

Towergate Insurance Limited
(previously Towergate Holdco Limited)

Directors' report and financial
statements

Registered number 7476462

For the year ended 31 December 2011



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Directors' Report

The directors present their annual report and the audited financial statements for the period from 22 December 2010 (date of incorporation) to 31 December 2011

Principal activities and business review

The results for Towergate Insurance Limited (previously Towergate Holdco Limited) ("the Company") show a pre-tax profit of £468,950 for the period and turnover of £nil. The Company has net assets of £1,393,645,378.

On 11 February 2011 as part of the group restructure the activities of Towergate Partnership Limited were transferred to Towergate Insurance Limited and all investments held directly by Towergate Partnership Limited were sold to Towergate Insurance Limited.

The principal activity of the Company during the period was that of a 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. The directors are confident that future profits are attainable by the Company based on its forecasted results.

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 Insurance Limited (previously Towergate Holdco 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.

Date of incorporation

The Company was incorporated on 22 December 2010.

Change of Name

On 13 May 2011 the company changed its name from Towergate Holdco Limited to Towergate Insurance Limited.

Political and charitable contributions

The company made charitable contributions of £167,426 and political contributions of £nil during the period.

Proposed dividend

No dividends were paid or proposed during the period.

Directors' Report *(continued)*

Directors

The directors who held office during the period were as follows

PG Cullum (non-executive)	<i>appointed</i>	<i>22 December 2010</i>
AC Homer (non-executive)	<i>appointed</i>	<i>22 December 2010</i>
MS Hodges	<i>appointed</i>	<i>25 October 2011</i>
IWJ Patrick	<i>appointed</i>	<i>22 December 2010 resigned 31 March 2012</i>
TD Philip	<i>appointed</i>	<i>20 May 2011</i>
TD Johnson	<i>appointed</i>	<i>20 May 2011</i>
CA Nathan	<i>appointed</i>	<i>20 May 2011</i>
J Walker	<i>appointed</i>	<i>20 May 2011</i>
JM Carruthers	<i>appointed</i>	<i>20 May 2011, resigned 07 July 2011</i>
S Egan	<i>appointed</i>	<i>19 April 2012</i>


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

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

By order of the board



TD Philip
Director

27 June 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 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 Towergate Insurance Limited (previously Towergate Holdco Limited)

We have audited the financial statements of Towergate Insurance Limited (previously Towergate Holdco Limited) for the period ended 31 December 2011 set out on pages 5 to 18. 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 auditors' 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 (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 web-site 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 loss 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.

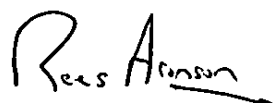
Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' Report for the financial period 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.



Rees Aronson (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

28 June 2012

Profit and loss account
for the period ended 31 December 2011

	<i>Note</i>	12 month period ended 31 December 2011 £
Other income		23,159,438
Administrative expenses		(22,347,088)
Operating profit		812,350
Interest receivable and similar income	5	686,324
Interest payable and similar charges	6	(1,029,724)
Profit on ordinary activities before taxation	2	468,950
Tax on profit on ordinary activities	7	(1,022,074)
Loss for the financial period	17	(553,124)

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

The notes on pages 7 to 18 form part of these financial statements

Towergate Insurance Limited (previously Towergate Holdco Limited)
Directors' report and financial statements
For the year ended 31 December 2011

Balance sheet
at 31 December 2011

	<i>Note</i>	As at 31 December 2011
		£
Fixed assets		
Intangible assets	8	39,437
Tangible assets	9	2,740,286
Investments	10	1,414,399,382
		<hr/>
		1,417,179,105
Current assets		
Debtors	11	283,917,226
Cash at bank and in hand		44,720,874
		<hr/>
		328,638,100
Creditors amounts falling due within one year	12	(345,341,779)
		<hr/>
Net current liabilities		(16,703,679)
		<hr/>
Total assets less current liabilities		1,400,475,426
Creditors amounts falling due after more than one year	13	(5,323,565)
Provisions for liabilities and charges	14	(1,506,483)
		<hr/>
Net assets		1,393,645,378
		<hr/>
Capital and reserves		
Called up share capital	16	1,394,198,502
Profit and loss account	17	(553,124)
		<hr/>
Equity shareholders' funds		1,393,645,378
		<hr/>

The notes on pages 7 to 18 form part of these financial statements

These financial statements were approved by the board of directors on 27 June 2012 and were signed on its behalf by



TD Philip
Director

Company registered number 7476462

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 and under historical cost accounting rules

As the Company is a wholly owned 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 (Cash Flow Statements) 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 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 19.

There are no comparatives as this is the Company's first reporting period. The Company was incorporated on 22 December 2010.

Going concern

The financial statements have been prepared on the going concern basis notwithstanding net current liabilities of £17m which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by The Towergate Partnershipco Limited, the company's ultimate parent. The Towergate Partnershipco 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 and in particular will not seek repayment of the amounts currently made available. The directors consider that this should enable the company to continue in operational existence for the foreseeable future by meeting 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.

Intangible fixed assets and amortisation

Intangible fixed assets purchased separately from a business are capitalised at their cost. Intangible assets acquired as part of an acquisition are capitalised at their fair value.

Fixed assets and depreciation

Depreciation is provided by the Company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Computer equipment	- 25% per annum
Furniture and equipment	- 20% per annum
Motor vehicles	- 25% per annum

Investments

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

Notes (continued)

1 Accounting policies (continued)

Impairment of fixed assets

The carrying value of the Company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying value of an asset or its income generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account.

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.

2 Profit on ordinary activities before taxation

	12 month period ended 31 December 2011 £
<i>Profit on ordinary activities before taxation is stated after charging:</i>	
Auditor's remuneration	
- Audit of these financial statements	10,268
Depreciation - Owned	1,767,224
Amortisation of goodwill	2,096

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.

Notes (continued)

3 Remuneration of directors

	12 month period ended 31 December 2011 £
Total remuneration of all directors not paid by other group companies	
Directors' emoluments	3,887,666
Company contributions to money purchase pension schemes	84,750
	<u>3,972,416</u>
	<u><u>3,972,416</u></u>
	12 month period ended 31 December 2011 £
Remuneration of highest paid director	
Directors' emoluments	1,786,082
Company contributions to money purchase pension schemes	-
	<u>1,786,082</u>
	<u><u>1,786,082</u></u>

The emoluments of Mr Johnson are paid by Paymentsshield Limited, which makes no recharge to the company. He 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 the Paymentsshield Limited.

Six directors accrued retirement benefits in money purchase schemes during the current year.

4 Staff numbers and costs

The average number of persons employed by the Company during the period, analysed by category, was as follows:

	Number of employees 12 month period ended 31 December 2011
Administration	192
	<u>192</u>

The aggregate payroll costs of these persons were as follows:

	12 month period ended 31 December 2011 £
Wages and salaries	5,985,787
Social security costs	1,083,759
Other pension costs	395,298
	<u>7,464,844</u>
	<u><u>7,464,844</u></u>

Notes *(continued)*

5 Interest receivable and similar income

	12 month period ended 31 December 2011 £
Bank loans and overdrafts	95,549
Other interest receivable	590,775
	<hr/> 686,324 <hr/>

6 Interest payable and similar charges

	12 month period ended 31 December 2011 £
On directors' loans	12,308
Interest on overdue tax	97,665
Interest on loan notes	919,751
	<hr/> 1,029,724 <hr/>

Notes (continued)

7 Taxation

Analysis of charge in period:

	12 month period ended 31 December 2011 £
UK corporation tax	
Current tax on profit for the period	291,115
Adjustments in respect of prior periods	730,959
	<hr/>
Tax on profit on ordinary activities	1,022,074
	<hr/>

Factors affecting the tax charge for the current period

The current tax charge for the period is higher than the standard rate of corporation tax in the UK 26.4%. The differences are explained below

	£
Profit on ordinary activities before tax	468,950
	<hr/>
Current tax at 26.4%	123,584
Expenses not deductible for tax purposes	73,609
Capital allowances in excess of depreciation charge	88,059
Movements in general provisions	5,866
Amortisation	(3)
	<hr/>
Current tax charge for the period	291,115
	<hr/>

The Budget announcements on 21 March 2012 included proposals to increase the reduction in the main UK Corporation Tax rate scheduled for 1 April 2012 to a 2% reduction from 26% to 24% and that the rate would be reduced further from 24% to 22% over the following two tax years. These proposed changes had not been enacted into UK law at the balance sheet date. This will reduce the company's future current tax charge.

Notes (continued)

8 Intangible fixed assets

	Trade marks £
Cost	
At incorporation	-
Transfer from other group companies	45,724
	<hr/>
At end of period	45,724
	<hr/>
Amortisation	
At incorporation	-
Transfer from other group companies	4,191
Charge for period	2,096
	<hr/>
At end of period	6,287
	<hr/>
Net book value	
At 31 December 2011	39,437
	<hr/>
At 22 December 2010	-
	<hr/>

The additions in the period relate to trademarks transferred from Towergate Partnership Limited

9 Tangible fixed assets

	Motor vehicles £	Furniture and equipment £	Computer equipment £	Total £
Cost				
At incorporation	-	-	-	-
Additions	-	5,144	1,553,452	1,558,596
Transfer from other group companies	175,543	3,201	6,922,631	7,101,375
Disposals	-	-	(9,715)	(9,715)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2011	175,543	8,345	8,466,368	8,650,256
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At incorporation	-	-	-	-
Charge for period	11,045	517	1,755,662	1,767,224
Transfer from other group companies	161,261	1,760	3,989,427	4,152,448
Disposals	-	-	(9,702)	(9,702)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2011	172,306	2,277	5,735,387	5,909,970
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 2011	3,237	6,068	2,730,981	2,740,286
	<hr/>	<hr/>	<hr/>	<hr/>
At 22 December 2010	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

10 Investments

	Shares in group undertakings £
Cost (or valuation)	
At incorporation	-
Additions	1 441 552 672
Disposals	(27 153 290)
	<hr/>
At end of the period	1,414 399 382
	<hr/>
Amounts provided or written off	
At incorporation and end of period	-
	<hr/>
Net book value	
At 31 December 2011	1,414,399,382
	<hr/>
At 22 December 2010	-
	<hr/>

On 11 February 2011 the company purchased the companies below and their subsidiaries from Towergate Partnership Limited for a consideration of £1 292 302,271 as part of the group reorganisation
Towergate Underwriting Group Limited, Towergate Risk Solutions Limited, Hayward Holdings Group Limited
Fusion Insurance Holdings Limited Broker Network Holdings Limited, Towergate Financial (Group) Limited
Paymentshield Group Holdings Limited and Towergate London Market Limited

On 11 February 2011 the company purchased Countrywide Insurance Management Limited for a consideration plus costs of £36 921 693

On 11 February 2011 the company purchased Powerplace Insurance Services Limited for a consideration plus costs of £1 854,644

On 26 October 2011 the company purchased Eclipse Park Acquisitions Limited for a consideration plus costs of £100

During the period the company increased the investment in the companies purchased from Towergate Partnership Limited by £110,473,964. This included the purchase of 98,312 814 £1 ordinary shares from Paymentshield Group Holdings Limited at par in on 11 February 2011 and 7,883 256 £1 ordinary shares from Towergate Underwriting Group Limited at par in on 31 August 2011

The disposals relate to dormant companies in which the company had an interest which were dissolved during the period. See note 15

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

	Shareholding %	Principal activity
Towergate Underwriting Group Limited	100	% Insurance broking
Towergate Risk Solutions Limited (and subsidiaries)	100	% Holding company
The Hayward Holdings Group Limited (and subsidiaries)	90	% Holding company
Fusion Insurance Holdings Limited (and subsidiaries)	100	% Holding company
Broker Network Holdings Limited (and subsidiaries)	100	% Holding company
Towergate Financial (Group) Limited (and subsidiaries)	67	% Holding company
Paymentshield Group Holdings Limited (and subsidiaries)	100	% Holding company
Towergate London Market Limited	67	% Insurance broking
Eclipse Park Acquisitions Limited	100	% Holding company
Countrywide Insurance Management Limited	100	% Insurance services
Powerplace Insurance Services Limited	100	% Provision of e trading facilities

Notes (continued)

11 Debtors

	2011 £
Amounts owed by group undertakings	281,252,091
Other debtors	1,380,891
Prepayments and accrued income	1,102,199
Deferred tax	182,045
	<hr/>
	283,917,226
	<hr/>

The deferred tax asset noted above is a result of differences between accumulated depreciation and capital allowances. This deferred tax asset is not expected to be realised within 12 months of the balance sheet date.

12 Creditors: amounts falling due within one year

	2011 £
Amounts owed to group undertakings	294,501,645
Corporation tax	8,881,181
Taxation and social security	896,187
Deferred consideration	8,256,749
Other creditors	2,123,737
Accruals and deferred income	4,037,070
Loan stock	26,645,210
	<hr/>
	345,341,779
	<hr/>

The loan stock is due to Folgate Insurance Company Limited. Interest is charged at base rate + 3%.

13 Creditors: amounts falling due after one year

	2011 £
Deferred consideration	5,323,565
	<hr/>
	5,323,565
	<hr/>

Notes *(continued)*

14 Provisions for liabilities and charges

	E&O provision £
Cost (or valuation)	
At incorporation	-
Transfer from other group companies	1 850 000
Charged to profit and loss in the period	(343 517)
	<hr/>
At 31 December 2011	1,506,483
	<hr/> <hr/>
At 22 December 2010	-
	<hr/> <hr/>

In the normal course of business the company may receive claims in respect of errors and omissions. A provision has been made in respect of outstanding errors and omissions claims.

Notes (continued)

15 Disposals

The following dormant companies were dissolved or put into members' voluntary liquidation during the period

Alliance Insurance Management Limited
 TRS Transmar Limited
 Country Mutual Insurance Brokers Limited
 GR Patrick & Co Limited
 Hobson Insurance Brokers Limited
 Towergate (Henley) Limited
 Smith Wingell & Co Limited
 Westinsure Webb Limited
 Bray Wintour Patis Limited
 Bradford and Hatcher Limited
 Strand Insurance Brokers Limited
 Foreman Bassett (Schemes) Limited
 Towergate Commercial Property Underwriting Limited
 Towergate Chapman Stevens Limited
 Towergate Commercial Underwriting Limited
 Towergate Legal & Professional Underwriting Limited
 Towergate Leisure Underwriting Limited
 Towergate Programmes Limited
 Towergate Commercial Schemes Limited
 Towergate Strovers Limited
 Country Thatch Insurance Agency Limited

16 Called up share capital

	2011 £
<i>Allotted, called up and fully paid</i>	
1,394,198,502 Ordinary shares of £ 1 each	1,394,198,502
	<u>1,394,198,502</u>

17 Profit and loss account

	Profit and loss account £
At incorporation	-
Loss for the financial period	(553,124)
	<u>(553,124)</u>
At end of period	(553,124)

Notes (continued)

18 Reconciliation of movements in shareholders' funds

	2011 £
Loss for the financial period	(553,124)
Increase in share capital	1,394,198,502
	<hr/>
Net increase in shareholders' funds	1,393,645,378
Shareholders' funds at incorporation	-
	<hr/>
Shareholders' funds at end of period	1,393,645,378
	<hr/>

19 Parent undertaking

The Company's immediate parent company is Towergate Finance Plc and ultimate parent company is Towergate Partnershipco Limited. Both the immediate and ultimate parent 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

20 Controlling party

There is no controlling party.

21 Related party disclosures

During the year the Company conducted business on an arms length basis within the Towergate Partnershipco Group of companies. The table below shows the transactions and balances with entities that form part of the group but are not wholly owned by Towergate Partnershipco Limited.

	2011 Paid to	2011 Received from	2011 Outstanding at period end
Moray Firth Insurance Brokers Limited	-	(683,967)	(683,967)
Towergate Financial (London) Limited	298,380	-	298,380
Towergate Financial (West) Limited	165,377	-	165,377
Towergate Financial (Huddersfield) Limited	10,269	-	10,269
Towergate Financial (North) Limited	668,870	-	668,870
Towergate Financial (Scotland) Limited	1,040,051	-	1,040,051
Towergate Financial (East) Intermediate Limited	869,641	-	869,641
Towergate Financial (East) Limited	-	(151,975)	(151,975)
Towergate Financial (West) Holdings Limited	11,413	-	11,413
Towergate Financial (Scotland) Holdings Limited	126,738	-	126,738
Towergate Financial (East) Holdings Limited	562,940	-	562,940
Towergate Financial (North) Holdings Limited	436,601	-	436,601
Oyster Risk Solutions Limited	-	(690,658)	(690,658)
MP Bolshaw & Co Limited	36,230	-	36,230
Hayward Aviation Limited	-	(17,698,552)	(17,698,552)
The Hayward Holding Group Limited	1,688,050	-	1,688,050
Towergate Financial (Group) Limited	13,998,457	-	13,998,457

Notes (continued)

22 Contingent liabilities

On 11 February 2011 Towergate Finance Plc, a fellow subsidiary company, refinanced the group's borrowings and existing bank debt at that date was repaid. As part of the refinancing new loan facilities with a syndicate of banks led by Lloyds Banking Group plc were put in place and Senior Secured Notes and Senior Notes were issued by Towergate Finance Plc. A debenture has been granted over the shares and the assets of Towergate Finance plc and its material subsidiaries in favour of the lenders to the loan facility and the Senior Secured noteholders (the "Secured Parties") under the terms of which all monies due or which may become due from Towergate Finance Plc, or other group companies listed below, to the Secured Parties, are guaranteed. The amount due by group companies at 31 December 2011 was £560,475,000.

The group companies involved include principally

Towergate Finance plc
Towergate Holdings II Limited
Towergate Insurance Limited
Fusion Insurance Holdings Limited
Fusion Insurance Services Limited
The Hayward Holding Group Limited
Hayward Aviation Limited
Paymentshield Group Holdings Limited
Paymentshield Holdings Limited
Paymentshield Limited
Broker Network Holdings Limited
The Broker Network Limited
The TF Bell Group Limited
TF Bell Holdings Limited
Townfrost Limited
Towergate Underwriting Group Limited
Towergate Risk Solutions Limited
Towergate London Market Limited
Oyster Risk Solutions Limited
TL Risk Solutions Limited