

Registration number: 06577000

Towergate Financial (East) Holdings Limited

Unaudited Financial Statements

for the Year Ended 31 December 2020



Towergate Financial (East) Holdings Limited
(Registration number: 06577000)
Statement of Financial Position as at 31 December 2020

	Note	2020 £	2019 £
Non-current assets			
Investments in subsidiary undertakings	2	-	-
Current assets			
Trade and other receivables	3	26	26
Current liabilities			
Trade and other payables	4	<u>(6,730,431)</u>	<u>(6,730,431)</u>
Net current liabilities		<u>(6,730,405)</u>	<u>(6,730,405)</u>
Total assets less current liabilities		<u>(6,730,405)</u>	<u>(6,730,405)</u>
Net liabilities		<u>(6,730,405)</u>	<u>(6,730,405)</u>
Capital and reserves			
Called up share capital	5	996	996
Retained losses		<u>(6,731,401)</u>	<u>(6,731,401)</u>
Total deficit		<u>(6,730,405)</u>	<u>(6,730,405)</u>

For the year ended 31 December 2020, the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved by the board on ..23.July.2021..... and signed on its behalf by:



D Cougill
Director

The notes on pages 2 to 5 form an integral part of these financial statements.

Towergate Financial (East) Holdings Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020

1 Accounting policies

Going Concern

The financial statements of the Company have been prepared on a basis other than that of a going concern. At 31 December 2020 the Company had net liabilities of £6,730,405 (2019: £6,730,405), including amounts due to related parties of £6,730,431 (2019: £6,730,431).

In March 2015 the Company's regulated subsidiary undertaking disposed of their trade and assets. It is the directors' intention to wind up the subsidiary once its liabilities have been settled. As a consequence, the financial statements have been prepared on a basis other than that of a going concern.

The book value of the Company's assets and liabilities are deemed to be a reasonable approximation of fair value. The subsidiary's decision to cease taking on new business triggered an impairment review that found no impairment was necessary. As such no adjustments to balances are required with the Company being reported on a basis other than that of a going concern.

Investments in subsidiaries

A subsidiary is an entity over which the Company has control. The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Investments in subsidiaries are accounted for at cost less, where appropriate, impairment.

Investments in subsidiaries are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may exceed its recoverable amount.

An impairment test is performed by comparing the investment's carrying amount with its recoverable amount. The recoverable amount is the higher of its fair value less costs of disposal and its value in use (VIU), where its VIU is the present value of its future cash flows. An impairment test requires the application of significant judgement because it relies on key assumptions, including forecast cash flows, a discount rate, a terminal growth rate and an EBITDA multiple.

Financial assets

Financial assets are initially measured at fair value plus directly attributable transaction costs. The Company's financial assets include trade and other receivables. Trade and other receivables represent other receivables.

All recognised financial assets are subsequently measured in their entirety at either amortised cost less impairment or fair value, depending on the classification of the financial assets.

Financial liabilities

Financial liabilities are initially measured at fair value plus directly attributable transaction costs. The Company's financial liabilities are trade and other payables.

Trade and other payables represent amounts due to related parties. They are initially recognised at fair value and are subsequently measured at amortised cost.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Towergate Financial (East) Holdings Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020

2 Investments in subsidiary undertakings

	£
Cost or valuation	
At 1 January 2020	996,875
At 31 December 2020	996,875
Provision for impairment	
At 1 January 2020	996,875
At 31 December 2020	996,875
Carrying amount	
At 31 December 2020	-
At 31 December 2019	-

The Company's trading subsidiary undertaking, Towergate Financial (East) Limited ceased to trade on 16 March 2015. As a consequence, an impairment review was undertaken and the recoverable amount of shares in subsidiary undertakings was reduced to £Nil. As such, the investments in subsidiary undertakings was fully impaired at this date.

Details of the subsidiaries as at 31 December 2020 are as follows:

Name of subsidiary	Principal activity	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
			2020	2019
Towergate Financial (East) Intermediate Limited	Holding company	England	100%	100%
Towergate Financial (East) Limited*	Run-off	England	15.87%	15.87%

* indicates preference share holding which carry no voting rights

The registered office address of the above subsidiaries is 2 Minster Court, Mincing Lane, London, EC3R 7PD.

Towergate Financial (East) Holdings Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020

3 Trade and other receivables

	2020 £	2019 £
Current trade and other receivables		
Other receivables	<u>26</u>	<u>26</u>

4 Trade and other payables

	2020 £	2019 £
Current trade and other payables		
Amounts due to other Group companies	<u>6,730,431</u>	<u>6,730,431</u>

Amounts due to other Group companies are unsecured, interest free and payable on demand.

5 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
'A' Ordinary Shares of £0.01 each	90,000	900	90,000	900
'B' Ordinary Shares of £0.01 each	6,500	65	6,500	65
'C' Ordinary Shares of £0.01 each	<u>3,079</u>	<u>31</u>	<u>3,079</u>	<u>31</u>
	<u>99,579</u>	<u>996</u>	<u>99,579</u>	<u>996</u>

The 'A' 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.

The 'B' Ordinary Shares and 'C' Ordinary Shares do not have any voting rights nor any dividend rights. The 'B' Ordinary Shares and the 'C' Ordinary Shares have the right to participate in a distribution whether in a winding-up or reduction of capital or otherwise.

Towergate Financial (East) Holdings Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2020

6 Parent and ultimate parent undertaking

The Group's majority shareholder and ultimate controlling party at 31 December 2020 is HPS Investment Partners LLC. The parent company of the largest group that prepares group financial statements at 31 December 2020 that consolidate the Company is The Ardonagh Group Limited (incorporated in Jersey, registered office address 3rd Floor, 44 Esplanade, St Helier, Jersey, JE4 9WG). The parent company of the smallest group that prepares group financial statements at 31 December 2020 that consolidate the Company is Ardonagh Midco 2 plc (incorporated in Great Britain, registered office address 2 Minster Court, Mincing Lane, London, EC3R 7PD). Financial statements for The Ardonagh Group Limited and Ardonagh Midco 2 plc are available on request from:

2 Minster Court
Mincing Lane
London
EC3R 7PD