

Registration number: 05570088

Bishop Skinner Acquisitions Limited

Financial Statements

for the period from 1 January 2014 to 30 December 2014

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Bishop Skinner Acquisitions Limited

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Bishop Skinner Acquisitions Limited

Strategic report for the period from 1 January 2014 to 30 December 2014

The director presents his strategic report for the period from 1 January 2014 to 30 December 2014 for Bishop Skinner Acquisitions Limited ("the Company"). The strategic report provides a review of the business for the financial period and describes how the directors manage risks. The report outlines the developments and performance of the Company during the financial period, the position at the end of the period and discusses the main trends and factors that could affect the future. The Company is part of the Towergate Insurance Limited Group ("the Group").

Principal activities and business review

The principal activity of the Company is that of a non-trading holding company.

The results for the Company show turnover of £Nil (2013: £Nil) and profit on ordinary activities before taxation of £Nil (2013: £Nil) for the period. At 30 December 2014 the Company had net assets of £200 (2013: £200).

Key performance indicators

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

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

The key performance indicator for this Company is the carrying value of its subsidiary, as this is the main asset of the Company. As discussed on the principal risks and uncertainties, the performance of their subsidiary undertaking will determine whether an impairment to the carrying value is required and this is tested on a regular basis.

There were no impairment charges for the current year.

Outlook

The Company will continue to focus on retention of customers through enhanced customer contact and gaining new business through targeted marketing campaigns.

Principal risks and uncertainties

The Company's performance and value, as a holding company of the Group, is integrated with its investment in the Company's subsidiaries. As such from the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the group and are managed separately. Accordingly, the principal risks and uncertainties of the Group, which include those of the Company, are discussed in the Group's annual report.

A principal risk of this holding Company is the trading performance of its subsidiaries. Trading performance in subsidiaries could create the need for impairment leading to a reduction in net assets and distributable reserves of the Company. Each subsidiary sets performance targets for the year ahead and performance is reviewed regularly against these targets. Reasons for under performance are monitored and mitigating actions are taken. Investments are reviewed for impairment to ensure the appropriate carrying value for each investment in the holding company's accounts.

Bishop Skinner Acquisitions Limited
Strategic report for the period from 1 January 2014 to 30 December 2014

Key performance indicators

The directors of Towergate Insurance 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, is discussed in the Group's annual report. The key performance indicator for the Company is the carrying value of its subsidiary, as this is the main asset of the Company.

As discussed in the principal risks and uncertainties section of this report, the performance of the subsidiary undertakings will determine whether an impairment to the carrying value is required and this is tested on a regular basis. There were no impairment charges in the current period.

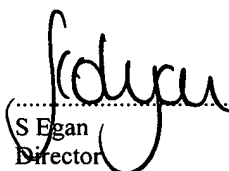
Group restructuring

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

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

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

Approved by the Board on 11 September 2015 and signed on its behalf by:


.....
S Egan
Director

Bishop Skinner Acquisitions Limited
Director's Report for the period from 1 January 2014 to 30 December 2014

The director presents his report and the financial statements for the period from 1 January 2014 to 30 December 2014.

Directors of the Company

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

S Egan

M P Rea (resigned 16 April 2015)

M S Hodges (resigned 17 October 2014)

D J Bruce (resigned 12 February 2014)

Dividends

The director does not recommend a final dividend payment to be made in respect of the financial period ended 30 December 2014 (2013: £Nil).

Political and charitable donations

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

Going concern

The financial statements of the Company set out on pages 8 to 16 have been prepared on a going concern basis. The directors believe the going concern basis to be appropriate following their assessment of the Company's financial position and its ability to meet its obligations as and when they fall due. Further details of this assessment can be found in note 1 to these financial statements.

Post balance sheet events

The Group has undergone a financial restructuring which completed in April 2015 of which this company is a guarantor, details of this restructuring are included in note 10.

The directors note that after the balance sheet date, the directors have taken a decision to divisionalise the company's trading subsidiary as of 31 October 2015. As of that date, the subsidiary will cease to trade. Its trade and net assets will be sold to Towergate Underwriting Group Limited, a fellow group subsidiary.

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

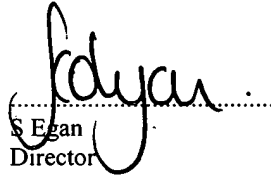
Bishop Skinner Acquisitions Limited
Director's Report for the period from 1 January 2014 to 30 December 2014

Reappointment of auditors

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

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

Approved by the Board on 11 September 2015 and signed on its behalf by:


S Egan
Director

Towergate House
Eclipse Park
Sittingbourne Road
Maidstone
Kent
ME14 3EN

Bishop Skinner Acquisitions 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.

Bishop Skinner Acquisitions Limited
Independent auditor's report to the members of Bishop Skinner Acquisitions Limited

We have audited the financial statements of Bishop Skinner Acquisitions Limited for the period from 1 January 2014 to 30 December 2014, set out on pages 8 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Statement of director's responsibilities set out on page 5, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 December 2014 and of its results for the period 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

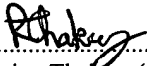
In our opinion the information given in the strategic report and the director's report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Bishop Skinner Acquisitions Limited
Independent auditor's report to the members of Bishop Skinner Acquisitions 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: 11 September 2015

Bishop Skinner Acquisitions Limited
Profit and loss account for the period from 1 January 2014 to 30 December 2014

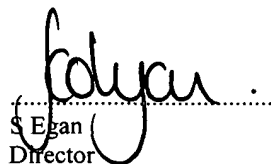
During the financial year and the preceding financial year, the Company did not trade and received no income and incurred no expenditure. Consequently during those periods, the Company made neither a profit nor a loss.

The notes on pages 11 to 16 form an integral part of these financial statements.

Bishop Skinner Acquisitions Limited
(Registration number: 05570088)
Balance sheet as at 30 December 2014

	Note	30 December 2014 £	31 December 2013 £
Fixed assets			
Investments	5	4,533,801	4,533,801
Creditors: Amounts falling due within one year	6	<u>(4,533,601)</u>	<u>(4,533,601)</u>
Net assets		<u>200</u>	<u>200</u>
Capital and reserves			
Called up share capital	7	<u>200</u>	<u>200</u>
Shareholder's funds		<u>200</u>	<u>200</u>

Approved by the director on 11 September 2015


 S Egan
 Director

Bishop Skinner Acquisitions Limited
Reconciliation of movement in shareholders' funds as at 30 December 2014

	30 December 2014	31 December 2013
	£	£
Net addition/(reduction) to shareholders' funds	-	-
Shareholders' funds at start of period	<u>200</u>	<u>200</u>
Shareholders' funds at end of period	<u><u>200</u></u>	<u><u>200</u></u>

Bishop Skinner Acquisitions Limited
Notes to the financial statements for the period ended 30 December 2014

1 Accounting policies

Basis of preparation

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

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

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.

Going concern

The financial statements of the Company set out on pages 8 to 16 have been prepared on a going concern basis. The directors believe the going concern basis to be appropriate following their assessment of the Company's financial position and its ability to meet its obligations as and when they fall due as described below.

At 30 December 2014, the Company has net assets of £200 (2013: £200) and net current liabilities of £4,533,601 (2013: £4,533,601). The net assets include an amount owed to group undertakings of £4,531,651 (2013: £4,531,651) and investments in Group companies of £4,533,801 (2013: £4,533,801). The Group has indicated that it is its current intention that, for at least 12 months from the date of approval of these financial statements, it will continue to make available sufficient funds as are needed by the Company to enable it to continue trading.

In reaching their view on preparation of the Company's financial statements on a going concern basis, the directors have therefore considered significant uncertainties facing the Towergate Group that existed at the balance sheet date of 30 December 2014 and subsequent actions and developments in the period up to the date of approval of these financial statements.

The uncertainties that existed at the balance sheet date were disclosed on 19 November 2014 in the consolidated financial statements of Towergate Holdings II Limited, a former intermediate parent company, for the period ended 30 September 2014. Those consolidated financial statements highlighted uncertainties over that Group's operational cash flow and liquidity requirements and respective management actions some of which required the agreement of third parties, the successful renegotiation of that Group's financial covenant attaching to a fully drawn £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.

On 2 April 2015, the Group announced that a restructuring transaction with its senior secured and senior unsecured creditors had been successfully completed, resulting in new ownership for the Group's trading entities, including Bishop Skinner Acquisitions Limited. The transaction resulted in a financial restructuring and recapitalisation of the Group with an equity injection of £50m into the Group together with additional financing of £75m.

Bishop Skinner Acquisitions Limited
Notes to the financial statements for the period ended 30 December 2014

At the date of approval of these financial statements, on the basis of cash flow forecasts prepared under the new structure, the directors believe that this restructuring removes the uncertainties highlighted over the Group's operational cash flow and liquidity requirements. In addition, the £85.0m revolving credit facility has been repaid in full removing the financial covenant obligations faced by the Group.

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

On the basis of their assessment of the Company's financial position and of the Group's ability to continue to provide such support as might be required, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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.

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any diminution in value.

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.

Bishop Skinner Acquisitions Limited
Notes to the financial statements for the period ended 30 December 2014

2 Operating profit

Arrived at after charging:

	1 January 2014 to 30 December 2014	Year ended 31 December 2013
	£	£
Auditors remuneration - audit of these financial statements	<u>-</u>	<u>-</u>

Audit fees for the Company are borne by other companies within the Group and no recharge is made to the Company.

Amounts receivable by the Company's auditor in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Towergate Insurance Limited.

3 Staff costs

The Company had no employees in the current year or the preceding year. All administration is performed by employees of the Group, which made no recharge to the Company.

4 Directors' remuneration

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.

Bishop Skinner Acquisitions Limited
Notes to the financial statements for the period ended 30 December 2014

5 Investments held as fixed assets

	£
Cost	
At 1 January 2014	<u>4,533,801</u>
At 30 December 2014	<u>4,533,801</u>
Net book value	
At 30 December 2014	<u><u>4,533,801</u></u>
At 31 December 2013	<u><u>4,533,801</u></u>

Details of undertakings

A full list of the subsidiary undertakings in which the Company holds any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	Principal activity
Bishop Skinner Insurance Brokers Holdings Limited	England & Wales	Ordinary	100%	Holding company

6 Creditors: Amounts falling due within one year

	30 December 2014 £	31 December 2013 £
Amounts owed to Group undertakings	4,531,651	4,531,651
Other creditors	<u>1,950</u>	<u>1,950</u>
	<u><u>4,533,601</u></u>	<u><u>4,533,601</u></u>

Bishop Skinner Acquisitions Limited
Notes to the financial statements for the period ended 30 December 2014

7 Share capital

Allotted, called up and fully paid shares

	30 December 2014		31 December 2013	
	No.	£	No.	£
'A' Ordinary Shares of £1 each	170	170	170	170
'B' Ordinary Shares of £1 each	30	30	30	30
	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>

8 Related party transactions

	30 December 2014		31 December 2013	
	Paid to / (received from)	Outstanding at period end	Paid to / (received from)	Outstanding at year end
	£	£	£	£
Cullum Capital Capital Ventures Limited	Nil	(4,385,683)	Nil	(4,385,683)
Bishop Skinner Insurance Brokers Holdings Limited	Nil	(145,968)	Nil	(145,968)

9 Control

At the balance sheet date the ultimate parent company of the Company was Towergate PartnershipCo Limited. As part of the restructuring on 2 April 2015, as discussed in the accounting policies, the ultimate holding company of the Group is now Sentry Holdings Limited and the parent company of the largest Group in which the results of the Company will be consolidated is TIG TopCo Limited.

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

These consolidated financial statements are available upon request from:

Towergate House
Eclipse Park
Sittingbourne Road
Maidstone
Kent
ME14 3EN

Bishop Skinner Acquisitions Limited
Notes to the financial statements for the period ended 30 December 2014

10 Post balance sheet events

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

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

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

The directors note that after the balance sheet date, the directors have taken a decision to divisionalise this company as of 31 October 2015. As of that date, the company will cease to trade. Its trade and net assets will be sold to Towergate Underwriting Group Limited, a fellow group subsidiary.