

**CRANMORE (UK) LIMITED**

**REGISTERED NUMBER 03558877**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2022**

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**Directors**

D R Allen  
C E Coyne  
D N Ellis  
A R Grange  
S R Holden  
S J Norrington  
S G Olofson

**Secretary**

S M Hextall  
F M Brook

**Registered Office**

8<sup>th</sup> Floor  
One Creechurch Place  
London  
EC3A 5AY

**Company Registration Number**

03558877

**Independent Auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
7 More London Riverside  
London SE1 2RT  
United Kingdom

The directors present their annual report and the audited financial statements for Cranmore (UK) Limited ("the Company") for the year ended 31 December 2022.

**Principal Activities**

The principal activity of the Company is to provide insurance and reinsurance audits and inspections.

**Going Concern**

Having reviewed the capital resources and cash available to the Company along with forecast results for the forthcoming year, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from the date of the approval of these financial statements.

Accordingly, the directors continue to adopt the going concern basis of accounting in preparing these annual financial statements.

**Results and Dividends**

The profit for the year after taxation amounted to £410,741 (2021: £55,509). No dividend was declared or paid in the year (2021: £nil).

**Review of the business and future developments**

The results for the year are set out on pages 9 to 16.

The Company has claimed exemption under Section 414B of the Companies Act 2006 from preparing a Strategic Report.

The Company has no plans for any significant changes to its activities and current operations for the foreseeable future.

**Directors**

The directors of the Company who were in office during the year and up to the date of signing the financial statements are shown on page 2.

**Disclosure of Information to Auditors**

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

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

**Indemnity Insurance**

A policy of indemnity insurance cover to the benefit of the directors of the Company has been in force during the year ended 31 December 2022 and at the date of this report.

**Independent Auditors**

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

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



S R Holden  
Director

27 July 2023

8<sup>th</sup> Floor  
One Creechurch Place  
London  
EC3A 5AY

## **CRANMORE (UK) LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

# Independent auditors' report to the members of Cranmore (UK) Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Cranmore (UK) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2022; the Profit and Loss Account and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial

# Independent auditors' report to the members of Cranmore (UK) Limited

statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

## **Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of Directors' Responsibilities in Respect of the Financial Statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including



# Independent auditors' report to the members of Cranmore (UK) Limited

the risk of override of controls), and determined that the principal risks were related to the risk of fraud relating to management override of controls. Audit procedures performed by the engagement team included:

- Discussions with management and internal audit, including consideration of known or suspected instances of fraud or non-compliance with laws and regulations;
- Reviewing relevant meeting minutes;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- Identifying and testing journal entries in particular any journal entries with unusual account combinations, unexpected users and journal entries posted after the financial close.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

## Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

### Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



John Hawley (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
27 July 2023

**CRANMORE (UK) LIMITED PROFIT AND LOSS ACCOUNT****Year ended 31 December 2022**

	<b>Notes</b>	<b>2022 £</b>	<b>2021 £</b>
<b>Turnover</b>	2	3,106,702	3,198,588
Administrative expenses		(2,695,961)	(3,143,079)
		<hr/>	<hr/>
<b>Profit before tax</b>	3	410,741	55,509
Tax on profit	5	-	-
		<hr/>	<hr/>
<b>Profit for the financial year</b>		<hr/> 410,741 <hr/>	<hr/> 55,509 <hr/>

There are no items of other comprehensive income in any of the years for which the financial statements are presented. Accordingly, no statement of total other comprehensive income is required.

The result above is derived wholly from continuing activities.

The notes on pages 12 to 16 form an integral part of these Financial Statements.

## CRANMORE (UK) LIMITED

BALANCE SHEET  
As at 31 December 2022

	Notes	2022 £	£	2021 £	£
<b>Current Assets</b>					
Debtors	6	928,730		1,028,955	
Cash at bank and in hand		208,978		98,528	
		1,137,708		1,127,483	
<b>Creditors: amounts falling due within one year</b>	7	(616,441)		(1,016,957)	
<b>Net Current Assets</b>			521,267		110,526
<b>Net Assets</b>			521,267		110,526
<b>Capital and Reserves</b>					
Called up share capital	8	100,000		100,000	
Profit and loss account		421,267		10,526	
<b>Total Shareholders' Funds</b>			521,267		110,526

The notes on pages 12 to 16 form an integral part of these Financial Statements.

The financial statements on pages 9 to 16 were approved by the board of directors on 27 July 2023 and signed on its behalf by:



S R Holden  
Director  
Company registration number 03558877

	Called up Share capital	Profit and loss account	Total
	£	£	£
<b>At 1 January 2021</b>	100,000	(44,983)	55,017
Profit for the financial year	-	55,509	55,509
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2021</b>	100,000	10,526	110,526
Profit for the financial year	-	410,741	410,741
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2022</b>	<hr/> <hr/> 100,000	<hr/> <hr/> 421,267	<hr/> <hr/> 521,267

The notes on pages 12 to 16 form an integral part of these Financial Statements.

## 1. Accounting policies

### General Information

Cranmore (UK) Limited ("the Company") is a private company limited by shares and incorporated in England. The financial statements are presented for the year ended 31 December 2022.

### Basis of Preparation

The financial statements have been prepared in accordance with the provisions of Section 396 of the Companies Act 2006 and Schedule 1 of the Small Companies and Groups (Accounts and Directors' Report) Regulations 2008.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 ("FRS 102") as issued by the Financial Reporting Council.

The presentation and functional currency of these financial statements is Sterling.

The Company's ultimate parent undertaking, Enstar Group Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Enstar Group Limited are prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP) and are available to the public and may be obtained from the US Securities and Exchange Commission ([www.sec.gov](http://www.sec.gov)). In these financial statements, the Company is considered to be a qualifying entity (for the purposes of FRS 102) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Reconciliation of the number of shares outstanding;
- Key Management Personnel compensation; and
- Related party transactions.

As the consolidated financial statements of Enstar Group Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 in respect of the following:

- Certain disclosures required by FRS 102.26 Share Based Payments.

The significant accounting policies set out below have, unless otherwise stated, been applied consistently to all years presented in these financial statements.

### Going Concern

Having reviewed the capital resources and cash available to the Company along with forecast results for the forthcoming year, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from the date of the approval of these financial statements.

Accordingly, the directors continue to adopt the going concern basis of accounting in preparing these annual financial statements.

### Turnover

Turnover represents management and consultancy fees receivable, exclusive of value added tax. Management and consultancy fees are recognised when the right to such fees is established through a contract and the services concerned have started.

**1. Accounting policies (continued)****Taxation**

The charge for taxation is based on the profit for the year at rates which have been enacted or substantively enacted by the balance sheet date, taking into account deferred taxation.

Deferred tax is provided on timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that the directors consider that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference. Deferred tax assets and liabilities are not discounted.

**Foreign Currency**

Transactions in foreign currencies during the year are translated into Sterling at average rates of exchange for the year. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rates ruling at the balance sheet date. All gains or losses on translation are included in the profit and loss account

**2. Turnover**

The whole of the turnover and pre-tax profit arises from the Company's principal activities and derives from the following geographical areas.

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
United Kingdom	1,479,713	1,282,979
USA	1,608,167	406,908
Rest of World	18,822	1,508,701
	<hr/>	<hr/>
	3,106,702	3,198,588
	<hr/>	<hr/>

**3. Profit before tax**

Operating profit is stated after charging/(crediting):	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration – audit of the financial statements	7,845	8,000
(Profit)/Loss on exchange	(1,194)	2,578
	<hr/>	<hr/>

**4. Directors and Employees****Directors' emoluments**

The directors are not remunerated for their services directly by the Company. They are employees of Enstar (EU) Limited, being an affiliate entity of the Company. They are remunerated by Enstar (EU) Limited for their services to the Company, with these costs being charged to the Company via management fees.

	<b>2022</b> £	<b>2021</b> restated £
Emoluments	793,146	904,448
Aggregate amounts receivable under long-term incentive schemes	97,468	232,318
Other pension costs in respect of 4 directors (2021: 4 directors)	107,231	66,178
	<u>997,845</u>	<u>1,202,944</u>

At 31 December 2022, 2 directors (2021: 2 directors) were entitled to shares in the ultimate parent undertaking under a long-term incentive scheme.

**Highest Paid Director**

The emoluments of the highest paid director were:

	<b>2022</b> £	<b>2021</b> restated £
Emoluments	325,107	375,205
Aggregate amounts receivable under long-term incentive schemes	69,126	188,490
Other pension costs	24,197	23,321
	<u>418,430</u>	<u>587,016</u>

The highest paid director is entitled to shares in the ultimate parent undertaking under a long-term incentive scheme.

The Company had no employees in the year (2021: nil).

The 2021 figures have been restated to include information relating to directors' emoluments and the highest paid director, both were previously excluded disclosures.

**5. Tax on profit**

**(a) The tax charge is based on the result for the year and represents:**

	<b>2022</b> £	<b>2021</b> £
<b>Current Tax:</b>		
UK corporation tax on profit of the year	-	-
	<u>-</u>	<u>-</u>

**5. Tax on profit (continued)****(b) Factors affecting tax charge for year**

The tax assessed for the year is different (2021: different) than the effective standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
Profit before tax	410,741	55,509
Profit before tax multiplied by effective standard rate of corporation tax in the UK of 19% (2021: 19%)	78,041	10,547
Effects of:		
Non-deductible expenses	22	1
Group relief not paid for	(77,983)	(10,451)
Movement in unrecognised deferred tax	(80)	(97)
Tax on profit	-	-

**(c) Factors that may Affect Future Tax Charges**

There is a timing difference of £1,911 (2021: £2,330) in respect of decelerated capital allowances. The unrecognised deferred tax asset in respect of these, valued at the substantively enacted rate of corporation tax, applicable to 2022, of 25% (2021: 25%) is £478 (2021: £582).

**6. Debtors**

	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
Trade debtors	11,834	318,333
Amounts owed by group undertakings	348,995	283,174
Other debtors	616	2,044
Prepayments and accrued income	567,285	425,404
	928,730	1,028,955

**7. Creditors: Amounts due within one year**

	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
Amounts owed to group undertakings	602,339	1,001,847
Taxation and social security	5,158	5,524
Other creditors	2,045	-
Accruals and deferred income	6,899	9,586
	616,441	1,016,957



**8. Called Up Share Capital**

	2022 £	2021 £
Called up, allotted and fully paid 100,000 ordinary shares of £1 each (2021: 100,000 ordinary shares of £1 each)	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

**9. Related Party Transactions**

The Company has taken advantage of the exemption granted in FRS 102 not to disclose transactions between the Company and other wholly owned members of the group.

During the year the Company received fees for the provision of services from a number of related companies, as follows:

	2022 £	2021 £
StarStone Underwriting Limited	-	53,991
StarStone Insurance SE	118,209	154,369
	<u>118,209</u>	<u>208,360</u>

At 31 December the Company is owed the following amounts from related companies:

	2022 £	2021 £
Starstone Insurance SE	90,445	790
	<u>90,445</u>	<u>790</u>

**10. Ultimate Holding Company**

The Company's immediate parent undertaking is Enstar (EU) Holdings Limited, a company incorporated in Great Britain and registered in England and Wales.

The Company's ultimate parent undertaking is Enstar Group Limited, a company incorporated in Bermuda.

Enstar Group Limited's consolidated financial statements are filed as part of their annual U.S. Securities and Exchange Commission filing. These filings may be obtained from:

U.S. Securities and Exchange Commission  
450 Fifth Street, NW  
Washington, D.C. 20549, USA.