

Protectagroup Services Limited
Directors' report and financial statements

for the year ended 31 December 2011

Registered Number 05570089

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Officers and professional advisers

Directors

M P Rea
S Egan
D J Bruce

Secretary

S T B Clark

Registered office

Towergate House
Eclipse Park
Sittingbourne Road
Maidstone
Kent
ME14 3EN

Auditor

KPMG Audit Plc
3 Assembly Square
Britannia Quay
Cardiff
CF10 4AX

Directors' report

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

Business review and principal activities

The profit and loss account for the year is set out on page 6

The principal activity of the Company is that of a holding company. Both of the Company's subsidiaries, Arcadia Building Services Limited and Indemnity UK Limited, are now dormant. The directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

The results for the Company show a pre-tax profit of £270,620 for the year (2010: £nil) and turnover of £nil (2010: £nil). The Company has net liabilities of £336,655 (2010: £607,275).

Discussion on the consolidated results of Cullum Capital Ventures Limited group of companies ("the Group"), which includes the Company, can be found in the Group's annual report which does not form part of this report.

Future outlook

The Company did not trade in the year ended 31 December 2011. The Company continues to act as a holding company.

Dividend

No dividends were paid or proposed during the year (2010: £nil).

Changes in group structure

On 11 February 2011 a new holding company, Towergate Partnershipco Limited, was created in which funds advised by Advent International invested £200,000,000. Towergate Partnershipco Limited acquired for a combination of new shares and cash all of the Ordinary share capital of Cullum Capital Ventures Limited. Towergate Partnershipco Limited also acquired Towergate Partnership Limited.

On 27 June 2012, Cullum Capital Ventures Limited's existing debt facilities were transferred to Towergate Insurance Limited in exchange for new shares.

These changes in group structure have resulted in Towergate Partnershipco Limited becoming the ultimate parent company and Cullum Capital Ventures Limited an intermediate holding company. Mr PG Cullum ceased to be the controlling party of the group.

Directors' report *(continued)*

Directors and directors' interests

The directors who held office during the year were as follows

I W Brown *(resigned 31 March 2012)*
M P Rea
B Park *(appointed 23 March 2011, resigned 16 April 2012)*

Directors appointed after the year end were as follows

S Egan *(appointed 19 April 2012)*
G Barr *(appointed 16 April 2012, resigned 08 August 2012)*
D J Bruce *(appointed 08 August 2012)*

The interests of the directors who held office at the end of the financial year in the shares of group companies are disclosed in the financial statements of the ultimate parent company

No directors have been granted share options in the shares of the Company or other group companies

Third Party Indemnity Provisions

The Company did not provide qualifying third party indemnity provisions to any of its Directors during the period. No provisions were in force at the date these financial statements were approved

Political and charitable contributions

The Company made charitable contributions during the current year of £nil (2010: £nil)

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information

Auditor

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

By order of the board



D J Bruce
Director

25th 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 they 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 the 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 Protectagroup Services Limited

We have audited the financial statements of Protectagroup Services Limited for the year ended 31 December 2011 set out on pages 6 to 14. 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 Directors' Responsibilities Statement set out on page 4, 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 website 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 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

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

K Maguire (Senior Statutory Auditor)

for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants
3 Assembly Square
Britannia Quay
Cardiff
CF10 4AX

26th September 2012

Profit and loss account for the year ended 31 December 2011

		Year ended 31 December 2011 £	Year ended 31 December 2010 £
Turnover		-	-
Administrative expenses		-	-
		<hr/>	<hr/>
Operating loss		-	-
Dividends receivable		270,620	-
Interest receivable		-	-
Interest payable		-	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation	2	270,620	-
Tax on profit on ordinary activities	5	-	-
		<hr/>	<hr/>
Profit for the financial year		270,620	-
		<hr/>	<hr/>

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

The notes on pages 9 to 14 form part of these financial statements

Balance sheet at 31 December 2011

	<i>Note</i>	At 31 December 2011		At 31 December 2010	
		£	£	£	£
Fixed assets					
Investments	6		-		-
Current assets					
Debtors	7	270,620		-	
Creditors amounts falling due within one year	8	(607,275)		(607,275)	
Net current liabilities			(336,655)		(607,275)
Total assets less current liabilities			(336,655)		(607,275)
Net liabilities			(336,655)		(607,275)
Capital and reserves					
Called up share capital	9		100		100
Profit and loss account	10		(336,755)		(607,375)
Equity shareholders' deficit			(336,655)		(607,275)

The notes on pages 9 to 14 form part of these financial statements

These financial statements were approved by the board of directors on 28th September 2012 and were signed on its behalf by



D J Bruce
Director

Reconciliation of movements in shareholders' funds for the year ended 31 December 2011

	Year ended 31 December 2011 £	Year ended 31 December 2010 £
Retained profit for the financial year	270,620	-
Opening shareholders' deficit	(607,275)	(607,275)
Closing shareholders' deficit	(336,655)	(607,275)

The notes on pages 9 to 14 form part of these financial statements

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

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 Protectagroup Holdings 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 Cullum Capital Ventures Limited within which the Company is included, can be obtained from the address given in note 11

Going concern

The financial statements have been prepared on the going concern basis, notwithstanding net liabilities of £336,655 which the directors believe to be appropriate for the following reasons

- The Company's ultimate parent Cullum Capital Ventures 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 to continue to meet 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

Investments

Investments in subsidiary undertakings, associates and joint ventures are stated at cost less amounts written off

Income Recognition

UK dividend income is included in the financial statements when the investments concerned are quoted ex-dividend and shown net of any associated tax credit. Deposit interest and underwriting commissions receivable are included on an accruals basis

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised without discounting in respect of all material 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

Notes (continued)

2 Profit on ordinary activities before taxation

The audit fee of £2,952 was borne by Protectagroup Limited, another group company, who makes no recharge to the Company

3 Remuneration of directors

The emoluments of Messrs Park and Rea are paid by Cullum Capital Ventures Limited which makes no recharge to the Company. All are directors of the ultimate parent company 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 financial statements of the ultimate parent company.

The emoluments of Mr I W Brown are paid by Protectagroup Limited, which makes no recharge to the Company. Mr I W Brown is a director of a number of fellow subsidiaries and it is not possible to make an accurate apportionment of his emoluments in respect of each of the subsidiaries. His total emoluments are included in the financial statements of Protectagroup Limited.

4 Staff numbers and costs

There were no persons employed by the Company during the year.

5 Tax on profit on ordinary activities

	31 December 2011 £	31 December 2010 £
UK corporation tax – current year	-	-
UK corporation tax – prior year	-	-
Deferred tax charge	-	-
	<u> </u>	<u> </u>
UK corporation tax – current year	-	-
	<u> </u>	<u> </u>

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

	31 December 2011 £	31 December 2010 £
Current tax reconciliation		
Profit on ordinary activities before taxation	270,620	-
	<u> </u>	<u> </u>
Current tax at 26.5% (2010 28%)	71,696	-
Effects of:		
Income not taxable	(71,696)	-
Adjustments to tax charge in respect of previous periods	-	-
	<u> </u>	<u> </u>
UK corporation tax charge on profit on ordinary activities for the year	-	-
	<u> </u>	<u> </u>

Factors affecting future tax charges

Future tax charges will be affected by the degree to which amortisation of goodwill is not allowable for tax purposes and entertaining is disallowed.

The Finance Act 2011 enacted the reduction in corporation tax rate to 26% with effect from April 2011 and 25% from April 2012. The UK Government announced at the Budget 2012 on 21 March 2012 that the corporation tax rate would instead reduce to 24% from April 2012 with two further annual 1% cuts to 22% by April 2014. Other than the enacted changes to 26% and 25%, the effects of the announced changes are not reflected in the financial statements for the year ended 31 December 2011 as they were not substantively enacted at the balance sheet date.

Notes (continued)

6 Fixed Asset Investments

The principal companies in which the Company's interest at the year end is more than 20% are as follows

	Country of incorporation	Principal activity	Class and percentage of shares held
<i>Subsidiary undertakings</i>			
Arcadia Building Services Limited	United Kingdom	Dormant	£1 ordinary shares – 100%
Indemnity UK Limited	United Kingdom	Dormant	£1 ordinary shares – 100%

All fixed asset investments were fully written down at the beginning of the period dated 31 December 2008

7 Debtors

	31 December 2011 £	31 December 2010 £
Amounts due from group undertakings	270,620	-

8 Creditors – amounts falling due within one year

	31 December 2011 £	31 December 2010 £
Amounts due to group undertakings	607,275	607,275
	607,275	607,275

9 Called up share capital

	31 December 2011 £	31 December 2010 £
Allotted, called up and fully paid 100 Ordinary shares of £1 each	100	100

Notes (continued)

10 Reserves

	Profit and loss Account £
At the beginning of the year	(607,375)
Profit for the financial year	270,620
	<hr/>
At 31 December 2011	(336,755)
	<hr/>

11 Ultimate parent company

The Company is a subsidiary undertaking of Cullum Capital Ventures Limited which was the intermediate holding company at year end. On 11 February 2011 a new holding company, Towergate Partnershipco Limited, was created in which funds advised by Advent International invested £200 million. Towergate Partnershipco Limited has acquired for a combination of new shares and cash all of the Ordinary share capital of Cullum Capital Ventures Limited. Towergate Partnershipco Limited has also acquired Towergate Partnership Limited.

This change in group structure has resulted in Towergate Partnershipco Limited being the ultimate parent company and Cullum Capital Ventures Limited an intermediate holding company. Mr PG Cullum ceased to be the controlling party of the group.

The largest group in which the results of the Company are consolidated is that headed by Towergate Partnershipco Limited. These financial statements provide information about the Company as an individual undertaking and not about its group.

The consolidated financial statements of the group are available to the public and may be obtained from

Towergate House
 Eclipse Park
 Sittingbourne Road
 Maidstone
 Kent
 ME14 3EN

12 Related party transactions

At 31 December 2010 Mr P G Cullum, the Chairman, was the controlling party by virtue of his controlling interest in the equity share capital of Cullum Capital Ventures Limited. Mr P G Cullum ceased to be the controlling party on 11 February 2011 (see note 11).

Notes (continued)

13 Contingent assets and liabilities

A guarantee and debenture have been granted over the shares and the assets of the Company in favour of the Lloyds Banking Group (previously Bank of Scotland Plc), under the terms of which all monies due or which may become due from the Company, or other group companies listed below, to the Lloyds Banking Group, are guaranteed. The amount due by group companies at 31 December 2011 was £47,754,261 (2010: £52,726,940). Further details of the aggregate liabilities due by group companies to the Lloyds Banking Group are set out in the financial statements of the parent company. The group companies involved include principally

Arthur Marsh & Son Limited
Ainsbury (Insurance Brokers) Limited
Berkeley Alexander Limited
Bishop Skinner Acquisitions Limited
Bishop Skinner Client Services Limited
Bishop Skinner Insurance Brokers Holdings Limited
Bishop Skinner Insurance Brokers Limited
Brian Potter & Associates Limited
CCV Risk Solutions Limited
Chorlton Cloughley Group Limited
Cox Lee & Co Limited
Crawford Davis Insurance Consultants Limited
Cullum Capital Ventures Limited
Dawson Pennington & Company Limited
Fenton Insurance Solutions Limited
Four Counties Finance Limited
Four Counties Insurance Brokers Limited
HLI (UK) Limited
Hodge Insurance Brokers Limited
Infinity Sports And Leisure Limited
Just Insurance Brokers Limited
Knowmaster Limited
Milburn Insurance Services Limited
Moffatt & Co Limited
Oyster Property Insurance Specialists Limited
Portishead Insurance Management Limited
Protectagroup Limited
Protectagroup Services Limited
Protectagroup Acquisitions Limited
Protectagroup (CIB) Limited
(formerly known as Culver Insurance Brokers Limited)
Protectagroup Club Card Limited
Protectagroup Holdings Limited
Rhodepark Limited
Richard V Wallis & Co Limited
Roundcroft Limited
Topcrest Insurance Brokers Limited
Walter Ainsbury & Son Limited
BIB Underwriters Limited
BIBU Acquisitions Limited
BIB (Darlington) Limited
BIB (Darlington) Acquisitions Limited
Goodwood Insurance Services Limited
Antur Insurance Services Limited
Antur (West Wales) Limited

Notes *(continued)*

14 Post balance sheet event

On 27th June 2012 Cullum Capital Ventures Limited issued 265,061 new Ordinary £1 shares. The transfer to Towergate Insurance Limited of Cullum Capital Ventures Limited's existing debt facilities was made in exchange for these new shares. Towergate Insurance Limited became the immediate parent company of Cullum Capital Ventures Limited. Towergate Partnershipco Limited remained the ultimate parent company.