

Crusader Group Holdings Limited

Annual report and financial statements

Registered number 05684182

18 month period ended 31 December 2018



Crusader Group Holdings Limited

Company Information:

Directors:

J J Cosgrove
M C Bilham (resigned 9 May 2018)
N L Cunningham (appointed 9 May 2018 & resigned 20 December 2018)
N J Ward (appointed 9 May 2018 & resigned 1 May 2019)
J Harman (appointed 21 March 2019)

Company Secretary:

A J Dunkerley (resigned 9 May 2018)
C E E Russell (appointed 24 May 2019)

Registered Number:

05684182

Registered Office:

Kindertons House
Marshfield Bank
Crewe
Cheshire
CW2 8UY

Bankers:

Barclays Bank plc
Leicester
LE87 2BB

Auditors:

KPMG LLP
1 St Peter's Square
Manchester
M2 3AE

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Directors' report

The directors present their report and the financial statements for the 18 month period ended 31 December 2018. The comparative period is for the year ended 30 June 2017. The Director's report has been prepared in accordance with the provisions applicable to companies subject to the small companies' exemption. The exemption from preparing the strategic report has also been based on the small companies' exemption.

On 9 May 2018 Crusader Group Holdings Limited was sold to Kindertons Holdings Limited.

From 9 May 2018, the Company is a subsidiary undertaking of Kindertons Topco Limited. Following the acquisition of Kindertons Topco Limited on 15 August 2018, the ultimate controlling party is now Gold Parent L.P. incorporated in the US by virtue of their shareholding in Kindertons Topco Limited.

The Company is also a subsidiary undertaking of Examworks UK Limited, the top UK group, and the results of the Company are now consolidated in this group.

Principal activity

The principal activity of the Company during the period was that of a holding company.

Results and dividends

During the period the profit after taxation amounted to £nil (30 June 2017 - £4,557,000).

The directors have not recommended the payment of a dividend in the current period (30 June 2017 - £nil).

Directors

The directors who held office during the period were as follows:

J J Cosgrove

M C Bilham – resigned 9 May 2018

N L Cunningham – appointed 9 May 2018 & resigned 20 December 2018

N J Ward – appointed 9 May 2018 & resigned 1 May 2019

J Harman – appointed 21 March 2019

Qualifying third party indemnity provisions

The directors are covered by third party indemnity insurance.

Disclosure of information to auditor

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, KPMG LLP has been appointed as auditor for the period ending 31 December 2018.

By order of the board



J Harman
Director

Kindertons House
Marshfield Bank
Crewe
Cheshire
CW2 8UY

Date 30 September 2019

Statement of directors' responsibilities in respect of the Directors report and the financial statements

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

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

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



Independent Auditor's report to the members of Crusader Group Holdings Limited

Opinion

We have audited the financial statements of Crusader Group Holdings Limited ("the company") for the period ended 31 December 2018 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet and 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 period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and 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.

Directors' report

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

Our responsibility is to read 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 directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.



Independent Auditor's report to the members of Crusader Group Holdings Limited *(continued)*

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 3, 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.

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.

Carla Kennaugh (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE
Date: 30 September 2019

Profit and Loss Account and Other Comprehensive Income
for the 18 month period ended 31 December 2018

	Note	18 month period ended 31 December 2018 £'000	Year ended 30 June 2017 £'000
Exceptional items	6	-	4,557
Operating profit		-	4,557
Profit on ordinary activities before taxation		-	4,557
Tax on profit on ordinary activities	5	-	-
Profit for the period		-	4,557
Other Comprehensive Income		-	-
Total Comprehensive income for the period		-	4,557

The Company has no recognised gains or losses other than the profit for the financial year reported above and therefore no separate statement of other comprehensive income has been presented. The above results relate to discontinued operations.

The notes on pages 9 to 12 form an integral part of these financial statements.

Balance Sheet
at 31 December 2018

	<i>Note</i>	31 December 2018		30 June 2017	
		£'000	£'000	£'000	£'000
Fixed assets					
Investments	7		990		990
Current assets					
Debtors		-		-	
Creditors: amounts falling due within one year		-		-	
Net current assets			-		-
Total assets less current liabilities			990		990
Net assets			990		990
Capital and reserves					
Called up share capital			1		1
Profit and loss account			989		989
Shareholders' funds			990		990

The notes on pages 9 to 12 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 30 September 2019 and were signed on its behalf by:



J Harman
Director
 Company registered number: 05684182

Statement of Changes in Equity

	Called up share capital £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 July 2016	1	(3,568)	(3,567)
Total comprehensive income for the period			
Profit for the period	-	4,557	4,557
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2017 and 1 July 2017	1	989	990
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period			
Result for the period	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2018	1	989	990
	<hr/>	<hr/>	<hr/>

The 1,000 ordinary shares of £1 each have full voting rights, rights to dividends declared and on a capital distribution (including on winding up) the shares shall be entitled to all remaining assets after the distribution of £15 million to the holders of the founder shares. The shares are non-redeemable.

The 100 founder shares of £1 each have no voting rights, no rights to dividends declared on that class of share and on a capital distribution (including on winding up) they shall be entitled to the first £15 million distributed. The shares are non-redeemable.

The notes on pages 9 to 12 form an integral part of these financial statements.

Notes
(forming part of the financial statements)

1 Accounting policies

Crusader Group Holdings Limited (the "Company") is a private company limited by shares and incorporated in England. The registered office is Kindertons House, Marshfield Bank, Crewe, Cheshire, CW2 8UY.

The Company's principal activities and nature of its operations are disclosed in the Directors' report.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with FRS 102 "Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the function currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £1,000.

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements;

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted have been applied consistently and are set out below.

1.1 Going concern

As discussed in the Directors' report, the Company is a subsidiary undertaking of Examworks UK Limited, the top UK group, and acts as an operating subsidiary of the Group. Crusader Group Holdings Limited financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the reasons outlined below.

In determining whether the Company's financial statements for the period ended 31 December 2018 can be prepared on a going concern basis, the directors considered all factors likely to affect their future development, performance and financial position, including cash flows, liquidity position and borrowing facilities and the risks and uncertainties relating to its business activities in the current economic climate.

The directors have prepared the Company's trading and cash flow forecasts for the period to 30 September 2020 from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds to meet its liabilities as they fall due for that period. The wider Examworks UK Group holds a secured invoice discounting facility. In the event the invoice discounting facility was recalled they forecast to repay through funding from their ultimate parent Examworks Group Inc.

Consequently the directors have formed a judgement that there is a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

1.2 Basic financial instruments

Trade and other debtors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

1 Accounting policies (continued)

1.2 Basic financial instruments (continued)

Investments in subsidiaries

Investments in subsidiaries are carried at cost less impairment.

1.3 Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Current tax is expected tax payable on the taxable income for the period, using tax rates in force for the period end, and any adjustment to tax payable in respect of previous years.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse. Deferred tax assets and liabilities are not discounted.

2 Auditor's remuneration

Auditor's remuneration was paid on behalf of this Company by Crusader Uninsured Loss Recovery Service Limited, a subsidiary undertaking of Crusader Group Holdings Limited.

3 Staff numbers

The Company did not employ any staff during the 18 month period ended 31 December 2018 or during the prior year ended 30 June 2017.

4 Directors' remuneration

	31 December 2018 £'000	30 June 2017 £'000
Directors' remuneration	539	203
Company contributions to defined contribution pension schemes	4	2
	<u> </u>	<u> </u>

Number of directors	
31 December 2018	30 June 2017

Retirement benefits are accruing to the following number of directors under:

Defined contribution schemes	2	2
	<u> </u>	<u> </u>

The aggregate remuneration of the highest paid director was £210,000 (30 June 2017 - £149,000). The value of the Company's contribution paid to a defined contribution pension scheme in respect of the highest paid director amounted to £3,000 (30 June 2017 - £1,000).

There is no directors' remuneration paid by this Company. Directors' remuneration is paid by Crusader Uninsured Loss Recovery Service Limited (a group undertaking) without recharge.

Notes (continued)

5 Taxation

Total tax expense recognised in the profit and loss account

	31 December 2018	30 June 2017
	£'000	£'000
<i>Current tax</i>		
Current tax on profit for the period	-	-
Total tax	<u>-</u>	<u>-</u>

Reconciliation of effective tax rate

	31 December 2018	30 June 2017
	£'000	£'000
Profit for the period	-	4,557
Total tax expense	-	-
	<u>-</u>	<u>-</u>
Profit on ordinary activities before taxation	-	4,557
Tax using the UK corporation tax rate of 19.00% (30 June 2017 - 19.75%)	-	900
Non-deductible expenses	-	47
Non-taxable income	-	(947)
Total tax expense included in profit or loss	<u>-</u>	<u>-</u>

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly. The deferred tax liability as at 31 December 2018 has been calculated based on these rates at 17%.

6 Exceptional items

	31 December 2018	30 June 2017
	£'000	£'000
Intercompany debt forgiveness	-	(4,793)
Quindell loan write off	-	236
	<u>-</u>	<u>(4,557)</u>

During the prior period intercompany loans were forgiven in full following a change in ownership.

Notes (continued)

7 Investments

	Shares in group undertakings £'000
<i>Cost or valuation</i>	
At 1 July 2017	990
	<hr/>
At 31 December 2018	990
	<hr/>
<i>Net book value</i>	
At 30 June 2017	990
	<hr/>
At 31 December 2018	990
	<hr/>

The Company has the following investments in subsidiaries:

	Registered office address	Principal activity	Class and percentage of shares held
<i>Subsidiary undertakings</i>			
<i>A. Directly owned by the Company:</i>			
Crusader Uninsured Loss Recovery Service Limited	Kindertons House, Marshfield Bank, Crewe, CW2 8UY	Claims management services	Ordinary 100%

During the period the directly owned non-trading subsidiary undertakings (Centurion Uninsured Loss Recovery Services Limited, Equi-Medical Reports Limited, Equi Rehab Limited and Accident & Equity Limited) were struck off and the investments were written down to £nil.

During the period the indirectly owned non-trading subsidiary undertaking (Crusader Connect Limited) was struck off and the investment was written down to £nil.

8 Related parties

In accordance with FRS 102 Section 33.1A, transactions between wholly owned subsidiaries or with the parent are exempt from disclosure.

9 Ultimate parent Company and parent Company of larger group

The immediate parent company is Crusader Assistance Group Holdings Limited.

Until 9 May 2018 the ultimate parent company of the group was Crusader Assistance Group Holdings Limited. There was no single ultimate controlling party.

On 9 May 2018 Crusader Assistance Group Holdings Limited was sold to Kindertons Holdings Limited.

From 9 May 2018, the Company is a subsidiary undertaking of Kindertons Topco Limited. Following the acquisition of Kindertons Topco Limited, the ultimate controlling party is now Gold Parent L.P. incorporated in the US by virtue of their shareholding in Kindertons Topco Limited.

The smallest group in which the results of the Company are consolidated is that headed by Examworks UK Limited, incorporated in England. The registered office of which is Premex House, Futura Park, Horwich, Bolton, BL6 6SX.

The consolidated financial statements are available to the public and may be obtained from Companies House, Crown Way, Cardiff CF14 3UZ.