

**Towergate Financial (Glasgow) Limited
(previously Macdonald Reid Scott Financial Services
Limited)**

**Directors' report and financial statements
for the period from 1 May 2008 to 31 December 2008**

Registered number: SC 127074



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Directors' report and financial statements

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Officers and professional advisers

Directors

A Hardie
G Donnelly
D McIntyre
D Saulter
L Dempster
I Darby
B Parkinson
I Patrick
AC Homer
PG Cullum

Secretary

A Hunter

Registered office

23 Eagle Street
Glasgow
Lanarkshire
G4 9XA

Auditors

Deloitte LLP
Glasgow, United Kingdom

Directors' report

The directors present their report and the audited financial statements for the period from 1 May 2008 to 31 December 2008.

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemptions.

Business review and principal activities

The profit and loss account for the period is set out on page 7 and the company's financial position at the end of the period are shown in the attached financial statements.

The results for the company show a pre-tax profit of £133,269 for the period from 1 May 2008 to 31 December 2008 (prior period: £287,998) and turnover of £883,403 (prior period: £1,842,223). The company has net assets of £232,308 as at 31 December 2008 (30 April 2008: £139,607).

On 15 August 2008 the entire share capital of the company was purchased by Towergate Financial (Scotland) Holdings Limited (previously Ensco 193 Limited).

The principal activity of the company during the period was that of Independent Financial Advisors.

Going concern

The company's business activities are set out above and its financial position is set out in the financial statements. The Board is satisfied the business has adequate resources to continue as a going concern for the foreseeable future. The entity has the full financial support and guidance from its ultimate parent Towergate Partnership Limited. Therefore the Directors believe that the company is well placed to manage its principal risks successfully despite the current uncertain economic outlook.

Change in accounting period end

On 18 November 2008, the company changed its accounting year end from 30 April to 31 December. The comparatives for the profit and loss account and reconciliation of movements in the shareholders' funds, as well as the comparatives in the notes to the financial statements, relate to the profit and loss account for the 15 month period ended 30 April 2008 and hence are not comparable to the eight months ended 31 December 2008.

Dividend

A final dividend of £nil was paid during the period (prior period: £147,600).

Directors' report (continued)

Directors

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

A Hardie	
G Donnelly	
D McIntyre	
BG Dunn	<i>(resigned 21 May 2008)</i>
G Reid	<i>(resigned 21 May 2008)</i>
I Scott	<i>(resigned 16 November 2008)</i>
VR Pittard	<i>(resigned 6 November 2008)</i>
D Saulter	<i>(appointed 30 January 2008)</i>
S Rouse	<i>(appointed 30 April 2008 and resigned 2 July 2009)</i>
L Dempster	<i>(appointed 23 June 2008)</i>
A Doyle	<i>(appointed 1 December 2008 and resigned 10 July 2009)</i>
I Darby	<i>(appointed 17 March 2009)</i>
B Parkinson	<i>(appointed 10 July 2009)</i>
I Patrick	<i>(appointed 10 July 2009)</i>
AC Homer	<i>(appointed 25 August 2009)</i>
PG Cullum	<i>(appointed 18 September 2009)</i>

Disclosure of information to auditor

Each of the persons who is director at the date of approval of this Directors' report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- each director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

Graham & Co. (Accountants) Limited resigned as auditor on *1 June 2009*. Deloitte LLP was appointed as auditor on 11 August 2009.

By order of the board



D Saulter
Director

Statement of Directors' Responsibilities

The directors are responsible for preparing the annual 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 they have elected to prepare the company 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; 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 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 AUDITORS' REPORT TO THE MEMBERS OF TOWERGATE FINANCIAL (GLASGOW) LIMITED (PREVIOUSLY MACDONALD REID SCOTT FINANCIAL SERVICES LIMITED)

We have audited the financial statements of Towergate Financial (Glasgow) Limited (previously Macdonald Reid Scott Financial Services Limited) for the period from 1 May 2008 to 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movement in Shareholders' Funds and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept adequate accounting records, if we have not received all the information and explanations we require for our audit, or if disclosures of directors' benefits, remuneration, pensions and compensation for loss of office specified by law are not made.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOWERGATE
FINANCIAL (GLASGOW) LIMITED (PREVIOUSLY MACDONALD REID SCOTT
FINANCIAL SERVICES LIMITED) (continued)**

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2008 and of its profit for the period from 1 May 2008 to 31 December 2008;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report is consistent with the financial statements.

David Claxton

David Claxton (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Glasgow, United Kingdom

30 September 2009

Profit and loss account
for the period from 1 May 2008 to 31 December 2008

		8 month period from 1 May 2008 to 31 December 2008 £	15 month period from 1 February 2007 to 30 April 2008 £
	Note		
Turnover	2	883,403	1,842,223
Administrative expenses		(757,547)	(1,553,813)
Operating profit		125,856	288,410
Interest receivable and similar income		7,413	5,025
Interest payable and similar charges		–	(5,437)
Profit on ordinary activities before taxation	3	133,269	287,998
Tax on profit on ordinary activities	5	(40,668)	(80,269)
Profit for the financial period	11	92,601	207,729

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

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

All of the results derive from continuing operations.

The notes on pages 10 to 15 form part of these financial statements.

Balance sheet
at 31 December 2008

	Note	31 December 2008	30 April 2008
		£	£
Fixed assets			
Tangible fixed assets	6	44,455	59,210
Current assets			
Debtors	7	89,948	141,074
Cash at bank and in hand		373,324	236,406
		<hr/> 463,272	<hr/> 377,480
Creditors: amounts falling due within one year	8	(275,519)	(297,083)
		<hr/>	<hr/>
Net current assets		187,753	80,397
Total assets less current liabilities		<hr/> 232,208	<hr/> 139,607
Net assets		<hr/> 232,208	<hr/> 139,607
Capital and reserves			
Called up share capital	10	45,000	45,000
Profit and loss account	11	187,208	94,607
		<hr/>	<hr/>
Shareholders' funds		<hr/> 232,208	<hr/> 139,607

The notes on pages 10 to 15 form part of these financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject of the small companies regime and were approved by the board of directors and authorised for issue on

They were signed on its behalf by: 29 September 2009



D Saulter
Director

**Reconciliation of movements in shareholders' funds
for the period from 1 May 2008 to 31 December 2008**

	8 month period to 31 December 2008 £	15 month period to 30 April 2008 £
Profit for the financial period	92,601	207,729
Dividends	–	(147,600)
Net additions to shareholders' funds	92,601	60,129
Opening shareholders' funds	139,607	79,478
Closing shareholders' funds	232,208	139,607

Notes to the financial statements *(forming part of the financial statements)*

1. Accounting policies

The following accounting policies have been applied throughout the current and preceding period consistently in dealing with items which are considered material in relation to the company's 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.

The business is exempt from preparing a cashflow statement on the basis that it meets the small company's criteria as set out by the Companies Act 2006.

Going Concern

The Board is satisfied the business has adequate resources to continue as a going concern for the foreseeable future. The entity has the full financial support and guidance from its ultimate parent Towergate Partnership Limited. Therefore the Directors believe that the company is well placed to manage its principal risks successfully despite the current uncertain economic outlook. The accounts have therefore been prepared on a going concern basis.

Tangible Fixed Assets

Tangible fixed assets are stated at cost less depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, on a straight line basis over their useful economic lives as follows:

Improvements to property	– over the remaining life of the lease
Fixtures & fittings	– 15% per annum or over 6 years
Computer equipment	– 25% per annum over 4 years
Motor vehicles	– 25% per annum over 4 years

Taxation

Current tax, including UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of the gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Pension costs and other post retirement benefits

Contributions payable to the company's defined contribution pension scheme are charged to the profit and loss in the period to which they relate.

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Notes to the financial statements (continued)

2. Turnover

Turnover consists entirely of sales made in the United Kingdom.

Turnover represents commissions and consultancy fees and is recorded at the fair value of the consideration, excluding value added tax. Revenue is recognised on the following basis:

- initial commission is recognised as revenue on the date that the relevant policy is placed on risk with the insurance company;
- some initial commission is paid on indemnity terms. As a result, commission may subsequently be clawed back by the insurance companies. Provision is made for future clawback commission to cover the liability of repayments in the event of premiums ceasing within the indemnity period;
- recurring commission and revenue on existing business is recognised when it is receivable; and
- any fees and/or commission charged for consultancy are recognised as revenue during the period in which the consultancy is provided.

3. Profit on ordinary activities before taxation

	8 Month Period to 31 December 2008	15 Month Period to 30 April 2008
Profit on ordinary activities before taxation is stated after charging:	£	£
Depreciation of tangible fixed assets:		
- owned	15,972	31,867
Auditor's remuneration:		
- Fees for the audit of the company's annual accounts	3,068	6,057
	<hr/>	<hr/>

Notes to the financial statements (continued)

4. Remuneration of directors

	8 Month Period to 31 December 2008 £	15 Month Period to 30 April 2008 £
Total remuneration of all directors		
Directors' emoluments	170,590	317,259
Company contributions to money purchase pension schemes	11,017	9,723
	<u>181,607</u>	<u>326,982</u>
 The number of directors who:		
Are members of a money purchase pension scheme	<u>3</u>	<u>3</u>

5. Tax on profit on ordinary activities

	8 Month Period to 31 December 2008 £	15 Month Period to 30 April 2008 £
UK corporation tax		
Current tax charge on profit for the period/year	<u>40,668</u>	<u>80,269</u>
 UK corporation tax charge on profit on ordinary activities for the period	<u>40,668</u>	<u>80,269</u>

The current tax charge for the period is lower (period ended 30 April 2008: lower) than the standard rate of corporation tax in the UK (28%, prior period: 30%). The differences are explained below:

	8 Month Period to 31 December 2008 £	17 Month Period to 30 April 2008 £
Current tax reconciliation		
Profit on ordinary activities before taxation	<u>133,269</u>	<u>287,998</u>
 Current tax at 28%/30%	<u>37,315</u>	<u>86,399</u>
Effects of:		
Marginal relief	-	(15,585)
Expenses not deductible for tax purposes	2,073	5,912
Depreciation in excess of capital allowances	1,280	3,543
	<u>40,668</u>	<u>80,269</u>
 UK corporation tax charge on profit on ordinary activities for the period	<u>40,668</u>	<u>80,269</u>

Notes to the financial statements (continued)

6. Tangible fixed assets

	Improvements to property	Motor vehicles	Fixtures & fittings	Computer equipment	Total
Cost					
At 30 April 2008	27,991	22,190	27,746	76,063	153,990
Additions	—	—	325	892	1,217
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2008	27,991	22,190	28,071	76,955	155,207
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation and amounts written off					
At 30 April 2008	7,417	8,322	21,095	57,946	94,780
Charge for period	1,985	3,698	1,129	9,160	15,972
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2008	9,402	12,020	22,224	67,106	110,752
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 December 2008	18,589	10,170	5,847	9,849	44,455
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 2008	20,574	13,868	6,651	18,117	59,210
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

7. Debtors

	31 December 2008 £	30 April 2008 £
Trade debtors	55,279	111,793
Amounts due from group undertakings	16,606	7,696
Amounts due from related undertakings	7,696	—
Prepayments and accrued income	10,367	21,585
	<hr/>	<hr/>
	89,948	141,074
	<hr/>	<hr/>

Notes to the financial statements (continued)

8. Creditors: amounts falling due within one year

	31 December 2008 £	30 April 2008 £
Amounts owed to group undertakings	-	3,520
Amounts owed to related undertakings	55,049	-
Corporation tax	56,969	80,269
Other taxation and social security	47,860	35,558
Other creditors	-	50,117
Accruals and deferred income	115,641	127,619
	<u>275,519</u>	<u>297,083</u>

9. Financial commitments

Annual commitments under non-cancellable operating leases are as follows:

	31 December 2008 £	30 April 2008 £
Land and buildings		
Expiry date:		
In the second to fifth years inclusive	<u>27,750</u>	<u>28,352</u>

10. Called up share capital

	31 December 2008 £	30 April 2008 £
Authorised		
45,000 Ordinary shares of £1 each	<u>45,000</u>	<u>45,000</u>
Allotted, called up and fully paid		
45,000 Ordinary shares of £1 each	<u>45,000</u>	<u>45,000</u>

11. Reserves

	Profit and loss account £
At 1 May 2008	94,607
Profit for the financial period	92,601
At 31 December 2008	<u>187,208</u>

Notes to the financial statements (continued)

12. Related party transactions

There were no transactions with the directors of the company during the 8 month period ending 31 December 2008.

During the period staff costs of £16,606 (period ended 30 April 2008: £nil) were recharged to Towergate Financial Services Intermediate Limited of which £16,606 (30 April 2008: £nil) was outstanding at the period end.

As at the period end the company was due £7,696 (30 April 2008: £7,696) from Macdonald Reid Scott Group Limited, a subsidiary of Towergate Partnership Limited.

As at the period end the company owed £4,932 (30 April 2008: £3,520) to Macdonald Reid Scott Insurance Brokers Limited, a subsidiary of Towergate Partnership Limited and £50,117 (30 April 2008: £50,117) to Towergate Partnership Limited.

All related party transactions were conducted on an arm's length basis.

13. Parent undertaking

The immediate parent company as at 31 December 2008 is Towergate Financial Services Intermediate Limited, a company incorporated in the United Kingdom.

The Company's ultimate parent company is TFS Holdings Limited by virtue of its controlling shareholding in Towergate Financial Services Intermediate Limited (850,000 class A Ordinary Shares £850,000)

14. Controlling party

P Cullum, the Chairman, is the controlling party, by virtue of his controlling interest in the ultimate parent company's equity capital.