

Caravan Security Storage Limited

Report and Financial Statements

Year Ended

31 December 2018

Company Number 03699697



Caravan Security Storage Limited
Report and financial statements
for the year ended 31 December 2018

Contents

Page:

1	Strategic report
3	Report of the director
4	Director's statement of responsibilities
5	Independent auditor's report – to the members of Caravan Security Storage Limited
8	Statement of comprehensive income
9	Balance sheet
10	Statement of changes in equity
11	Notes forming part of the financial statements

Director

J E Cadle

Secretary and registered office

P A Cockburn, 10th Floor, Market Square House, St James's Street, Nottingham, NG1 6FG

Company number

03699697

Auditor

KPMG LLP, 15 Canada Square, London. E14 5GL

Caravan Security Storage Limited
Strategic report
for the year ended 31 December 2018

The director presents the strategic report together with the audited financial statements for the year ended 31 December 2018.

Review of the business and future developments

On 23 June 2016, the United Kingdom voted to leave the European Union. In arriving at a post-Brexit plan, management has reviewed current operations and determined that there is minimal impact expected from Brexit, as the company's operations are UK based. A general downturn in the economy could have an impact on operations, but the potential downturn cannot be reasonably estimated at this point and quantifying any impact to the company cannot realistically be estimated. The company continually monitors the situation and as facts become more apparent, will react accordingly.

The principal activity is the ownership and provision of facilities and administration services to caravan clubs. The company owns the Caravan Storage Site Owners Association (CaSSOA), a club established to promote and further the interests of the owners of caravan storage. The director does not foresee a change in these activities. Both the level of business and the period end financial position are satisfactory, and the director expects that the present level of activity will be sustained for the foreseeable future.

In the year the Company made a profit after tax of £61,412 (2017: £35,708) on turnover of £138,708 (2017: £155,732).

In 2019, the director has no plans to change the operational activity of the business.

Key performance indicators

Below is a table which the director considers to show key performance indicators as at 31 December 2018.

	2018	2017
	£	£
Turnover	138,708	155,732
Operating expenses	64,524	111,512
Net assets	428,235	366,823

Principal risks and uncertainties

The company is exposed to financial risk through its use of financial instruments. These include the key risk factors included below. Management monitor these risks on an on-going basis and maintain appropriate safeguards to mitigate risk in line with the risk appetite framework it has in place.

1. Credit risk - This is the risk that a counterparty will be unable to pay amounts in full when due. Key areas where the company is exposed to credit risk are:

- a) Amounts due from trade debtors
- b) Amounts due from group undertakings

2. Operational risk - This is the risk that the company will not be able to operate in a fashion whereby the objectives of the company can be met due to inadequate or failed internal processes, people and systems, or from external events. It arises out of actions undertaken within the group, or outsourced agencies and individuals.

Caravan Security Storage Limited

**Strategic report (continued)
for the year ended 31 December 2018**

3. Liquidity risk - This is the risk that the company may be unable to meet its obligations as they fall due as a consequence of having a timing mismatch. Management considers that liquidity risk relates to the risk associated with the processes of managing timing relationships between asset and liability cash flow patterns.

Approval

This strategic report was approved on behalf of the Board on 9 September 2019.



J E Cadle
Director

Caravan Security Storage Limited

Report of the director for the year ended 31 December 2018

The director presents the report together with the audited financial statements for the year ended 31 December 2018.

Principal activity

The principal activity is the ownership and provision of facilities and administration services to caravan clubs. Further details are given in the Strategic report.

Results and dividends

The statement of comprehensive income is set out on page 8 and shows the profit for the year.

The director does not recommend the payment of a dividend (2017 - £Nil).

Political donations

The company has made no political donations during the year. (2017 - £Nil)

Director

The director of the company during the year was:

J E Cadle

Qualifying third party indemnity provisions

Director and officer liability insurance in respect of the company has been maintained throughout the year.

Going concern

The director has assessed the going concern risk and concluded that there are no triggers to alert him to such a risk and that there are no concerns. The director therefore has a reasonable expectation that the company has adequate resources available to continue in operational existence for the foreseeable future. The director continues to adopt the going concern basis of accounting in preparing the financial statements.

Disclosure of information to auditor

The director who held office at the date of approval of this Director's Report confirms that, so far as they are aware, there is no relevant audit information of which the company's auditor is unaware and he has taken all the steps that he ought to have taken as director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Independent auditor

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

On behalf of the Board



J E Cadle
Director

9 September 2019

Caravan Security Storage Limited

Director's statement of responsibilities

STATEMENT OF DIRECTOR'S RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTOR'S REPORT AND THE FINANCIAL STATEMENTS

The director is responsible for preparing the strategic report, the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director 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 director 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 director is 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.

Caravan Security Storage Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARAVAN SECURITY STORAGE LIMITED

Opinion

We have audited the financial statements of Caravan Security Storage Limited ("the company") for the year ended 31 December 2018, which comprise the balance sheet, the statement of comprehensive income, 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 profit 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, such as recoverability of debtors 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.

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.

Caravan Security Storage Limited

Independent auditor's report (continued)

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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, 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.

Caravan Security Storage 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.



Ben Priestley
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

9 September 2019

Caravan Security Storage Limited
Statement of comprehensive income
for the year ended 31 December 2018

	Note	2018 £	2017 £
Turnover	2	138,708	155,732
Operating expenses		<u>(64,523)</u>	<u>(111,512)</u>
Operating profit		74,185	44,220
Interest receivable and similar income		<u>13</u>	<u>-</u>
Profit on ordinary activities before taxation		74,198	44,220
Taxation on profit from ordinary activities	3	(12,786)	(8,512)
Profit for the year	7	<u>61,412</u>	<u>35,708</u>

All amounts relate to continuing activities.

All recognised gains and losses are included in the statement of comprehensive income.

The notes on pages 11 to 16 form part of these financial statements.

Caravan Security Storage Limited

**Balance sheet
at 31 December 2018**

Company number 03699697	Note	2018 £	2017 £
Current assets			
Debtors		3,568	7,479
Amounts due from group undertakings		523,991	454,391
Cash at bank and in hand		48,092	3,919
		<u>575,650</u>	<u>465,789</u>
Creditors: amounts falling due within one year			
Creditors	4	(96,507)	(65,029)
Amounts due to group undertakings		(50,908)	(33,938)
		<u>(147,415)</u>	<u>(98,967)</u>
Net current assets and net assets		<u>428,235</u>	<u>366,823</u>
Capital and reserves			
Called up share capital	5	2	2
Profit and Loss account	6	428,233	366,821
		<u>428,235</u>	<u>366,823</u>
Shareholder's funds - equity		<u>428,235</u>	<u>366,823</u>

The financial statements were approved by the Director and authorised for issue on 9 September 2019.

On behalf of the Board



J E Cadle
Director

The notes on pages 11 to 16 form part of these financial statements.

Caravan Security Storage Limited

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

	Called-up share capital	Profit and loss account	Total
	£	£	£
At 1 January 2017	2	331,113	331,115
Profit for the financial year	-	35,708	35,708
At 31 December 2017 and 1 January 2018	<u>2</u>	<u>366,821</u>	<u>366,823</u>
Profit for the financial year	-	61,412	61,412
At 31 December 2018	<u><u>2</u></u>	<u><u>428,233</u></u>	<u><u>428,235</u></u>

The notes on pages 11 to 16 form part of these financial statements.

Caravan Security Storage Limited

Notes forming part of the financial statements for the year ended 31 December 2018

1 Accounting policies

General information

Caravan Security Storage Limited ('the company') owns and provides facilities and administration services to caravan clubs. The company is a private company limited by shares and is incorporated in England. The address of its registered office is 10th Floor, Market Square House, St James's Street, Nottingham, NG1 6FG.

Statement of Compliance

The financial statements have been prepared under the provision of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulation 2008 ("SI 2008/410").

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102 and the Companies Act 2006.

Basis of Preparation

The financial statements have been prepared under the historical cost accounting rules. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements have been disclosed as appropriate within the principal accounting policies and relevant notes below.

These financial statements have been prepared on a going concern basis as the Director believes that the Company has sufficient funds for the foreseeable future (being at least 12 months from the date of signing these financial statements) to meet its liabilities as and when they fall due. A review of the annual budget and financial forecasts was used as the basis for reaching this conclusion.

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, HM 11, Bermuda. The company is considered to be a qualifying entity under FRS 102 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.

Caravan Security Storage Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

1 Accounting policies (continued)

The company does not employ any staff, and therefore salary cost and headcount disclosures are not applicable. The director of the company has provided a service to the business but is employed by and remunerated by a fellow Group entity.

Audit fees for the company, of £11,639 are borne by another entity within the AmTrust Financial Service Inc. group, and accordingly there is no expense to disclose.

Principal accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

Financial assets

The company classifies all of its financial assets as basic financial instruments under Section 11 FRS 102. Management determines the classification of its investments at initial recognition. All current financial assets are carried at amortised cost.

i) Assets held at amortised cost

The financial assets within the balance sheet are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

When these assets are recognised initially they are valued at the transaction price. Loans and receivables are subsequently measured at amortised cost using the effective interest method. This basis of valuation is viewed by the director as being appropriately prudent having regard to the likely realisable value.

Cash and cash equivalents comprise cash balances. They are carried at cost in the balance sheet.

ii) Impairment of financial assets

A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the assets and that event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of financial assets is impaired includes observable data that comes to the attention of the company about the following events:

- a) significant financial difficulty of the issuer or obligor;
- b) a breach of contract, such as a default or delinquency in interest or principal payments;
- c) the company, for economic or legal reasons relating to the counterparty's financial difficulty, granting to the counterparty a concession that the company would not otherwise consider;
- d) it has become probable that the counterparty will enter bankruptcy or other financial reorganisation; and
- e) observable data indicating that there has been a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, even though the decrease cannot yet be identified with the individual financial assets in the group, such as adverse national or local economic conditions or adverse changes in industry conditions.

The company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

Caravan Security Storage Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

1 Accounting policies (continued)

Financial assets (continued)

ii) Impairment of financial assets (continued)

If there is objective evidence that an impairment loss has been incurred on loans and receivables carried at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the profit and loss account for the period. As a practical expedient, the company may measure impairment on the basis of an instrument's fair value using an observable market price.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e. on the basis of the company's grading process that considers asset type, industry, geographical location, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the issuer's ability to pay all amounts due under the contractual terms of the debt instrument being evaluated.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as improved credit rating), the previously recognised impairment loss is reversed through the profit and loss account for the period.

Financial liabilities

Financial liabilities are recognised when contractual commitments arise.

Creditors are financial liabilities and are recognised initially at fair value, net of directly attributable transaction costs. Creditors are subsequently stated at amortised cost, using the effective interest method.

Turnover

Turnover represents subscriptions earned in the United Kingdom. Subscriptions are earned on a pro-rata basis over the year of membership of the club by the member.

Taxation

Tax on ordinary activities comprises current and deferred tax.

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Deferred taxation

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those included in financial statements. Deferred taxation assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred taxation assets and liabilities are not discounted.

Caravan Security Storage Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3 Taxation on profit from ordinary activities

	2018 £	2017 £
<i>Current tax</i>		
UK corporation tax charge for the year	14,097	8,512
Adjustment in respect of prior years	(1,311)	-
	<u>12,786</u>	<u>8,512</u>

The tax assessed for the year is the same as the standard rate of corporation tax in the UK.

	2018 £	2017 £
Profit on ordinary activities before tax	<u>74,198</u>	<u>44,220</u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	14,097	8,512
Adjustment in respect of prior years	(1,311)	-
Total tax charge for the year	<u>12,786</u>	<u>8,512</u>

UK corporation tax rates are 19% from 1 April 2017 (enacted 18 November 2015) and 17% from 1 April 2020

Caravan Security Storage Limited

**Notes forming part of the financial statements
for the year ended 31 December 2018 (continued)**

4 Creditors: amounts falling due within one year

	2018	2017
	£	£
Accruals	11,998	-
Corporation tax	14,097	24,901
Vat payable	26,268	9,377
Deferred income	44,145	30,751
	<hr/>	<hr/>
	96,507	65,029
	<hr/>	<hr/>

5 Share capital

	Allotted, called up and fully paid			
	2018	2017	2018	2017
	Number	Number	£	£
Ordinary shares of £1 each	2	2	2	2
	<hr/>	<hr/>	<hr/>	<hr/>

6 Reserves

	Profit and loss account £
At 1 January 2018	366,821
Profit for the year	61,412
	<hr/>
At 31 December 2018	428,233
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Caravan Security Storage Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

7 Parent Undertakings

The immediate parent undertaking is AmTrust International Limited, a company registered in England.

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.