

LFE Group Limited

Directors' report and financial statements

Registered number 06270951

For the period ended 31 December 2012

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Directors' Report

The directors present their annual report and the audited financial statements for the period ended 31 December 2012

Principal activities and business review

The results for LFE Group Limited ('the Company') show a pre-tax profit of £984,970 (2011 £37,572) for the period and turnover of £25,000 (2011 £60,000). The Company has net assets of £17,294 (2011 £19,092). The basis of preparation on page 7 sets out the reasons why the directors continue to believe that the preparation of the financial statements on the going concern basis is appropriate.

The principal activity of the Company during the year was that of a non-trading holding company.

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.

Key performance indicators

The directors of Towergate Partnershipco Limited manage the Group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of Towergate Financial (North) Holdings Limited. The development, performance and position of Towergate Partnershipco Limited, which includes the Company, is discussed in the Group's annual report which does not form part of this report.

Political and charitable contributions

The Company made charitable contributions of £nil (2011 £nil) and political contributions of £nil (2011 £nil) during the period.

Proposed dividend

Dividends of £999,171 were paid during the period (2011 £20,000).

Directors

The directors who held office during the year and to the date of this report were as follows:

D Bruce	<i>appointed</i>	<i>8 August 2012</i>
S Egan	<i>appointed</i>	<i>19 April 2012</i>
M Hodges	<i>appointed</i>	<i>24 August 2012</i>
A Paintin	<i>resigned</i>	<i>6 February 2013</i>
H Paintin	<i>resigned</i>	<i>6 February 2013</i>
B Park	<i>resigned</i>	<i>16 April 2012</i>

Directors' Report *(continued)*

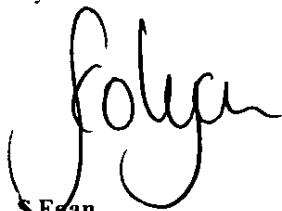
Disclosure of information to auditors

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

Auditors

During the year KPMG were appointed as auditors, the previous year was not audited.

By order of the board

A handwritten signature in black ink, appearing to read 'S Egan', written over a horizontal line.

S Egan

Director

29 July 2013

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

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

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

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

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

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

Independent auditor's report to the members of LFE Group Limited

We have audited the financial statements of LFE Group Limited for the period ended 31 December 2012 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

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

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 2012 and of its profit 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.

Other matter – Prior period financial statements

In forming our opinion on the financial statement, which is not modified, we note that the prior period financial statements were not audited. Consequently, International Standards on Auditing (UK and Ireland) require the auditor to state that the corresponding figures contained within these financial statements are unaudited.

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.



Rajan Thakrar (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

29 July 2013

Profit and loss account
for the period ended 31 December 2012

	<i>Note</i>	18 months to 31 December 2012 £	Year to 30 June 2011 £
Income		25,000	60,000
Administrative expenses		(271,981)	(42,715)
Operating loss		(246,981)	(17,285)
Income from shares in group companies		1,231,411	20,000
Bank interest receivable		540	287
Profit/ (loss) on ordinary activities before taxation	2	984,970	37,572
Tax on profit/ (loss) on ordinary activities	3	12,403	(12,403)
Profit/ (loss) for the financial year	9, 10	997,373	25,169

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

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

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

Balance sheet
at 31 December 2012

	<i>Note</i>	2012		2011	
		£	£	£	£
Fixed assets					
Intangible assets	4	-		271,250	
Investments	5	2		2	
			2	271,252	
Current assets					
Debtors	6	17,289		-	
Cash at bank and in hand		-		58,724	
		17,289		58,724	
Creditors amounts falling due within one year	7	3		(310,884)	
Net current assets/(liabilities)		17,292		(252,160)	
Total assets less current liabilities		17,294		19,092	
Net assets		17,294		19,092	
Capital and reserves					
Called up share capital	8	2		2	
Profit and loss account	9	17,292		19,090	
Equity shareholders' funds	10	17,294		19,092	

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

These financial statements were approved by the board of directors on 29 July 2013 and were signed on its behalf by


S Egan
 Director

Company registered number 06270951

Notes

(forming part of the financial statements)

1 Accounting policies

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

Basis of preparation

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

As the Company is itself a subsidiary of a company incorporated in Great Britain, the Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group accounts. 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.

The amendment to FRS 8 Related Party Disclosures has the effect that only wholly-owned subsidiaries are exempt from disclosure of intragroup transactions.

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.

Investments

Investments in subsidiary undertakings are stated in the balance sheet of the Company at cost less any provision for impairment of value.

Intangible Assets

Acquired goodwill is written off in equal instalments over its estimated useful economic life of 10 years.

Remuneration of directors and staff costs

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

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

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.

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.

2 Loss on ordinary activities before taxation

	18 months to 31 December 2012	Year ended 30 June 2011
	£	£
<i>Loss on ordinary activities before taxation is stated after charging:</i>		
Auditor's remuneration		
- Audit of these financial statements	-	-

Notes (continued)

2 Loss on ordinary activities before taxation (continued)

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 Taxation

Analysis of credit in period:

	18 months to 31 December 2012 £	Year to 30 June 2011 £
UK corporation tax		
Current tax on profit/ (loss) for the year	(3)	12,400
Adjustments in respect of prior period	(12,400)	3
	<hr/>	<hr/>
Total current tax	(12,403)	12,400
Deferred tax on loss for the year	-	-
Tax on loss on ordinary activities	(12,403)	12,403
	<hr/> <hr/>	<hr/> <hr/>

Factors affecting the tax charge for the current year

The current tax charge for the year is lower (2011 higher) than the standard rate of corporation tax in the UK 24.5% (2011 26.5%). The differences are explained below

	18 months to 31 December 2012 £	Year to 30 June 2011 £
Profit/ (loss) on ordinary activities before tax- post acquisition	977,957	-
Profit/ (loss) on ordinary activities before tax- pre acquisition	7,013	37,572
	<hr/>	<hr/>
Profit/ (loss) on ordinary activities before tax	984,970	37,572
	<hr/> <hr/>	<hr/> <hr/>
Current tax at 24.5% (2011 26.5%)	239,599	9,957
Current tax at 20%- pre acquisition	1,403	
Amortisation	65,669	8,400
Income from shares in group companies	(301,696)	(4,000)
Other short term timing differences	(78)	489
Adjustment in respect of prior period tax	(17,300)	-
	<hr/>	<hr/>
Current tax charge for the year	(12,403)	12,403
	<hr/> <hr/>	<hr/> <hr/>

The Budget on 20 March 2013 announced that the UK corporation tax rate will reduce to 20% by 2015. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively.

Notes (continued)

3 Taxation (continued)

This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 December 2012 has been calculated based on the rate of 23% substantively enacted at the balance sheet date. 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 and reduce the company's deferred tax asset accordingly.

4 Intangible fixed assets

	Goodwill £
Cost	
At beginning of period	420,000
Disposals	-
At 31 December 2012	420,000
Amortisation	
At beginning of period	148,750
Charge for period	271,250
At 31 December 2012	420,000
Net book value	
At 31 December 2012	-
At 30 June 2011	271,250

5 Investments

	Shares in group undertakings £
Cost (or valuation)	
At beginning and end of period	2
Impairment of investment	
At beginning and end of period	-
Net book value	
At 31 December 2012	2
At 30 June 2011	2

The Company's investments at the year end in the share capital of companies include the following -

	Country of incorporation	Shareholding %	Principal activity
LFE Insurance services Limited	England	100	Insurance services

Notes (continued)

6 Debtors

	31 December 2012 £	30 June 2011 £
Amounts owed by group undertakings	17,789	-
	<u>17,789</u>	<u>-</u>

7 Creditors: amounts falling due within one year

	31 December 2012 £	30 June 2011 £
Amounts owed to group undertakings	-	281,974
Corporation tax	3	12,400
Directors accounts	-	16,510
	<u>3</u>	<u>310,884</u>

8 Called up share capital

	31 December 2012 £	30 June 2011 £
<i>Allotted, called up and fully paid</i>		
2 Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

The Ordinary Shares have full voting rights, dividend rights and the right to participate in a distribution whether in a winding-up or reduction of capital or otherwise

9 Profit and loss account

	Profit and loss account £
At beginning of period	19,090
Profit for the financial period	997,373
Dividends paid	(999,171)
	<u>17,292</u>
At end of period	<u>17,292</u>

Notes (continued)

10 Reconciliation of movements in shareholders' funds

	31 December 2012 £	30 June 2011 £
Profit/ (loss) for the financial period	997,373	25,169
Dividends paid	(999,171)	(20,000)
	<hr/>	<hr/>
Net increase/(decrease) in shareholders' funds	(1,798)	5,169
Shareholders' funds at beginning of period	19,092	13,923
	<hr/>	<hr/>
Shareholders' funds at end of period	17,294	19,092
	<hr/> <hr/>	<hr/> <hr/>

11 Parent undertaking

The Company's immediate parent company is Towergate Financial (Group) Limited and ultimate parent company at 31 December 2012 was Towergate Partnershipco Limited. Both of these companies are incorporated in England and Wales.

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

Towergate House
Eclipse Park
Sittingbourne Road
Maidstone
Kent ME14 3EN

There was no controlling party at 31 December 2012.