

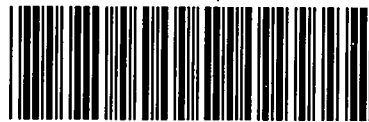
Registration number: 06108332

# HS 428 Limited

Financial Statements

for the Year Ended 31 December 2013

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## **HS 428 Limited**

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

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

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

The results for HS 428 Limited ("the Company") show a pre-tax profit of £150,625 (2012: £190,199) for the year and turnover of £110,251 (2012: £154,033). The Company has net assets of £1,570,731 (2012: £1,455,126).

The principal activity of the company is the provision of insurance intermediary services, although the Company is closed to new business so that the underlying books of the business are expected to decline year on year. This is reflected in the decrease in turnover this year.

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.

#### **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.

The principal risks of the Group and their mitigation are as follows.

##### *Strategic and Commercial Risk*

There are risks of changes to the competitive and / or economic environment. This is mitigated by a robust strategy and planning process, regular monitoring of economic and competitive environment and diversification of product lines and channels.

##### *Financial Risk*

There is the risk of adverse impact on business value or earning capacity as well as risk of inadequate cash flow to meet financial obligations. This risk is mitigated by proactive management of the business plan, regular monitoring of cash flows against risk appetite and a close relationship with a number of debt providers.

##### *Operational Risk*

There is the risk of losses arising from inadequate or failed internal processes, from personnel and / or from external events. These are mitigated by employing an Enterprise Risk Management Framework owned by the Group Risk Officer and business continuity planning.

##### *Regulatory and Legal Risk*

The Risk of regulatory sanctions, material financial loss or loss to reputation suffered as a result of non compliance with laws, regulations and applicable administrative provisions. This risk is mitigated by a proactive relationship with the FCA, a dedicated compliance function, and a compliance monitoring programme in place.

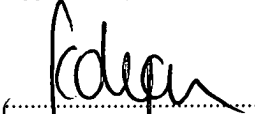
**HS 428 Limited**  
**Strategic Report for the Year Ended 31 December 2013**

**Key performance indicators**

The directors of Towergate PartnershipCo Limited manage the Group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of HS 428 Limited.

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

Approved by the Board on 2 September 2014 and signed on its behalf by:

  
.....  
S Egan  
Director

**HS 428 Limited**  
**Directors' Report for the Year Ended 31 December 2013**

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

**Directors of the Company**

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

M S Hodges

S Egan

T D Johnson (*resigned 30 June 2014*)

A C Homer (*resigned 9 January 2013*)

**Dividends**

The directors recommend a final dividend payment of £Nil be made in respect of the financial year ended 31 December 2013.

**Political and charitable donations**

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

**Going concern**

The directors have a reasonable expectation that the Company has adequate resources 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.

**Directors liabilities**

All directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

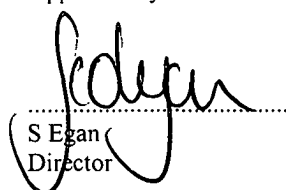
**Disclosure of information to the auditors**

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

**Reappointment of auditors**

Our auditor, KPMG Audit Plc, has instigated an orderly wind down of business. The board has decided to put KPMG LLP forward to be appointed as auditors and the resolution concerning their appointment will be put forward for approval at the forthcoming board meeting.

Approved by the Board on 2 September 2014 and signed on its behalf by:

  
S Egan  
Director

## **HS 428 Limited**

### **Statement of Directors' Responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent auditor's report to the members of HS 428 Limited**

We have audited the financial statements of HS 428 Limited for the year ended 31 December 2013, set out on pages 7 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### **Respective responsibilities of directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities set out on page 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 Financial Reporting Council's web-site at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

## Independent auditor's report to the members of HS 428 Limited

### Matters on which we are required to report by exception

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

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

*L. Pomeroy*

Lawrence Pomeroy (Senior Statutory Auditor)  
For and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants  
St James' Square  
Manchester  
M2 6DS

2 September 2014

**HS 428 Limited**  
**Profit and Loss Account for the Year Ended 31 December 2013**

	Note	2013 £	2012 £
Turnover		<u>110,251</u>	<u>154,033</u>
Operating profit	2	110,251	154,033
Other interest receivable and similar income	4	<u>40,374</u>	<u>36,166</u>
Profit on ordinary activities before taxation		150,625	190,199
Tax on profit on ordinary activities	5	<u>(35,020)</u>	<u>(104,681)</u>
Profit for the financial year	9	<u><u>115,605</u></u>	<u><u>85,518</u></u>

Turnover and operating profit derive wholly from continuing operations.

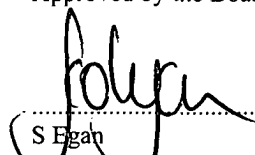
The Company has no recognised gains or losses for the year other than the results above.

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.

**HS 428 Limited**  
**(Registration number: 06108332)**  
**Balance Sheet as at 31 December 2013**

	Note	2013 £	2012 £
<b>Current assets</b>			
Debtors	6	1,710,432	1,559,808
Creditors: Amounts falling due within one year	7	<u>(139,701)</u>	<u>(104,682)</u>
Net assets		<u>1,570,731</u>	<u>1,455,126</u>
<b>Capital and reserves</b>			
Called up share capital	8	2	2
Profit and loss account	9	<u>1,570,729</u>	<u>1,455,124</u>
Shareholders' funds	10	<u>1,570,731</u>	<u>1,455,126</u>

Approved by the Board on 2 September 2014 and signed on its behalf by:

  
 S Egan  
 Director

## **HS 428 Limited**

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

#### **1 Accounting policies**

##### ***Basis of preparation***

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

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 12.

##### ***Exemption from preparing a cash flow statement***

Under FRS 1 the Company is exempt from the requirement to prepare a cashflow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

##### ***Going concern***

The financial statements have been prepared on a going concern basis.

##### ***Turnover***

Turnover represents net invoiced sales of services, excluding value added tax. Fees and commissions are recognised on an accruals basis when a service has been provided.

Turnover consists entirely of sales made in the United Kingdom

##### ***Taxation***

The charge for taxation is based on the profit 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.

## HS 428 Limited

### Notes to the Financial Statements

#### 2 Operating profit

Operating profit is stated after charging/(crediting):

	2013	2012
	£	£
Audit of the financial statements	<u>-</u>	<u>-</u>

Auditors' remuneration and administrative expenses have been borne by the parent company, Paymentsshield Limited.

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.

#### 3 Particulars of employees

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.

#### 4 Other interest receivable and similar income

	2013	2012
	£	£
Other interest receivable	<u>40,374</u>	<u>36,166</u>

Interest receivable relates to an inter-company loan balance with Paymentsshield Limited.

**HS 428 Limited**  
**Notes to the Financial Statements**

**5 Taxation**

**Tax on profit on ordinary activities**

	2013 £	2012 £
<b>Current tax</b>		
Corporation tax charge	35,020	46,599
Adjustments in respect of previous years	-	58,082
UK Corporation tax	<u>35,020</u>	<u>104,681</u>

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

The tax on profit on ordinary activities for the year is the same as the standard rate of corporation tax in the UK (2012 -higher than the standard rate of corporation tax in the UK ) of 23.25% (2012 - 24.5%).

The differences are reconciled below:

	2013 £	2012 £
Profit on ordinary activities before tax	<u>150,625</u>	<u>190,199</u>
Corporation tax at standard rate	35,020	46,599
Adjustment for prior periods	-	58,082
Total current tax	<u>35,020</u>	<u>104,681</u>

**Factors that may affect future tax charges**

The Budget on 20 March 2013 announced that the UK corporation tax rate will reduce to 20% by April 2015. A reduction in the rate from 25% to 23% (effective from 1 April 2013) was substantively enacted on 3 July 2012, and a further reduction to 21% (effective from 1 April 2014) and then 20% (effective 1 April 2015) was enacted on 17 July 2013.

This will reduce the Company's future current tax charge accordingly.

It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the Company's future current tax charge.

**6 Debtors**

	2013 £	2012 £
Amounts owed by group undertakings	<u>1,710,432</u>	<u>1,559,808</u>

**HS 428 Limited**  
**Notes to the Financial Statements**

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

	2013 £	2012 £
Amounts owed to group undertakings	104,681	58,083
Corporation tax	<u>35,020</u>	<u>46,599</u>
	<u><u>139,701</u></u>	<u><u>104,682</u></u>

**8 Share capital**

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

	No.	2013 £	No.	2012 £
Ordinary Shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

**9 Reserves**

	Profit and loss account £
At 1 January 2013	1,455,124
Profit for the year	<u>115,605</u>
At 31 December 2013	<u><u>1,570,729</u></u>

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

	2013 £	2012 £
Profit attributable to the members of the company	<u>115,605</u>	<u>85,518</u>
Shareholders' funds at 1 January	<u>1,455,126</u>	<u>1,369,608</u>
Shareholders' funds at 31 December	<u><u>1,570,731</u></u>	<u><u>1,455,126</u></u>

**HS 428 Limited**  
**Notes to the Financial Statements**

**11 Related party transactions**

The Company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the Group.

**12 Control**

The parent of the largest Group in which results are consolidated is Towergate PartnershipCo Limited.

Consolidated financial statements are available from:  
Towergate House  
Eclipse Park  
Sittingbourne Road  
Maidstone  
Kent ME14 3EN

The immediate parent company is HS426 Limited.

The ultimate parent company is Towergate PartnershipCo Limited.