

CAR CARE PLAN (HOLDINGS) LIMITED

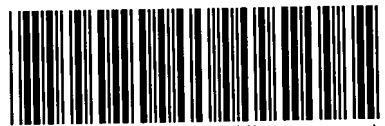
Report and Financial Statements

Year Ended

31 December 2014

Company Number: 01337510

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CAR CARE PLAN (HOLDINGS) LIMITED

Report and Financial Statements
for the year ended 31 December 2014

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

T J Heavisides - (Managing Director)
P G Newton
G Whitlam
S J Wright - (Finance Director)
M G Caviët
J E Cadle
J A Levin

SECRETARY

G M Whiley

REGISTERED OFFICE

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

COMPANY

01337510

AUDITORS

BDO LLP, 55 Baker Street, London, W1U 7EU.

CAR CARE PLAN (HOLDINGS) LIMITED

Report of the Directors for the year ended 31 December 2014

REPORT OF THE DIRECTORS

The directors present their annual report and the audited financial statements for the year ended 31 December 2014.

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 profit for the year was £492,000 (2013 profit: £6,136,000).

The Directors do not recommend the payment of a dividend (2013: £Nil).

POST BALANCE SHEET EVENTS

On 27 March 2015 the Company received a 2015 interim dividend of £3,500,000 from Motors Insurance Company Limited and on the same date purchased 3,500,000 £1 shares in the Company's wholly owned subsidiary Car Care Plan Limited

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.

CHARITABLE CONTRIBUTIONS

Contributions made by the company during the year for charitable purposes amounted to £nil (2013: £nil). There were no political contributions made by the company in 2014 (2013: £nil).

DIRECTORS

The directors who served during the year were as follows:

| | |
|----------------|---------------------|
| T J Heavisides | - Managing Director |
| P G Newton | |
| G Whitlam | |
| S J Wright | - Finance Director |
| M G Caviët | |
| J E Cadle | |
| J A Levin | |

CAR CARE PLAN (HOLDINGS) LIMITED

Report of the Directors for the year ended 31 December 2014

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.

DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Strategic Report and Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

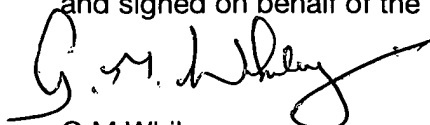
The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at a forthcoming board meeting in accordance with section 487 of the Companies Act 2006.

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



G M Whiley
Company Secretary

30 March 2015

CAR CARE PLAN (HOLDINGS) LIMITED

Strategic Report for the year ended 31 December 2014

STRATEGIC REPORT

The Directors present the Strategic Report of Car Care Plan (Holdings) Limited for the year ended 31 December 2014. 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 report is set out on page 5.

BUSINESS REVIEW AND FUTURE PROSPECTS

As shown in the profit and loss account on page 7, the company recorded a profit before taxation of £610,000 compared to a profit before taxation of £6,774,000 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 400 of the Companies Act 2006 as at the balance sheet date it was a wholly-owned subsidiary company of Amtrust Financial Services Inc, 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 actuary. These contributions are expected to correct the pension deficit (Note 15).

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.

By order of the Board



S J Wright
Director

30 March 2015

CAR CARE PLAN (HOLDINGS) LIMITED

Independent auditor's report

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF CAR CARE PLAN (HOLDINGS) LIMITED

We have audited the financial statements of Car Care Plan (Holdings) Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

CAR CARE PLAN (HOLDINGS) LIMITED

Independent auditor's report

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



David Roberts (Senior Statutory Auditor)
for and on behalf of BDO LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
31 March 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CAR CARE PLAN (HOLDINGS) LIMITED

Profit and Loss Account & Statement of Total Recognised Gains & Losses for the year ended 31 December 2014

PROFIT AND LOSS ACCOUNT

| | Note | 2014 £'000 | 2013 £'000 |
|---|------|-------------------|---------------------|
| Turnover | 2 | 900 | 2,652 |
| Administrative expenses | | <u>(294)</u> | <u>(26)</u> |
| Operating profit | 3 | 606 | 2,626 |
| Dividends received | 5 | - | 4,000 |
| Interest receivable and other income | | 4 | 148 |
| Profit on ordinary activities before taxation | | 610 | 6,774 |
| Tax on profit on ordinary activities | 6 | (118) | (638) |
| Retained profit for the financial year transferred to reserves | 12 | <u>492</u> | <u>6,136</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.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES Year ended 31 December 2014

| | Note | 2014 £'000 | 2013 £'000 |
|---|--------|-----------------------|---------------------|
| Profit retained for the financial year | 11 | 492 | 6,136 |
| Pension scheme actuarial loss | 12, 14 | (2,100) | (900) |
| UK deferred tax attributable to pension deficit | 12, 14 | 420 | 153 |
| Total recognised gains and losses for the year | | <u>(1,188)</u> | <u>5,389</u> |

CAR CARE PLAN (HOLDINGS) LIMITED

Balance Sheet
at 31 December 2014

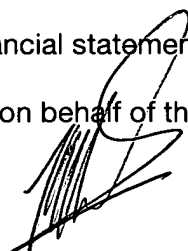
BALANCE SHEET

| | Notes | 2014 | | 2013 | |
|--|-------|-------------|----------------------|--------------|----------------------|
| | | £'000 | £'000 | £'000 | £'000 |
| Fixed assets | | | | | |
| Investments | 7 | | 24,269 | | 24,269 |
| Current assets | | | | | |
| Debtors | 8 | 3,273 | | 3,745 | |
| Current liabilities | | | | | |
| Creditors: amounts falling due within one year | 9 | <u>(28)</u> | | <u>(272)</u> | |
| Net current assets | | | <u>3,245</u> | | <u>3,473</u> |
| Net assets excluding pension liability | | | 27,514 | | 27,742 |
| Pension liability | 14 | | <u>(2,400)</u> | | <u>(1,440)</u> |
| Net assets including pension liability | | | <u>25,114</u> | | <u>26,302</u> |
| Capital and reserves | | | | | |
| Called up share capital | 10 | | 59,685 | | 59,685 |
| Share premium account | 11 | | 62,272 | | 62,272 |
| Profit and loss account | 11 | | <u>(96,843)</u> | | <u>(95,655)</u> |
| Equity shareholder's funds | 12 | | <u>25,114</u> | | <u>26,302</u> |

The accompanying notes form an integral part of this balance sheet.
Company registration number: 01337510

The financial statements were approved by the Board on 30 March 2015

Signed on behalf of the Board of Directors



T J Heavisides
Chief Executive Officer



S J Wright
Chief Financial Officer

CAR CARE PLAN (HOLDINGS) LIMITED

Notes Forming Part of the Financial Statements
for the year ended 31 December 2014 (continued)

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

These financial statements have been prepared in accordance with applicable law and accounting standards in the United Kingdom. The accounting policies set out below have been applied consistently in the current and prior year.

a) Basis of accounting

The financial statements are prepared in accordance with the historical cost convention as modified by the revaluation of leasehold property.

The Directors of the company have considered in detail the company's forecast performance, including its forecast solvency 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.

b) Taxation

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

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax at rates expected to apply when they crystallise based on current rates and law. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries or associates where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

c) 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 400 of the Companies Act 2006 as it was a wholly-owned subsidiary company of Amtrust Financial Services Inc. at 31st December 2014, and is included in the consolidated accounts of that company.

d) Cash flow statement

In accordance with Financial Reporting Standard 1 the company has taken advantage of the exemption from producing a cash flow statement, as it is a subsidiary undertaking where ninety percent or more of the voting rights are controlled within the group, and consolidated financial statements are publicly available in which the subsidiary undertaking is included.

e) 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 of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

CAR CARE PLAN (HOLDINGS) LIMITED

Notes Forming Part of the Financial Statements
for the year ended 31 December 2014 (continued)

e) Pension costs (continued)

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.

f) 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. Exchange differences arising on translation of the opening net assets are reported in the statement of total recognised gains and losses.

g) Investments

Investments are stated at cost less provision for impairment.

h) Related party transactions

The company has taken advantage of the exemption from Financial Reporting Standard 8 Related Party Disclosures 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.

i) 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.

CAR CARE PLAN (HOLDINGS) LIMITED

Notes Forming Part of the Financial Statements
for the year ended 31 December 2014 (continued)

2. TURNOVER

| | 2014 £'000 | 2013 £'000 |
|---|---------------|---------------|
| Management recharges to subsidiary undertakings | 900 | 2,652 |
| | 900 | 2,652 |

3. OPERATING PROFIT

Operating profit is stated after charging:

| | 2014 £'000 | 2013 £'000 |
|---|---------------|---------------|
| Auditor's remuneration for the audit of the company's annual accounts | 10 | 10 |
| | 10 | 10 |

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 from Car Care Plan (Holdings) Limited.

5. DIVIDENDS RECEIVED

| | 2014 £'000 | 2013 £'000 |
|--------------------|---------------|---------------|
| Dividends received | - | 4,000 |
| | - | 4,000 |

Dividends received represents the full and final dividend received from Motors Insurance Company Limited in respect of the year ended 31st December 2014.

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

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

| | 2014 £'000 | 2013 £'000 |
|--|---------------|---------------|
| United Kingdom corporation tax at 21.5% (2013: 23.25%) | (62) | (6) |
| Adjustment in respect of prior years | - | - |
| Current taxation | (62) | (6) |
| Deferred tax | | |
| Origination and reversal of timing differences | 180 | 640 |
| Impact of rate changes | - | 4 |
| | 118 | 638 |

CAR CARE PLAN (HOLDINGS) LIMITED

Notes Forming Part of the Financial Statements
for the year ended 31 December 2014 (continued)

6. TAX ON PROFIT ON ORDINARY ACTIVITIES (Continued)

Factors affecting the tax charge for the year

The tax charge assessed for the year is lower (2013: lower) than that resulting from applying the average rate of corporation tax in the United Kingdom of 21.5% (2013: 23.25%). The differences are explained below:

| | 2014 £'000 | 2013 £'000 |
|--|---------------|---------------|
| Profit on ordinary activities before tax | 610 | 6,774 |
| Tax at 21.5% (2013: 23.25%) thereon | 131 | 1,575 |
| Effects of: | | |
| Expenses not deductible for tax purposes | - | - |
| Income not subject to tax | (131) | (1,547) |
| Movement in timing differences | (62) | (34) |
| Adjustment in respect of prior years | - | - |
| | <u>(62)</u> | <u>(6)</u> |

The government has enacted a reduction in the rate of corporation tax to 20% with effect from 1 April 2015. The impact of the rate change is reflected in the tax provisions reported in these accounts

7. INVESTMENTS

Investments comprise shares in subsidiary undertakings:-

| | 2014 £'000 | 2013 £'000 |
|---------------------|---------------|---------------|
| Investments at cost | <u>24,269</u> | <u>24,269</u> |

CAR CARE PLAN (HOLDINGS) LIMITED

Notes Forming Part of the Financial Statements
for the year ended 31 December 2014 (continued)

7. INVESTMENTS (Continued)

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% |
| GMAC International Insurance Services Limited | England & Wales | Insurance consultancy services provider | 100% |
| Car Care Pension Trustees Limited | England & Wales | Dormant | 100% |

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 | 5,950,000 |
| GMAC International Insurance 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.

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2014 £'000 | 2013 £'000 |
|---|---------------|---------------|
| Amounts owed by subsidiary undertakings | 3,205 | 3,745 |
| Other debtors | 68 | - |
| | 3,273 | 3,745 |

CAR CARE PLAN (HOLDINGS) LIMITED

Notes Forming Part of the Financial Statements
for the year ended 31 December 2014 (continued)

9. CREDITORS

| | 2014 £'000 | 2013 £'000 |
|-----------------|---------------|---------------|
| Other creditors | <u>28</u> | <u>272</u> |

10. CALLED UP SHARE CAPITAL

of £1 each
31 December 2014
and 31 December 2013

Authorised:

| | | |
|--------|--------------------|--|
| Value | <u>£61,000,000</u> | |
| Number | <u>61,000,000</u> | |

Allotted, called up and fully paid:

| | | |
|--------|--------------------|--|
| Value | <u>£59,685,446</u> | |
| Number | <u>59,685,446</u> | |

11. MOVEMENT ON RESERVES

| | Share premium £'000 | Profit and loss account £'000 | Total £'000 |
|--|---------------------------|--|-----------------|
| At 1 January 2014 | 62,272 | (95,655) | (33,383) |
| Profit for the year | - | 492 | 492 |
| Other recognised gains and losses relating to the year (net) | - | (1,680) | (1,680) |
| | <u>62,272</u> | <u>(96,843)</u> | <u>(34,571)</u> |
| At 31 December 2014 | <u>62,272</u> | <u>(96,843)</u> | <u>(34,571)</u> |

CAR CARE PLAN (HOLDINGS) LIMITED

Notes Forming Part of the Financial Statements
for the year ended 31 December 2014 (continued)

12. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDER'S FUNDS

| | 2014 £'000 | 2013 £'000 |
|--|----------------|---------------|
| Opening equity shareholder's funds | 26,302 | 20,913 |
| Profit for the financial year | 492 | 6,136 |
| Other recognised gains and losses relating to the year (net) | <u>(1,680)</u> | <u>(747)</u> |
| | <u>25,114</u> | <u>26,302</u> |

13. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2014 and 31 December 2013 the company had no annual commitments under non-cancellable operating leases.

14. PENSIONS

At 31 December 2014 the company participated in a 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 after 30 April 2007.

An actuarial valuation was carried out on the CCPP as at 1 January 2012 using the defined accrued benefit method. The principal financial assumptions used were RPI inflation of 3.03% per annum, CPI inflation of 2.23%, a pre-retirement discount rate of 4.99% per annum, a post retirement discount rate of 3.49% per annum and pensions in payment increase at 2.23% per annum on the excess over any guaranteed minimum pension in payment. The pension deficit revealed by the valuation was £6,500,000 which corresponds to a funding ratio of 75%. The company committed to pay:

- A lump sum of £2m on or before 31 May 2013; and
- £710,000 per annum from 1 January 2012 to 31 May 2013; and
- £610,000 per annum from 1 June 2013 to 31 December 2019; and

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 mortality assumptions are based on the recent actual mortality experience of members within the Plan and the assumptions also allow for future mortality improvements. The assumptions are that a member currently aged 65 will live on average for a further 23.0 years (2013: 22.9 years) if they are male and for a further 24.3 years (2013: 24.2 years) if they are female

For a member who retires in 2034 at age 65 the assumptions are that they will live on average for a further 24.8 years (2013: 24.7 years) after retirement if they are male and for a further 26.3 years (2013: 26.2 years) after retirement if they are female.

CAR CARE PLAN (HOLDINGS) LIMITED

Notes Forming Part of the Financial Statements
for the year ended 31 December 2014 (continued)

14. PENSIONS (continued)

The company operates a defined benefit plan in the UK as indicated above. A full actuarial valuation was carried out at 1 January 2012 by a qualified independent actuary. The company commissioned an updated actuarial valuation as at 31 December 2014 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):

| | 2014 | 2013 | 2012 |
|---|------|------|------|
| | % | % | % |
| Rate of increase in salaries | n/a | n/a | n/a |
| Rate of increase of pensions in payment | 2.9 | 3.2 | 3.0 |
| Expected rate of return on assets | 5.6 | 5.6 | 5.8 |
| Discount rate | 3.5 | 4.5 | 4.8 |
| Inflation assumption (RPI) | 3.1 | 3.4 | 3.1 |
| Inflation assumption (CPI) | 2.1 | 2.4 | 2.4 |

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

| | 2014 | 2013 | 2012 |
|-----------------------------------|-----------------------|-----------------------|-----------------------|
| | £'000 | £'000 | £'000 |
| Equities | 12,300 | 11,500 | 9,100 |
| Fixed Income | 12,600 | 10,200 | 8,500 |
| Property | 3,000 | 2,600 | 2,500 |
| Other | <u>2,100</u> | <u>1,900</u> | <u>1,500</u> |
| Total fair value of assets | 30,000 | 26,200 | 21,600 |
| Present value of Plan liabilities | <u>(33,000)</u> | <u>(28,000)</u> | <u>(25,300)</u> |
| Deficit in the Plan | (3,000) | (1,800) | (3,700) |
| Related deferred tax | <u>600</u> | <u>360</u> | <u>851</u> |
| Net pension liability | <u>(2,400)</u> | <u>(1,440)</u> | <u>(2,849)</u> |

The company employs a building block approach in determining the long-term rate of return on pension plan assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed long-term rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Plan at 31st December 2014.

CAR CARE PLAN (HOLDINGS) LIMITED

Notes Forming Part of the Financial Statements
for the year ended 31 December 2014 (continued)

14. PENSIONS (continued)

Analysis of amount charged to operating profit:

| | 2014 £'000 | 2013 £'000 |
|-------------------------------|---------------|---------------|
| Current service cost | - | - |
| Past service cost | - | - |
| Curtailments/settlements | - | - |
| Total operating charge | - | - |

Analysis of the amount credited to other finance income:

| | 2014 £'000 | 2013 £'000 |
|---|---------------|---------------|
| Interest on pension Plan liabilities | 1,200 | 1,200 |
| Expected return on pension Plan assets | (1,500) | (1,348) |
| Income recognised in profit and loss | (300) | (148) |

Analysis of amount recognised in statement of total recognised gains and losses (STRGL):

| | 2014 £'000 | 2013 £'000 |
|---|---------------|---------------|
| Total actuarial loss | (2,100) | (900) |
| Actuarial loss recognised in STRGL | (2,100) | (900) |

Movement in deficit during the year:

| | 2014 £'000 | 2013 £'000 |
|---|---------------|---------------|
| Deficit in Plan at beginning of year | (1,800) | (3,700) |
| Current service cost | - | - |
| Contributions | 610 | 2,652 |
| Past service costs | - | - |
| Curtailments/settlements | - | - |
| Other finance income | 290 | 148 |
| Actuarial loss | (2,100) | (900) |
| Deficit in Plan at the end of year | (3,000) | (1,800) |

CAR CARE PLAN (HOLDINGS) LIMITED

Notes Forming Part of the Financial Statements
for the year ended 31 December 2014 (continued)

14. PENSIONS (continued)

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

| | 2014 £'000 | 2013 £'000 |
|--------------------------------------|---------------|---------------|
| Opening defined benefit obligation | 28,000 | 25,300 |
| Current service cost | - | - |
| Interest cost | 1,200 | 1,200 |
| Contributions by Plan participants | - | - |
| Actuarial losses on Plan liabilities | 4,300 | 2,000 |
| Net benefits paid out | (500) | (500) |
| | 33,000 | 28,000 |
| Closing defined benefit obligation | 33,000 | 28,000 |

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

| | 2014 £'000 | 2013 £'000 |
|---|---------------|---------------|
| Opening fair value of Plan assets | 26,200 | 21,600 |
| Expected return on Plan assets | 1,490 | 1,348 |
| Actuarial gains/(losses) on Plan assets | 2,200 | 1,100 |
| Contributions by the employer | 610 | 2,652 |
| Contributions by Plan participants | - | - |
| Net benefits paid out | (500) | (500) |
| | 30,000 | 26,200 |
| Closing fair value of Plan assets | 30,000 | 26,200 |

History of experience gains and losses:

| | 2014 | 2013 | 2012 | 2011 | 2010 |
|--|-------|-------|-------|---------|------|
| Experience gains and losses on Plan assets | | | | | |
| Amount (£'000) | 2,200 | 1,100 | 1,200 | (2,200) | 600 |
| Percentage of Plan assets | 7.3% | 4.2% | 5.6% | (11.4%) | 3.0% |

Experience gains and losses on Plan liabilities:

| | | | | | |
|---|--------|--------|---------|-------|--------|
| Amount (£'000) | 200 | 100 | (1,700) | (100) | 600 |
| Percentage of present value of Plan liabilities | (0.6%) | (0.4%) | 6.7% | 0.4% | (2.9%) |

Total amount recognised in statement of total recognised gains and losses:

| | | | | | |
|---|---------|-------|---------|---------|---------|
| Amount (£'000) | (2,100) | (900) | (1,300) | (3,000) | 2,200 |
| Percentage of present value of Plan liabilities | 6.4% | 3.2% | 5.1% | 13.3% | (10.5%) |

CAR CARE PLAN (HOLDINGS) LIMITED

Notes Forming Part of the Financial Statements
for the year ended 31 December 2014 (continued)

14. PENSIONS (continued)

History of asset values, defined benefit obligation and deficit in Plan:

| | 2014 | 2013 | 2012 | 2011 | 2010 |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Fair value of Plan assets (£'000) | 30,000 | 26,200 | 21,600 | 19,300 | 19,700 |
| Defined benefit obligation (£'000) | (33,000) | (28,000) | (25,300) | (22,500) | (20,900) |
| Deficit in Plan (£'000) | <u>(3,000)</u> | <u>(1,800)</u> | <u>(3,700)</u> | <u>(3,200)</u> | <u>(1,200)</u> |

The group operates a number of defined contribution pension plans in its subsidiary undertakings for some of its employees. The pension costs of the group for the defined contribution plans for the year ended 31 December 2014 was £610,000 (2013: £2,652,000), and £nil (2013: £nil) of unpaid contributions were accrued at the year end.

15. PARENT UNDERTAKINGS

At the balance sheet date the highest group member preparing consolidated financial statements was Amtrust Financial Services Inc.. This undertaking is incorporated in the USA and copies of the group accounts are available from:

AmTrust Financial Services Inc.
6th Floor,
59 Maiden Lane,
New York
USA

AmTrust International Limited is the smallest group which consolidates the results of Car Care Plan (Holdings) Limited. Copies may be obtained from the company's registered office:

10th Floor
Market Square House
St James' Street
Nottingham
NG1 6FG

16. POST BALANCE SHEET EVENTS

On 27 March 2015 the Company received a 2015 interim dividend of £3,500,000 from Motors Insurance Company Limited and on the same date purchased 3,500,000 £1 shares in the Company's wholly owned subsidiary Car Care Plan Limited.