the financial statements for the year ended 30 December 2015

4 Staff costs

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

	Year ended 30 December 2015	January 2014 to 30 December 2014
	No.	No.
Management	1	1
Administration and support	8	7
Sales	1	5
	<u>10</u>	<u>13</u>

The aggregate payroll costs were as follows:

	Year ended 30 December 2015	January 2014 to 30 December 2014
	£	£
Wages and salaries	290,438	588,337
Social security costs	30,538	65,941
Other pension schemes	8,620	23,492
	<u>329,596</u>	<u>677,770</u>

All staff transferred on 31 July 2015 when the business of the Company together with its assets and liabilities were sold to Towergate Underwriting Group Limited.

5 Directors' remuneration

The emoluments of all directors are paid by other Group Companies, which make no recharge to the Company. The directors are/were directors of TIG Topco Limited and the predecessor parent company (Towergate Insurance Limited) and a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Their total emoluments are included in the consolidated financial statements of TIG Topco Limited.

6 Other interest receivable and similar income

	Year ended 30 December 2015	January 2014 to 30 December 2014
	£	£
Bank interest receivable	<u>-</u>	<u>3,327</u>

Arthur Marsh & Son Limited
Notes to the financial statements for the year ended 30 December 2015

7 Taxation

Tax on profit on ordinary activities

	Year ended 30 December 2015	1 January 2014 to 30 December 2014
	£	£
Current tax		
Corporation tax charge	76,408	116,915
Adjustments in respect of previous years	<u>-</u>	<u>8,465</u>
UK Corporation tax	76,408	125,380
Deferred tax		
Origination and reversal of timing differences	<u>(19)</u>	<u>2,605</u>
Total tax on profit on ordinary activities	<u><u>76,389</u></u>	<u><u>127,985</u></u>

Factors affecting current tax charge for the year

The tax on ordinary activities for the year is higher than the standard rate of corporation tax in the UK (2014 - higher than the standard rate of corporation tax in the UK) of 20.42% (2014 - 21.49%).

The differences are reconciled below:

	Year ended 30 December 2015	1 January 2014 to 30 December 2014
	£	£
Profit on ordinary activities before tax	<u>371,341</u>	<u>532,290</u>
Corporation tax at standard rate	75,828	114,389
Capital allowances in excess of depreciation	264	1,930
Expenses not deductible for tax purposes	329	596
Adjustment for prior periods	-	8,465
Other differences	<u>(13)</u>	<u>-</u>
Total current tax	<u><u>76,408</u></u>	<u><u>125,380</u></u>

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) was substantively enacted on 2 July 2013, a further reduction to 20% (effective from 1 April 2015) was also substantively enacted on 2 July 2013 and further reductions to 19% (effective from 1 April 2017) and 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. These reductions will reduce the Company's future current tax charge/credit accordingly.

The deferred tax asset at 30 December 2014 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

Arthur Marsh & Son Limited
Notes to the financial statements for the year ended 30 December 2015

8 Intangible fixed assets

	Goodwill £
Cost	
At 31 December 2014	1,802,451
Disposals	<u>(1,802,451)</u>
At 30 December 2015	<u>-</u>
Amortisation	
At 31 December 2014	1,214,350
Charge for the year	24,133
Eliminated on disposals	<u>(1,238,483)</u>
At 30 December 2015	<u>-</u>
Net book value	
At 30 December 2015	<u>-</u>
At 30 December 2014	<u><u>588,101</u></u>

The goodwill values at 30 December 2014 relate to the following portfolio acquisitions made by the Company:

Topcrest Insurance Brokers Limited - purchased 2009, NBV of £433,112

CJ Russell - purchased 2009, NBV of £149,703

FS Financial Services - purchased 2009, NBV of £5,286

The goodwill balances were transferred on 31 July 2015 when the Company sold its trade together with the assets and liabilities to Towergate Underwriting Group Limited.

Arthur Marsh & Son Limited
Notes to the financial statements for the year ended 30 December 2015

9 Tangible fixed assets

	Short leasehold land and buildings £	Computer equipment £	Total £
Cost			
At 31 December 2014	25,255	141,788	167,043
Disposals	(25,255)	(7,153)	(32,408)
Disposals to Towergate Group Companies	<u>-</u>	<u>(134,635)</u>	<u>(134,635)</u>
At 30 December 2015	<u>-</u>	<u>-</u>	<u>-</u>
Depreciation			
At 31 December 2014	11,682	135,299	146,981
Charge for the year	-	1,292	1,292
Eliminated on disposals	(11,682)	(4,578)	(16,260)
Disposals to Towergate Group Companies	<u>-</u>	<u>(132,013)</u>	<u>(132,013)</u>
At 30 December 2015	<u>-</u>	<u>-</u>	<u>-</u>
Net book value			
At 30 December 2015	<u>-</u>	<u>-</u>	<u>-</u>
At 30 December 2014	<u>13,573</u>	<u>6,489</u>	<u>20,062</u>

Arthur Marsh & Son Limited
Notes to the financial statements for the year ended 30 December 2015

10 Debtors

	30 December 2015	30 December 2014
	£	£
Trade debtors in relation to insurance transactions	-	507,765
Amounts owed by Group undertakings	904,190	4,305,589
Other debtors	-	6,566
Deferred tax	-	9,133
Prepayments and accrued income	-	29,748
	<u>904,190</u>	<u>4,858,801</u>

Deferred tax

The movement in deferred tax in the year is as follows:

	Deferred tax £
At 31 December 2014	9,133
Credited to the profit and loss account	19
Decrease from other transfers	<u>(9,152)</u>
At 30 December 2015	<u>-</u>

Analysis of deferred tax

	30 December 2015	30 December 2014
	£	£
Difference between accumulated depreciation and amortisation and capital allowances	<u>-</u>	<u>9,133</u>

Arthur Marsh & Son Limited
Notes to the financial statements for the year ended 30 December 2015

11 Cash at bank and in hand

Cash at bank includes £Nil (2014: £508,479) 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

	30 December 2015	30 December 2014
	£	£
Trade creditors	-	947,294
Amounts owed to Group undertakings	-	1,192,557
Corporation tax	-	116,915
Other creditors	-	18,903
Accruals and deferred income	-	50,610
	<u>-</u>	<u>2,326,279</u>

13 Creditors: Amounts falling due after more than one year

	30 December 2015	30 December 2014
	£	£
Other loans	<u>-</u>	<u>274,081</u>

The subordinate loan incurred no interest. Cullum Capital Ventures Limited, the lender, agreed to terminate the agreement with the Company and the balance was transferred to an intercompany account.

14 Obligations under leases and hire purchase contracts

Operating lease commitments

As at 30 December 2015 the Company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	30 December 2015	30 December 2014
	£	£
Land and buildings		
Over five years	<u>-</u>	<u>48,276</u>

Arthur Marsh & Son Limited
Notes to the financial statements for the year ended 30 December 2015

15 Share capital

Allotted, called up and fully paid shares

	30 December 2015		30 December 2014	
	No.	£	No.	£
"A" Ordinary Shares of £1 each	95,566	95,566	95,566	95,566
"B" Ordinary Shares of £1 each	4,436	4,436	4,436	4,436
	<u>100,002</u>	<u>100,002</u>	<u>100,002</u>	<u>100,002</u>

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

16 Reserves

	Share premium account £	Profit and loss account £	Total £
At 31 December 2014	804,188	2,712,771	3,516,959
Profit for the year	-	294,952	294,952
Dividends	-	(3,007,723)	(3,007,723)
At 30 December 2015	<u>804,188</u>	<u>-</u>	<u>804,188</u>

17 Pension schemes

Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £8,620 (2014 - £23,492).

18 Related party transactions

The Company made disclosures in the prior year regarding related party transactions with fellow group companies. The Company is now wholly owned by the Group and has therefore taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the Group.

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Notes to the financial statements for the year ended 30 December 2015

19 Control

At 30 December 2014, the ultimate parent company was Towergate Insurance Limited. On 2 April 2015, Highbridge Principal Strategies LLC became the Group's majority shareholder when its investment in Sentry Holdings Limited (incorporated in Jersey) acquired a direct interest in TIG Topco Limited (incorporated in Jersey) and indirect interests in Towergate Insurance Limited and its subsidiaries. At 30 December 2015, the ultimate parent company was Sentry Holdings Limited.

The consolidated financial statements of Sentry Holdings Limited are available upon request from:

Towergate House
Eclipse Park
Sittingbourne Road
Maidstone
Kent
ME14 3EN