

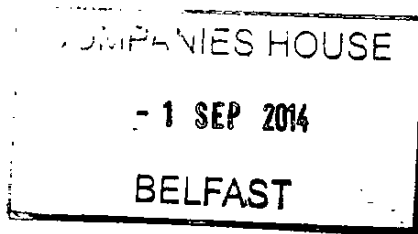
NI 44192

Registration number: ~~NI044194~~

# Donaldson & Kenny Limited

Financial Statements

for the period from 1 April 2012 to 30 September 2013



## **Donaldson & Kenny Limited**

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**Donaldson & Kenny Limited**  
**Company Information**

<b>Directors</b>	MS Hodges S Egan
<b>Company secretary</b>	J Owens
<b>Registered office</b>	43 Malone Road Belfast BT9 6RX
<b>Auditors</b>	KPMG Stokes House 17 - 25 College Square East Belfast BT1 6DH

## **Donaldson & Kenny Limited**

### **Strategic Report for the period from 1 April 2012 to 30 September 2013**

The directors present their strategic report for the period from 1 April 2012 to 30 September 2013.

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

The results for Donaldson & Kenny Limited ("the Company") show a pre-tax profit of £1,800,737 (2012: £88,189) for the period and turnover of £1,218,654 (2012: £635,304). The Company has net assets of £150,000 (2012: £424,802).

The Company was acquired by the Towergate PartnershipCo Limited group ("the Group") on 21 November 2012.

The principal activity of the Company was that of insurance brokers until 30th September 2013 when the business of the Company together with its assets and liabilities were sold to Dawson Whyte Limited, a fellow undertaking within the Towergate PartnershipCo Limited group.

The Company therefore ceased to trade from that date.

The consideration receivable comprised the sum of the fair value of the tangible fixed assets and liabilities and the market value of goodwill as estimated by the directors.

#### **Principal risks and uncertainties**

The principal risks 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.

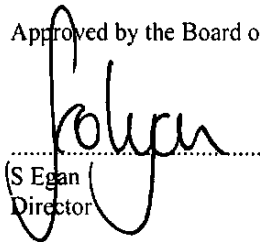
**Donaldson & Kenny Limited**  
**Strategic Report for the period from 1 April 2012 to 30 September 2013**

**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 Donaldson & Kenny 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 29 August 2014 and signed on its behalf by:

  
.....  
S Egan  
Director

**Donaldson & Kenny Limited**  
**Directors' Report for the period from 1 April 2012 to 30 September 2013**

The directors present their report and the financial statements for the period from 1 April 2012 to 30 September 2013.

**Directors of the Company**

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

MS Hodges (*appointed 21 November 2012*)

S Egan (*appointed 21 November 2012*)

B Dawson (*resigned 21 November 2012*)

M C McClurgh (*resigned 21 November 2012*)

H W McKintry (*resigned 21 November 2012*)

**Dividends**

The directors recommend a final dividend payment of £1,938,457 be made in respect of the financial period ended 30 September 2013 (2012: £55,554).

**Political and charitable donations**

The Company made charitable contributions of £25 (2012: £Nil) during the period.

**Going concern**

In the previous years, the financial statements have been prepared on a going concern basis. However on 30 September 2013 the directors took the decision to cease trading following the sale of the company's trade and assets. As they do not intend to acquire replacement trade, the directors have not prepared the financial statements on a going concern basis. No adjustments were necessary to the amount at which the remaining net assets are included in these 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**

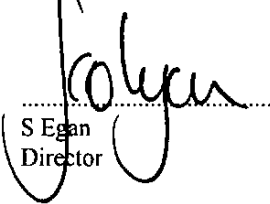
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of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

**Donaldson & Kenny Limited**  
**Directors' Report for the period from 1 April 2012 to 30 September 2013**

**Reappointment of auditors**

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

Approved by the Board on 29 August 2014 and signed on its behalf by:

  
.....  
S Egan  
Director

**Donaldson & Kenny 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 period. 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.

Under applicable law the directors are also responsible for preparing a strategic report and a directors' report that complies with that law.

Approved by the Board on 29 August 2014 and signed on its behalf by:

  
.....  
S Egan  
Director





**KPMG**  
**Audit**  
Stokes House  
17-25 College Square East  
Belfast BT1 6DH  
Northern Ireland

### **Independent auditor's report to the members of Donaldson and Kenny Limited**

We have audited the financial statements of Donaldson and Kenny Limited for the period ended 30 September 2013 set out on pages 9 to 21. 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 6, 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 Financial Reporting Council's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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 30 September 2013 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.



**KPMG**  
**Audit**  
Stokes House  
17-25 College Square East  
Belfast BT1 6DH  
Northern Ireland

### **Other matter – Prior period financial statements**

In forming our opinion on the financial statements, 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.

**John Poole (Senior Statutory Auditor)**  
**for and on behalf of KPMG, Statutory Auditor**  
*Chartered Accountants*  
Stokes House  
17 – 25 College Square East  
Belfast

1 September 2014

**Donaldson & Kenny Limited**  
**Profit and Loss Account for the Period from 1 April 2012 to 30 September 2013**

		1 April 2012 to 30 September 2013 £	Unaudited Year ended 31 March 2012 £
	Note		
Turnover		1,218,654	635,304
Administrative expenses		<u>(640,835)</u>	<u>(547,115)</u>
Operating profit	2	577,819	88,189
Exceptional profit on sale or termination of operations	3	<u>1,222,918</u>	<u>-</u>
Profit on ordinary activities before taxation		1,800,737	88,189
Tax on profit on ordinary activities	6	<u>(130,785)</u>	<u>(16,664)</u>
Profit for the financial period	15	<u><u>1,669,952</u></u>	<u><u>71,525</u></u>

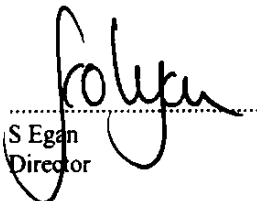
Turnover and operating profit in the current and prior period derive wholly from discontinued operations.

There is no material difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents. Accordingly, no note of historical profits and losses has been prepared.

**Donaldson & Kenny Limited**  
**(Registration number: NI044194)**  
**Balance Sheet as at 30 September 2013**

		30 September 2013 £	Unaudited 31 March 2012 £ (As restated)
	Note		
<b>Fixed assets</b>			
Intangible assets	7	-	205,042
Tangible assets	8	-	5,576
		<u>-</u>	<u>210,618</u>
<b>Current assets</b>			
Debtors	9	150,000	269,304
Cash at bank and in hand	10	-	445,974
		150,000	715,278
Creditors: Amounts falling due within one year	11	-	(501,094)
Net current assets		<u>150,000</u>	<u>214,184</u>
Net assets		<u>150,000</u>	<u>424,802</u>
<b>Capital and reserves</b>			
Called up share capital	14	150,000	100,000
Profit and loss account	15	-	324,802
Shareholders' funds	16	<u>150,000</u>	<u>424,802</u>

These financial statements were approved by the Board on 29 August 2014 and signed on its behalf by:

  
S Egan  
Director

**Donaldson & Kenny Limited**  
**Statement of Total Recognised Gains and Losses**

	<b>Note</b>	<b>1 April 2012 to 30 September 2013 £</b>	<b>Unaudited Year ended 31 March 2012 £</b>
Profit for the financial period		1,669,952	71,525
Prior period adjustment		<u>(56,297)</u>	<u>-</u>
Total recognised gains and losses since last annual report		<u><u>1,613,655</u></u>	<u><u>71,525</u></u>

## **Donaldson & Kenny 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.

The balance sheet has been restated for 2012 to align the income recognition policy to the current basis.

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

The Company is exempt from preparing a cash flow statement as 90% or more of the voting rights are held within the Group.

Under Financial Reporting Standards No 1 the Company is exempt from the requirements to prepare a cashflow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

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

In the previous years, the financial statements have been prepared on a going concern basis. However on 30 September 2013 the directors took the decision to cease trading following the sale of the company's trade and assets. As they do not intend to acquire replacement trade, the directors have not prepared the financial statements on a going concern basis. No adjustments were necessary to the amount at which the remaining net assets are included in these financial statements.

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

Turnover represents amounts receivable for commission on premiums paid to insurance companies net of provisions for an estimate of expected commission refunds payable on future cancellations.

All turnover is generated within the United Kingdom.

##### ***Insurance transactions, client money and insurer money***

Insurance transactions arise from the settlement of transactions with insurance companies on behalf of insurance intermediaries who are members of the network. A debtor balance representing amounts owing from individual customers is recognised when the member arranges a policy, along with a creditor balance representing amounts due to the ultimate insurance provider and commissions earned by the intermediary and Donaldson & Kenny Limited. That element of commission earned by Donaldson & Kenny Limited is recognised in the profit and loss account at the effective date of the policy.

Insurance broking debtors and creditors are reported in accordance with the requirements of FRS 5, 'Reporting the Substance of Transactions'. The standard precludes assets and liabilities being offset unless net settlement is legally enforceable, and as a result the insurance broking debtors and creditors have been shown as the gross amounts due in respect of each contract, instead of the net amount due to or from clients and underwriters.

The insurance broking account relates to money held by the Company in a client money account for future settlement of insurance transactions.

## **Donaldson & Kenny Limited**

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

#### ***Goodwill***

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. This is generally taken as twenty years. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

#### ***Amortisation***

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Goodwill	Straight line over 20 years

#### ***Depreciation***

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual values, over their expected useful economic life as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Fixtures and fittings	15% per annum straight line

#### ***Deferred tax***

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 required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

#### ***Foreign currency***

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

#### ***Dividends on shares presented within shareholders' funds***

Dividends are only recognised as a liability at that date to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

#### ***Post retirement benefits***

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

**Donaldson & Kenny Limited**  
**Notes to the Financial Statements**

**2 Operating profit**

Operating profit is stated after charging:

	<b>1 April 2012 to 30 September 2013 £</b>	<b>Year ended 31 March 2012 £</b>
Depreciation of owned assets	2,938	4,335
Amortisation	27,960	18,640
Auditors remuneration - audit of these financial statements	<u>8,520</u>	<u>-</u>

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 Exceptional items**

	<b>1 April 2012 to 30 September 2013 £</b>	<b>Year ended 31 March 2012 £</b>
Exceptional profit on sale or termination of operations	<u>(1,222,918)</u>	<u>-</u>

On 30 September 2013 the business of the Company together with its assets and liabilities were sold to Dawson Whyte Limited for a consideration of £1,400,000. Goodwill of £177,082 was written off at the same time.

**4 Particulars of employees**

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

	<b>1 April 2012 to 30 September 2013 No.</b>	<b>Year ended 31 March 2012 No.</b>
Administration and support	12	11

The aggregate payroll costs of these persons were as follows:

	<b>1 April 2012 to 30 September 2013 £</b>	<b>Year ended 31 March 2012 £</b>
Wages and salaries	346,117	364,953
Social security costs	30,100	23,369
Other pension schemes	<u>10,375</u>	<u>6,260</u>
	<u><b>386,592</b></u>	<u><b>394,582</b></u>



**Donaldson & Kenny Limited**  
**Notes to the Financial Statements**

**5 Directors' remuneration**

The emoluments of Messrs Hodges and Egan are paid by other Group companies, which make no recharge to the Company. These directors are directors of the ultimate parent company and / or 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.

**6 Taxation**

**Tax on profit on ordinary activities**

	<b>1 April 2012 to 30 September 2013 £</b>	<b>Year ended 31 March 2012 £</b>
<b>Current tax</b>		
Corporation tax charge	131,136	16,664
<b>Deferred tax</b>		
Origination and reversal of timing differences	(351)	-
<b>Total tax on profit on ordinary activities</b>	<u>130,785</u>	<u>16,664</u>

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

The current tax on profit on ordinary activities for the period is lower than (2012: lower than) the standard rate of corporation tax in the UK of 23.67% (2012 - 20%).

The differences are explained below:

	<b>1 April 2012 to 30 September 2013 £</b>	<b>Year ended 31 March 2012 £</b>
Profit on ordinary activities before tax	<u>1,800,737</u>	<u>88,189</u>
Corporation tax at standard rate	426,234	17,638
Capital allowances in excess of depreciation	1,026	(974)
Expenses not deductible for tax purposes	6,665	-
Book profit on chargeable assets	(289,464)	-
Other differences	(13,325)	-
<b>Total current tax</b>	<u>131,136</u>	<u>16,664</u>

**Donaldson & Kenny Limited**  
**Notes to the Financial Statements**

**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. The deferred tax asset at 30 September 2013 has been calculated based on the rate of 20% 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.

**7 Intangible fixed assets**

	<b>Goodwill</b>
	<b>£</b>
<b>Cost</b>	
At 1 April 2012	337,882
Disposals	<u>(337,882)</u>
At 30 September 2013	<u>-</u>
<b>Amortisation</b>	
At 1 April 2012	132,840
Charge for the year	27,960
Eliminated on disposals	<u>(160,800)</u>
At 30 September 2013	<u>-</u>
<b>Net book value</b>	
At 30 September 2013	<u>-</u>
At 31 March 2012	<u>205,042</u>

**Donaldson & Kenny Limited**  
**Notes to the Financial Statements**

**8 Tangible fixed assets**

	<b>Fixtures and fittings £</b>
<b>Cost</b>	
At 1 April 2012	60,710
Hive up of business	<u>(60,710)</u>
At 30 September 2013	<u>-</u>
<b>Depreciation</b>	
At 1 April 2012	55,134
Charge for the year	2,938
Hive up of business	<u>(58,072)</u>
At 30 September 2013	<u>-</u>
<b>Net book value</b>	
At 30 September 2013	<u>-</u>
At 31 March 2012	<u><u>5,576</u></u>

**9 Debtors**

	<b>30 September 2013 £</b>	<b>31 March 2012 £ (As restated)</b>
Trade debtors in relation to insurance transactions	-	253,652
Amounts owed by group undertakings	150,000	7,465
Other debtors	-	3,868
Prepayments and accrued income	<u>-</u>	<u>4,319</u>
	<u><b>150,000</b></u>	<u><b>269,304</b></u>

**Donaldson & Kenny Limited**  
**Notes to the Financial Statements**

**10 Cash at bank and in hand**

Cash at bank includes £Nil (2012: £149,319) which constitutes restricted client money & insurer money and not available to pay the general debts of the Group.

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

	<b>30 September 2013</b>	<b>31 March 2012</b>
	<b>£</b>	<b>£ (As restated)</b>
Trade creditors in relation to insurance transactions	-	329,374
Amounts owed to group undertakings	-	94,778
Corporation tax	-	16,664
Other taxes and social security	-	30,530
Directors' current accounts	-	530
Accruals and deferred income	-	29,218
	<hr/>	<hr/>
	-	501,094

**12 Disposals (net assets)**

As part of an organisational restructuring of the Dawson Whyte operations within Northern Ireland, on 30 September 2013, the business assets and liabilities of Donaldson and Kenny was transferred to Dawson Whyte Limited.

	<b>Date of disposal</b>	<b>Total assets</b>	<b>Liabilities</b>	<b>Net assets</b>	<b>Goodwill</b>	<b>Consideration</b>
Dawson Whyte Limited	30 September 2013	(1,505,794)	1,505,794	Nil	1,400,000	1,400,000
Satisfied by intercompany account subsequently settled						<hr/> 1,400,000 <hr/>

**13 Disposals (fair value)**

The book value of the assets and liabilities disposed of may be analysed as follows. No fair value adjustments arose in relation to tangible assets and liabilities.

	<b>Tangible assets</b>	<b>Debtors</b>	<b>Cash at Bank &amp; in hand</b>	<b>Creditors due within one year</b>	<b>Net assets</b>
Dawson Whyte Limited	(2,638)	(1,074,729)	(428,427)	1,505,794	Nil

**Donaldson & Kenny Limited**  
**Notes to the Financial Statements**

**14 Share capital**

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

	<b>30 September 2013</b>		<b>31 March 2012</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
'A' Ordinary Shares of £0 (2012 - £1) each	-	-	28,750	28,750.00
'B' Ordinary Shares of £0 (2012 - £1) each	-	-	28,750	28,750.00
'D' Ordinary Shares of £0 (2012 - £1) each	-	-	27,500	27,500.00
'E' Ordinary Shares of £0 (2012 - £1) each	-	-	15,000	15,000.00
Ordinary Shares of £1 (2012 - £0) each	150,000	150,000	-	-
	<u>150,000</u>	<u>150,000</u>	<u>100,000</u>	<u>100,000</u>

On 21 November 2012 all the shares were reclassified into £1 Ordinary shares.

**New shares allotted**

During the period 50,000 Ordinary Shares having an aggregate nominal value of £1 were allotted for an aggregate consideration of £50,000.

**15 Reserves**

	<b>Profit and loss account £</b>
At 1 April 2012	324,802
Prior year adjustment	(56,297)
Profit for the period	1,669,952
Dividends	<u>(1,938,457)</u>
At 30 September 2013	<u>-</u>

**Donaldson & Kenny Limited**  
**Notes to the Financial Statements**

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

	<b>30 September</b>	<b>31 March 2012</b>
	<b>2013</b>	
	<b>£</b>	<b>£</b>
Profit attributable to the members of the Company	1,669,952	71,525
Other recognised gains and losses relating to the period	(56,297)	-
Dividends	(1,938,457)	(55,554)
New share capital subscribed	<u>50,000</u>	<u>-</u>
Net (reduction)/addition to shareholders funds	(274,802)	15,971
Shareholders' funds at start of period	<u>424,802</u>	<u>408,831</u>
Shareholders' funds at end of period	<u>150,000</u>	<u>424,802</u>

**17 Prior period adjustments**

The prior year comparatives have been restated to reflect a change in policy in respect of the timing of revenue recognition. Previously the commissions on policies sold were recognised on a cash received basis, however in the current year insurance debtors, the corresponding payments due to insurance companies and the recognition of income is recorded on the effective date of the relevant policy. This has resulted in an increase in debtors of £253,652, cash of £149,319, creditors of £346,674, profit and loss reserve £56,297 and net assets £56,297. There has been no impact on the 2012 profit and loss account.

**Donaldson & Kenny Limited**  
**Notes to the Financial Statements**

**18 Pension schemes**

**Defined contribution pension scheme**

Towergate PartnershipCo Limited and the Company operate a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Company to the scheme and amounted to £10,375 (2012 - £6,260).

**19 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.

**20 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 ultimate parent company is Towergate PartnershipCo Limited.