

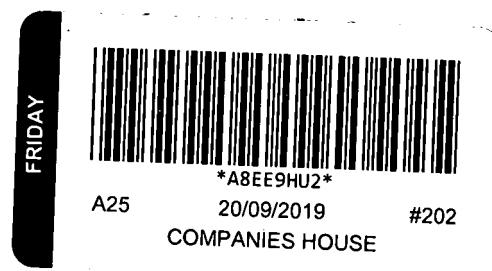
CAR CARE PLAN (HOLDINGS) LIMITED

Report and Financial Statements

Year Ended

31 December 2018

Company Number: 01337510



CAR CARE PLAN (HOLDINGS) LIMITED

**Report and Financial Statements
for the year ended 31 December 2018**

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

R J Brannock	(appointed 4 th June 2019)
J E Cadle	
P Dewey	(appointed 14 th March 2019)
J A Levin	
P G Newton	
B S Russell	
G W W Tinch	(appointed 1 st May 2019)
S J Wright	

SECRETARY

G W W Tinch

REGISTERED OFFICE

Jubilee House, 5 Mid Point Business Park, Thornbury, West Yorkshire, BD3 7AG

COMPANY NUMBER

01337510

AUDITORS

KPMG LLP, 1 Sovereign Square, Sovereign Street, Leeds, LS1 4DA

CAR CARE PLAN (HOLDINGS) LIMITED

Report of the Directors for the year ended 31 December 2018

REPORT OF THE DIRECTORS

The directors present their annual report and the audited financial statements for the year ended 31 December 2018.

PRINCIPAL ACTIVITY

Car Care Plan (Holdings) Limited is the holding and management company for a group of companies whose principal activities include the underwriting, marketing and administration of motor vehicle warranty and related products in the United Kingdom and internationally.

RESULTS AND DIVIDENDS

The company's loss for the year was £21,000 (2017 profit: £482,000).

The Directors do not recommend the payment of a final dividend (2017: £Nil).

SUPPLIER POLICY STATEMENT

The company agrees terms and conditions for its business transactions with suppliers in advance and payment is made in accordance with these, subject to the terms and conditions being met by the supplier.

POLITICAL CONTRIBUTIONS

There were no political contributions made by the company in 2018 (2017: £nil).

DIRECTORS

The directors who served during the year were as follows:

J E Cadle	
M G Caviët	(resigned 12 th December 2018)
T J Heavisides	(resigned 28 th February 2019)
J A Levin	
P G Newton	
B S Russell	
G Whitlam	(resigned 9 th December 2018)
S J Wright	

CAR CARE PLAN (HOLDINGS) LIMITED

Report of the Directors for the year ended 31 December 2018 (continued)

DIRECTORS' INDEMNITIES

The ultimate parent company has made qualifying third party indemnity provisions for the benefit of the Directors of the company which were made during the year and remain in force at the date of this report.

DISCLOSURE OF INFORMATION TO AUDITORS

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

AUDITORS

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

Approved by the Board of Directors
and signed on behalf of the Board



G W W Tinch
Company Secretary
23 August 2019

CAR CARE PLAN (HOLDINGS) LIMITED

Strategic Report for the year ended 31 December 2018

STRATEGIC REPORT

The Directors present the Strategic Report of Car Care Plan (Holdings) Limited for the year ended 31 December 2018. The report has been prepared by the Directors in accordance with section 414A of the Companies Act 2006 ("the Act"). The purpose of the report is to inform Shareholders and provide them with sufficient information to enable them to assess the extent to which the Directors have performed their legal duty to promote the success of the Company in accordance with section 172 of the Act.

The Company's independent auditor is required to report on whether the information given in the Strategic Report is consistent with the financial statements and its audit report is set out on page 6.

BUSINESS REVIEW AND FUTURE PROSPECTS

As shown in the profit and loss account on page 9, the company recorded a profit before taxation of £31,000 compared to a profit before taxation of £595,000 in the previous year.

The directors of the company have not prepared group accounts in the current year as it is exempt from the requirement to do so under section 401 of the Companies Act 2006 as at the balance sheet date it was a wholly-owned subsidiary company of AmTrust International Limited (Note 14), and is included in the consolidated accounts of that company.

GOING CONCERN

The Directors of the company have considered in detail the company's forecast performance, including its forecast solvency and liquidity position. On this basis the Directors have a reasonable expectation that the company will maintain adequate solvency and liquidity to continue in operational existence for the foreseeable future. Accordingly the Directors of the company have adopted the going concern basis in preparing these financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks facing the company are exposure to pension liabilities in respect of a funded defined benefit scheme and to fluctuations in the value of its subsidiary undertakings.

The defined benefit pension scheme liability is determined by taking professional actuarial advice. The group meets the cost of contributions to fund the liability in line with a funding plan agreed with the scheme actuary (Note 13).

The key financial risk to subsidiary undertakings is that the proceeds from financial assets are not sufficient to fund the obligations arising from policies as they fall due. The main components of financial risk are interest rate risk, currency risk, credit risk and liquidity risk. Each subsidiary undertaking manages these risks proportionately to exposure.

Brexit - The approval of the financial statements is after the UK triggered article 50, starting the exit from the European Union ('EU'). The exact implications on the company of the EU exit process will not be known for a period of time. The UK remains in a period of uncertainty as the UK Government seeks to negotiate the terms on which the country will leave the EU and what its future trading relationship will look like.

By order of the Board



S J Wright
Director

23 August 2019

CAR CARE PLAN (HOLDINGS) LIMITED

Statement Directors' Responsibilities

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF [THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS]

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 year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 judgements and estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

CAR CARE PLAN (HOLDINGS) LIMITED

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAR CARE PLAN (HOLDINGS) LIMITED

Opinion

We have audited the financial statements of Car Care Plan (Holdings) Limited ("the company") for the year ended 31 December 2018 which comprise the Profit and Loss Account, Statement of Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

CAR CARE PLAN (HOLDINGS) LIMITED

Independent auditor's report (continued)

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

CAR CARE PLAN (HOLDINGS) LIMITED

Independent auditor's report (continued)

The purpose of our audit work and to whom we owe our responsibilities

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.



Andrew Jones (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

23 August 2019

CAR CARE PLAN (HOLDINGS) LIMITED

Profit and Loss Account for the year ended 31 December 2018

PROFIT AND LOSS ACCOUNT

	Note	2018	2017
		£'000	£'000
Turnover	2	610	610
Administrative expenses		<u>(579)</u>	<u>(27)</u>
Operating profit	3	31	583
Foreign exchange gain		-	12
Profit on ordinary activities before taxation		31	595
Tax on profit on ordinary activities	6	(52)	(113)
Retained (loss)/profit for the financial year transferred to reserves		<u>(21)</u>	<u>482</u>

All the items in the profit and loss account above relate to continuing operations in both the current and prior period. The accompanying notes form an integral part of this profit and loss account.

CAR CARE PLAN (HOLDINGS) LIMITED

Other Comprehensive Income for the year ended 31 December 2018

OTHER COMPREHENSIVE INCOME

	Note	2018	2017
		£'000	£'000
(Loss)/profit for the year		(21)	482
Other comprehensive income			
Actuarial gain on pension scheme	13	2,700	690
Impact of asset ceiling	13	(100)	-
Taxation on other comprehensive income		<u>(494)</u>	<u>(131)</u>
Other comprehensive income for the year after taxation		<u>2,106</u>	<u>559</u>
Total comprehensive income for the year		<u><u>2,085</u></u>	<u><u>1,041</u></u>

CAR CARE PLAN (HOLDINGS) LIMITED

Balance Sheet at 31 December 2018

BALANCE SHEET

	Notes	2018 £'000	2017 (Restated) £'000
Fixed assets			
Investments in subsidiaries	7	27,769	27,769
Investments in joint ventures	8	68	44
		<u>27,837</u>	<u>27,813</u>
Current assets			
Debtors	9	2,634	2,944
Current liabilities			
Creditors: amounts falling due within one year	10	-	(22)
Net current assets		<u>2,634</u>	<u>2,922</u>
Net assets excluding pension liability		<u>30,471</u>	<u>30,735</u>
Pension liability	13	-	(2,349)
Net assets including pension liability		<u><u>30,471</u></u>	<u><u>28,386</u></u>
Capital and reserves			
Called up share capital	11	14,921	14,921
Profit and loss account		<u>15,550</u>	<u>13,465</u>
Equity shareholder's funds		<u><u>30,471</u></u>	<u><u>28,386</u></u>

Prior Year Adjustment

The net defined benefit pension scheme obligation has been restated as at 1 January 2017 to reflect additional liabilities not previously recognised. Please refer to Note 1 for further details.

The accompanying notes form an integral part of this balance sheet.

Company registration number: 01337510

The financial statements were approved by the Board on 23 August 2019

Signed on behalf of the Board of Directors


B S Russell
Director


S J Wright
Chief Financial Officer

CAR CARE PLAN (HOLDINGS) LIMITED

Statement of changes in equity for the year ended 31 December 2018

	Called-up share capital £'000	Profit and loss account £'000	Total £'000
Balance as at 1 January 2017	14,921	13,963	28,884
Prior year adjustment (Note 1)	-	(1,539)	(1,539)
Balance as at 1 January 2017 (restated)	14,921	12,424	27,345
Total comprehensive income for the year			
Profit for the year	-	482	482
Other comprehensive income for the year	-	559	559
Total comprehensive income for the year	-	1,041	1,041
Balance as at 31 December 2017 (restated)	14,921	13,465	28,386
Balance as at 1 January 2018	14,921	13,465	28,386
Total comprehensive income for the year			
Loss for the year	-	(21)	(21)
Other comprehensive income for the year	-	2,106	2,106
Total comprehensive income for the year	-	2,085	2,085
Balance as at 31 December 2018	14,921	15,550	30,471

CAR CARE PLAN (HOLDINGS) LIMITED

Notes Forming Part of the Financial Statements
for the year ended 31 December 2018 (continued)

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, and the Companies Act 2006.

FRS 102 was issued in 2014 and became mandatory for accounting periods beginning on or after 1 January 2015. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the company's management to exercise judgement in applying the company's accounting policies.

The company has taken advantage of the following exemption:

a) From preparing a statement of cash flows, under FRS 102 paragraph 1.12(b), on the basis that it is a qualifying entity and its ultimate parent company includes the company's cash flows in its own consolidated financial statements

Prior Year Adjustment

During 2018 the Trustees of the company's Defined Benefit Pension Scheme ("the Scheme") identified that a previous decision, effective from 2011, to change the indexation applied to the benefits under the Scheme (i.e. the benefits) was not reflected in the calculation of the Defined Benefit Pension obligation from 2011 onwards. This resulted in the liabilities of the Scheme being understated from 2011 onwards.

The Scheme actuaries have quantified the understatement of the net pension liability as at 1 January 2017 as being £1,900,000, and this has been recognised as a prior year adjustment to opening retained earnings as at 1 January 2017.

	Previously Published	Adjustment	Restated
	£'000	£'000	£'000
Deficit in the Scheme as at 1 January 2017	(2,300)	(1,900)	(4,200)
Related deferred tax	437	361	798
Net pension liability as at 1 January 2017	(1,863)	(1,539)	(3,402)
Retained earnings as at 1 January 2017	13,963	(1,539)	12,424
Deficit in the Scheme as at 31 December 2017	(1,000)	(1,900)	(2,900)
Related deferred tax	190	361	551
Net pension liability as at 31 December 2017	(810)	(1,539)	(2,349)
Retained earnings as at 31 December 2017	15,004	(1,539)	13,465

CAR CARE PLAN (HOLDINGS) LIMITED

Notes Forming Part of the Financial Statements for the year ended 31 December 2018 (continued)

1. ACCOUNTING POLICIES (continued)

a) Basis of preparation

The Directors of the company have considered in detail the company's forecast performance, including its forecast solvency and liquidity position. On this basis the Directors have a reasonable expectation that the company will maintain adequate solvency to continue in operational existence for the foreseeable future. Accordingly the Directors of the company have adopted the going concern basis in preparing these financial statements.

The financial statements are prepared on the historical cost basis in pound sterling which is the functional currency and rounded to the nearest £'000.

The company's intermediate parent undertaking is AmTrust International Insurance Ltd (AIIIL) a company incorporated in Bermuda. AIIIL includes the company in its consolidated financial statements, which are available from Washington Mall, 4th Floor, Suite 400, 7 Reid Street, Hamilton, Pembroke Parish, HM11, Bermuda. The company is considered to be a qualifying entity under FRS102 and is therefore taking advantage of the exemption to prepare a cash flow statement, disclose related party transactions and information relating to financial instruments.

In addition, in accordance with the provisions of S401 of the Companies Act 2006, the company is exempt from the obligations to prepare and deliver consolidated financial statements on the basis that the company is included in the consolidated financial statements of AIIIL.

b) Critical accounting estimates and judgements in applying accounting policies

The company makes estimates and assumptions that affect the reported amount of assets and liabilities within the next financial year. The company also has to make judgements in applying its accounting policies which affect the amounts recognised in the financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key area where estimates and judgements are made is pension costs as detailed in Note 1(f) below.

c) Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity which is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and its subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

CAR CARE PLAN (HOLDINGS) LIMITED

Notes Forming Part of the Financial Statements for the year ended 31 December 2018 (continued)

1. ACCOUNTING POLICIES (continued)

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date and is not discounted.

d) Group accounts

The financial statements present information about the company as an individual undertaking and not as a group. The company has not prepared group accounts in the current year as it is exempt from the requirement to do so under section 401 of the Companies Act 2006 as it was a wholly-owned subsidiary company of AmTrust International Limited at 31st December 2018, and is included in the consolidated accounts of that company.

e) Cash flow statement

The company has taken advantage of exemptions available to qualifying entities and has not prepared a statement of cash flows statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

f) Pension costs

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. For defined benefit retirement benefit plans, the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. These are included as part of staff costs. Past service costs are recognised on a straight line basis over the period in which the increases in benefit vest. The interest cost and the expected return on assets are shown as a net amount in other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other comprehensive income.

The defined benefit scheme is funded, with the assets of the scheme held separately from those of the company in separate trustee administered fund. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset (less any irrecoverable surplus) or liability, net of the related deferred tax, where appropriate, is presented separately on the face of the balance sheet (Note 13).

g) Foreign exchange

Transactions denominated in foreign currencies are translated into Sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These transaction differences are dealt with in the profit and loss account.

h) Investments

Investments are stated at cost less provision for impairment.

CAR CARE PLAN (HOLDINGS) LIMITED

Notes Forming Part of the Financial Statements
for the year ended 31 December 2018 (continued)

1. ACCOUNTING POLICIES (continued)

i) Related party transactions

The company has taken advantage of the exemption which allows subsidiary undertakings, one hundred per cent of whose voting rights are controlled within the group, to dispense from disclosing related party transactions with other group companies and investees of the group qualifying as related parties.

j) Turnover

The company's turnover has been generated through intercompany recharges relating to the group defined benefit pension scheme.

k) Dividends received

Equity dividends are recognised when they become receivable.

l) Joint venture

Investment is stated at cost less provision for impairment. Provision for impairment represents the company's share of losses of the joint venture.

2. TURNOVER

	2018 £'000	2017 £'000
Management recharges to subsidiary undertakings	610	610
	<u>610</u>	<u>610</u>

3. OPERATING PROFIT

Operating profit is stated after charging:

	2018 £'000	2017 £'000
Auditor's remuneration for the audit of the company's annual accounts	<u>22</u>	<u>22</u>

4. DIRECTORS

The directors are remunerated by the company's subsidiaries Car Care Plan Limited and Motors Insurance Company Limited. None of the directors receive remuneration in respect of their services to Car Care Plan (Holdings) Limited.

5. EMPLOYEES

No staff were employed directly by company during the year (2017: Nil).

CAR CARE PLAN (HOLDINGS) LIMITED

Notes Forming Part of the Financial Statements for the year ended 31 December 2018 (continued)

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

The taxation charge/(credit) for the year is made up as follows:

	2018 £'000	2017 £'000
United Kingdom corporation tax at 19% (2017: 19.25%)	(5)	(3)
Deferred tax		
Origination and reversal of timing differences	57	116
	<u>52</u>	<u>113</u>

Factors affecting the tax charge for the year

The tax charge assessed for the year is lower (2017: lower) than that resulting from applying the average rate of corporation tax in the United Kingdom of 19% (2017: 19.25%). The differences are explained below:

	2018 £'000	2017 £'000
Profit on ordinary activities before tax	31	595
	<u> </u>	<u> </u>
Tax at 19% (2017: 19.25%) thereon	6	115
Effects of:		
Costs not subject to tax	46	-
Deferred tax release on pension payments at 19%	-	(2)
	<u>52</u>	<u>113</u>

CAR CARE PLAN (HOLDINGS) LIMITED

**Notes Forming Part of the Financial Statements
for the year ended 31 December 2018 (continued)**

7. INVESTMENTS IN SUBSIDIARIES

Investments comprise shares in subsidiary undertakings:-

	2018 £'000	2017 £'000
At 1 January	27,769	27,769
Investments at cost	<u>27,769</u>	<u>27,769</u>

The subsidiary undertakings are as follows:-

	Country of incorporation	Principal activity	Holding
Motors Insurance Company Limited	England & Wales	Underwriter of motor vehicle warranty and wholesale floor plan insurance products	100%
Car Care Plan Limited	England & Wales	Administrator of motor vehicle warranty products	100%
Car Care Plan Management Services Limited	England & Wales	Insurance consultancy services provider	100%
Car Care Pension Trustees Limited	England & Wales	Dormant	100%

The registered office of all direct subsidiaries is: Jubilee House, 5 Mid Point Business Park, Thornbury, West Yorkshire

Details of the company's holdings in the issued share capital of all direct subsidiaries are as follows:

	Class	Number Held
Motors Insurance Company Limited	Ordinary £1 Shares	11,700,000
Car Care Plan Limited	Ordinary £1 Shares	9,450,000
Car Care Plan Management Services Limited	Ordinary £1 Shares	2
Car Care Pension Trustees Limited	Ordinary £1 Shares	2

In the opinion of the directors, the value of the investment in subsidiary undertakings is not less than the amount at which the investment is stated in the balance sheet.

CAR CARE PLAN (HOLDINGS) LIMITED

Notes Forming Part of the Financial Statements
for the year ended 31 December 2018 (continued)

8. INVESTMENTS IN JOINT VENTURE

	2018 £'000	2017 £'000
At 1 January	44	-
Additions	265	44
Impairment	(242)	-
Currency revaluation	1	-
Investments at cost	<u>68</u>	<u>44</u>

The investment during the year is the company's share of International Warranty Solutions GmbH a joint venture shared equally with Car Garantie GmbH. The registered office of International Warranty Solutions GmbH is Kaiser-Wilhelm-Ring 27-29, 50672 Cologne, Germany.

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £'000	2017 £'000
Amounts owed by subsidiary undertakings	2,629	2,931
Other debtors	5	68
	<u>2,634</u>	<u>2,999</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £'000	2017 £'000
Other creditors	<u>-</u>	<u>22</u>

11. CALLED UP SHARE CAPITAL

	Ordinary Shares of 25 pence each 31 December 2018	Ordinary Shares of 25 pence each 31 December 2017
Allotted, called up and fully paid:		
Value	<u>£14,921,362</u>	<u>£14,921,362</u>
Number	<u>59,685,446</u>	<u>59,685,446</u>

12. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2018 and 31 December 2017 the company had no commitments under non-cancellable operating leases.

CAR CARE PLAN (HOLDINGS) LIMITED

Notes Forming Part of the Financial Statements for the year ended 31 December 2018 (continued)

13. PENSIONS

The company operates a closed funded defined benefit plan, the Car Care Pension Plan ("CCPP"). The assets of the scheme are held in separate trustee administered funds. Funding is provided at a level determined after taking professional actuarial advice, with the group meeting the balance of the cost not provided by members' contributions. The Plan closed to future benefit accrual on 30 April 2007.

A full actuarial valuation was carried out by a qualified independent actuary on the CCPP as at 1 January 2018 using the method and assumptions agreed by the Trustee. The Trustee has adopted the "Statutory Funding Objective", which is that the plan should have sufficient and appropriate assets to meet its liabilities. The principal financial assumptions used were RPI inflation of 3.6% per annum, CPI inflation of 2.7% per annum, a pre-retirement discount rate of 3.7% per annum, a post retirement discount rate of 2.2% per annum and RPI max 5% pension increases of 3.25% per annum. The mortality assumptions are 95% S2PMA (males) and 100% S2PFA (females), CMI_2016 projections with a long-term improvement rate of 1.15%. The pension deficit revealed by the valuation was £1,484,000 which corresponds to a funding ratio of 96%. The company committed to pay:

- Contributions of £610,000 per annum in equal monthly instalments from 1 April 2019 to 31 March 2024 inclusive.

These contributions are expected to correct the pension deficit.

In addition the company has committed to pay all expenses (excluding investment manager expenses) as and when they fall due and any levies due to the Pension Protection Fund.

The company operates a defined benefit plan in the UK as indicated above. A full actuarial valuation was carried out at 1 January 2018 by a qualified independent actuary. The company commissioned an updated actuarial valuation as at 31 December 2018 carried out by a qualified independent actuary based on projecting forward the results of the last full actuarial valuation. The major assumptions used by the actuary were (in nominal terms):

	2018	2017
	%	%
Rate of increase in salaries	n/a	n/a
Rate of increase of pensions in payment	3.1	3.1
Expected rate of return on assets	3.0	2.5
Discount rate	3.0	2.5
Inflation assumption (RPI)	3.4	3.4
Inflation assumption (CPI)	2.4	2.4
Proportion of pension taken as tax free cash	25.0	25.0

CAR CARE PLAN (HOLDINGS) LIMITED

Notes Forming Part of the Financial Statements for the year ended 31 December 2018 (continued)

The assets and liabilities of the Plan at 31 December were:

	2018	2017	2016
	£'000	(restated) £'000	(restated) £'000
Equities	13,600	16,400	15,500
Fixed Income	16,400	16,700	16,700
Property	4,200	3,900	3,600
Other	200	1,100	100
Total fair value of assets	34,400	38,100	35,900
Present value of Plan liabilities	(34,300)	(41,000)	(40,100)
Surplus/(deficit) in the Plan	100	(2,900)	(4,200)
Impact of asset ceiling	(100)	-	-
Related deferred tax	-	551	798
Net pension liability	-	(2,349)	(3,402)

There is no agreement in place with the trustees of the scheme that the company can generate future economic benefits for itself in the form of reduced future contributions or refunds from the scheme and so no pension surplus is recognised in the balance sheet.

Analysis of amount charged to operating profit:

	2018 £'000	2017 £'000
Current service cost	-	-
Past service cost	310	-
Curtailments/settlements	-	-
Total operating charge	310	-

Analysis of the amount credited to other finance income:

	2018 £'000	2017 £'000
Interest on pension Plan liabilities	900	1,100
Expected return on pension Plan assets	(900)	(1,100)
Expense/(income) recognised in profit and loss	-	-

CAR CARE PLAN (HOLDINGS) LIMITED

Notes Forming Part of the Financial Statements for the year ended 31 December 2018 (continued)

Movement in deficit during the year:

	2018	2017 (restated)
	£'000	£'000
Deficit in Plan at beginning of year	(2,900)	(4,200)
Current service cost	-	-
Contributions	610	610
Past service costs	(310)	-
Curtailments/settlements	-	-
Other finance income	-	-
Actuarial gain/(loss)	2,700	690
Impact of asset ceiling	(100)	-
Deficit in Plan at the end of year	<u>-</u>	<u>(2,900)</u>

Changes to the present value of the defined benefit obligation during the year:

	2018	2017 (restated)
	£'000	£'000
Opening defined benefit obligation	41,000	40,100
Current service cost	-	-
Past service cost	300	-
Interest cost	900	1,000
Contributions by Plan participants	-	-
Actuarial (gain)/loss on Plan liabilities	(5,700)	1,200
Net benefits paid out	(2,200)	(1,300)
Closing defined benefit obligation	<u>34,300</u>	<u>41,000</u>

Changes to the fair value of Plan assets during the year:

	2018	2017
	£'000	£'000
Opening fair value of Plan assets	38,100	35,900
Expected return on Plan assets	890	990
Actuarial (loss)/gain on Plan assets	(3,000)	1,900
Contributions by the employer	610	610
Contributions by Plan participants	-	-
Net benefits paid out	(2,200)	(1,300)
Closing fair value of Plan assets	<u>34,400</u>	<u>38,100</u>

CAR CARE PLAN (HOLDINGS) LIMITED

**Notes Forming Part of the Financial Statements
for the year ended 31 December 2018 (continued)**

14. PARENT UNDERTAKINGS AND CONTROLLING PARTY

The company's immediate parent undertaking is AmTrust International Limited which is incorporated in the United Kingdom.

AmTrust International Insurance, Ltd, a company incorporated in Bermuda, is the company's intermediate parent. AmTrust International Insurance, Ltd is the smallest group in which the results of the company are consolidated. Copies of its group financial statements of AmTrust International Insurance, Ltd are available from Washington Mall, 4th Floor, Suite 400, 7 Reid Street, Hamilton, Pembroke Parish, HM 11, Bermuda.

On 29th November 2018, the Company's ultimate parent then, AmTrust Financial Services, Inc. (AFSI), incorporated in United States of America, announced the completion of the merger transaction in which Evergreen Parent, L.P., an entity formed by private equity funds managed by Stone Point Capital LLC, together with Barry Zyskind, Chairman and CEO of AFSI, George Karfunkel and Leah Karfunkel (collectively, the 'Karfunkel-Zyskind Family'), acquired approximately 45% of the company's issued and outstanding common shares that the Karfunkel-Zyskind Family and certain of its affiliates and related parties did not already own or control (the 'go-private transaction'). Evergreen Parent, L.P. is controlled by Evergreen Parent GP, LLC, a limited liability company registered in Delaware, United States of America. Consequently, on 29 November 2018, the Company's ultimate parent changed to Evergreen Parent GP, LLC.