COMPANY NO. 03033609

REGISTERED OFFICE: 2nd Floor, 2 Minster Court, London EC3R 7BB

Advent Capital (Holdings) Limited

2021 Annual Report

Contents

Directors

T J Ambridge
A R Creed
I M Hewitt (Resigned 31st March 2021)
L R Tanzer

Company Secretaries

N Johnson

Registered Office

2nd Floor
2 Minster Court
London
EC3R 7BB

Independent Auditors

Deloitte LLP
Hill House
1 Little New Street
London
United Kingdom
EC4A 3TR

Website

https://www.rsml.co.uk

The directors present their strategic report of the consolidated group for the year ended 31st December 2021.

Ownership

On 23rd August 2021 CVC Capital Partners ("CVC") completed the acquisition of RiverStone Europe from Fairfax Financial Holdings Limited ("Fairfax") and the Ontario Municipal Employees Retirement Scheme ("OMERS"). The RiverStone Europe Group will now operate under the name RiverStone International. Pursuant to this transaction, Gatland BidCo Limited ("Bidco"), a wholly-owned subsidiary of Gatland Holdings Jersey Limited ("Gatland"), completed the acquisition of all the outstanding shares of Riverstone Barbados Limited ("RBL").

Advent Capital (Holdings) LTD ("The Company" or "ACH") was a wholly owned subsidiary of RBL.

Business Review

Overview of the Group and Company

ACH is a limited company, incorporated in the United Kingdom and 100% owned by BidCo which is registered in Jersey. The Advent Group is a sub-consolidation within the Gatland group of companies consisting of ACH, Advent Underwriting Limited, Advent Capital Limited, Advent Capital (No.2) Limited and Advent Capital (No.3) Limited ("AC3"), together the "Group".

The Group's principal activity was originally the underwriting of general insurance and reinsurance business at Lloyd's until 31st December 2020 at which time Syndicate 780 closed its final underwriting year by way of a reinsurance to close into Syndicate 3500, which is under the management of RiverStone Managing Agency Limited ("RSMA"), an affiliate of the Group. Following this transaction, the Group no longer has exposure to insurance risk. The Group now focusses on supporting the underwriting activities of the wider RiverStone International Group, principally by pledging or loaning its surplus capital to affiliate entities, primarily RiverStone Corporate Capital Limited ("RCCL").

In that respect, the Company's subsidiary, AC3, has entered into a Funds at Lloyd's ("FAL") inter-availability agreement with RCCL to make its capital available to Syndicate 3500 to enable it to acquire additional Lloyd's run off businesses. RCCL pays the Group a fee for use of its capital and has indemnified the Group from any loss arising from the use of its excess capital.

On 5th February 2021, the company issued 4,075,417 new $0.80 ordinary shares to RBL in exchange for the a fair value swap. The Company immediately contributed the fair value swap to AC3 in exchange for 8,150,834 new $0.40 ordinary shares. Included within other financial investments are $80.6 million of investments that as at 31st December 2021 have a contractually binding agreement for sale within the next 12 months. The assets held for sale relate to certain equity investments under which the Group has entered into the aforementioned fair value swap, this swap includes a condition of sale of the underlying asset within 12 months from the balance sheet date.

On 1st November 2021 the group entered into a $30 million loan with RCCL such that RCCL can utilise the proceeds to support its ongoing underwriting at Lloyd's. The debt was subsequently subordinated during the year.

Effective 1st January 2020, the Group and Company changed from reporting under IFRS to UK GAAP to be consistent with rest of the Gatland group of companies. There are no material valuation adjustments required as a result of this change in accounting standard.

2021 Results and key performance indicators

For the year ended 31st December 2021, the Group had a profit before tax of $12.8 million (2020: $2.1 million), comprising the balance on the technical account for general business of a loss of $0.1 million, net investment and foreign exchange gains of $12.4 million, corporate and other income of $4.6 million and debt interest of $4.1 million (2020: balance on the technical account for general business of a profit of $12.4 million, investment and foreign exchange losses of $8.6 million, corporate and other income of $2.8 million and debt interest of $4.5 million). The Group has incurred a tax charge of $0.5 million (2020: $5.8 million charge). The primary KPI for the group and company is shareholders equity.

Sources of Income

The table below shows the changes in the sources of income during the life of the Group. Following the closure of Syndicate 780 as described above, the Group now derives income from investments and other income sources, namely the interest earned on the provision of the Group capital to RCCL.

	2021 $'000	2020 $'000	2019 $'000	2018 $'000	2017 $'000	2016 $'000
Balance on technical account	(63)	12,415	12,254	(27,991)	(48,665)	500
Investment gain (loss)	12,621	(9,909)	7,098	(23,602)	38,592	(979)
Interest on debt	(4,133)	(4,489)	(5,845)	(5,594)	(4,830)	(4,191)
Corporate and other income(costs)	4,592	2,796	3,698	(15,086)	1,337	352
Profit (loss) on exchange	(225)	1,312	(1,580)	370	(1,735)	3,899
Pre-tax (loss) profit	**12,792**	**2,125**	**15,625**	**(71,903)**	**(15,301)**	**(419)**

Investment Performance

The Group's investment performance is shown in the table below. Following the closure of Syndicate 780, the Group has a reduced level of fixed income investments as shown in the table below. Investment performance is measured net of interest on debt costs.

	2021				2020			
	Group Total $'000	Company $'000	Syndicate 780 $'000	Other Subs $'000	Group Total $'000	Company $'000	Syndicate 780 $'000	Other Subs $'000
Fixed income investments	-	-	-	-	**168,616**	-	114,771	53,845
Equity Fund	**80,569**	-	-	80,569	**59,849**	-	-	59,849
Cash	**60,014**	4,275	-	55,739	**31,969**	2,386	24,862	4,721
Total investments and cash	**140,583**	**4,275**	**-**	**136,308**	**260,434**	**2,386**	**139,633**	**118,415**
Investment return	**12,621**	-	-	12,621	**(9,909)**	15	1,058	(10,982)
Interest on debt	**(4,133)**	(4,133)	-	-	**(4,489)**	(4,489)	-	-
Net investment gain (loss)	**8,488**	**(4,133)**	**-**	**12,621**	**(14,398)**	**(4,474)**	**1,058**	**(10,982)**

The net investment gain improved to a profit of $8.5 million (2020: loss of $14.4 million). The 2021 investment return includes interest and dividends of $0.1 million (2020: $3.4 million), net unrealised gains of $12.5 million (2020: losses of $12.7 million) and investment management expenses of $nil (2020: $0.6 million).

The weighted average interest rate on outstanding debt at 31st December 2021 was 4.13% (2022: 4.22%).

Capital Management

Shareholder's equity at 31st December 2021 was $105.6 million (2019: $90.1 million), the Company's shareholder's equity is $68.4 million. (2020: $68.6 million).

The Group has provided capital to its subsidiaries using permanent capital and unsecured long-term debt financing. The long-term debt has no financial covenants other than the quarterly payment of interest and payment of principal on maturity. In the case of the Group's US dollar and Euro denominated subordinated debt due 3rd June 2035, amounting to an aggregate of $46.5 million at 31st December 2021 (2020: $47.5 million), the Group can defer interest payable for 20 consecutive quarters without causing an event of default.

Strategy and Future Developments

Following the reinsurance to close of Syndicate 780, the Group and Company's future strategy is intended to focus on providing capital to the affiliate Lloyd's corporate member capital providers, notably RCCL, to support to the financing requirements of ongoing underwriting and acquisition activity of the wider RiverStone International group.

Principal Risks and Uncertainties

The principal risk to which the Group was exposed, including through the operations of its subsidiaries, related to its participation in Syndicate 780. Following the reinsurance to close of Syndicate 780, the Group continues to face risks arising from its provision of inter-available FAL and lending to RCCL. The Board is responsible for ensuring that a proper internal control framework exists to manage financial risks and that controls operate effectively.

The Group and Company's assets and liabilities continue to be exposed to market risk (Group and Company), including equity price fluctuations (Group) and adverse changes in exchange rates (Group and Company). Equity price fluctuations are limited on a net basis due to a fair value swap arrangement (Group).

Much like 2020, 2021 has been dominated by the impact on society of the novel coronavirus, COVID-19. This disease has forced numerous economies to impose significant restrictions on free movement, with the UK requiring large numbers of workers to remain at home at various points throughout the year. ACH directors have continued to perform business as usual activities efficiently and effectively despite these restrictions and will continue to remain fully operational while these conditions remain in force. The Group's 2021 financial results have not been meaningfully impacted by this pandemic; this is consistent with the 2020 financial results.

Section 172(1) of the Companies Act 2006

The board of directors of ACH consider, in good faith, that they have had appropriate regard to the matters set out in section 172(1)(a) to (f) when performing their duty under section 172.

Consequences of any decision in the long term – having made the decision to place Syndicate 780 into run-off during 2018, the Board concluded this activity in 2021. The Board is now focussed on generating income streams through supporting the wider RiverStone International Group's Lloyd's underwriting activities.

Business relationships – the Board recognises that a high standard of business conduct is essential for the deliver the delivery of our strategy and aspires to transparent communication with the Group's regulators primarily Lloyd's. During 2021, several members of the Board have continued to have the opportunity to meet with Lloyd's, which continues to refresh and facilitate an understanding of their needs and expectations. Regulatory compliance is managed by a dedicated and experienced compliance team which reports to the board on a regular basis. The Board ensures that its debtholders are appropriately informed of activity through filings with the Channel Islands Stock Exchange.

Community and environment – The Board note that while it has no employees that it supports the wider RiverStone International Group's policy of matching employee charitable donations and of allowing time to be available to support others in our communities.

Business conduct – the Board recognises that a commitment to a high standard of business conduct is critical to the delivery of our strategy and aspires to complete honesty and transparency in all activity.

Shareholder Engagement - the Board is committed to an open engagement with our shareholders and has had the opportunity to regularly meet with the directors of the ultimate holding company throughout the year.

Employees - the Board acknowledges people are essential to the delivery of our strategy. While the Group and Company have no immediate employees, the Board supports the initiatives of the wider RiverStone International Group.

On behalf of the Board

Luke Tanzer
Chief Executive Officer
29th April 2022

The Directors present their Report together with the audited consolidated Group and Company Financial Statements for the year ended 31st December 2021.

The Board

The directors are listed on page 3.

Directors and their Interests in Shares

The Directors have no interests in the ordinary voting shares of the Company.

Dividends

No dividends have been paid or proposed in relation to the financial year (2020: $nil).

Political and charitable donations

The Group and Company did not donate to any political party or charities in the year to 31st December 2021 (2020: $nil).

Future developments

Future developments of the Group and Company are set out in the Strategic Report.

Financial Instruments and risk management

Information on the use of financial instruments by the Group and Company and its management of financial risk is disclosed in the Strategic Report and in notes 6 and 7 to the financial statements.

Employees

The Group and Company have no direct employees.

Independent Auditors

Deloitte LLP ("Deloitte") have been appointed as the Company's registered auditor and have indicated their willingness to continue in office.

Corporate Social Responsibility

The Group and Company undertakes to act fairly, honestly and with integrity in its relationships with its various stakeholders including employees, the shareholder, clients and the wider community. The Code of Business Conduct and Ethics adopted by the Group and Company sets out the values and standards of conduct expected of its employees and the Group and Company considers its responsibilities due to, and impact on, each of these stakeholders in its policies and procedures.

With respect to the environment, the Group and Company continues to seek to reduce the impact of its business by the use of various energy saving and recycling initiatives.

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and company financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

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 group and company and of the profit or loss of the group and company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether, for the group and company, international accounting standards in conformity with the requirements of the Companies Act 2006;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Group and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group and company's auditors are aware of that information.

Statement of disclosure of information to auditors

Each of the persons who is a director at the date of this report confirms that:

1) So far as the director is aware, there is no relevant audit information of the Group and Company's consolidated financial statements for the year ended 31st December 2021 of which the auditors are unaware; and

2) The director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Approved by the Board and signed on its behalf by:

Luke Tanzer
Chief Executive Officer
29th April 2022

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of Advent Capital (Holdings) Ltd(the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 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.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and parent company statements of financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and,
- the related notes 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.
We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current year was valuation of equity fund investment held at fair value. Following the closure of the open year of Syndicate 780 to Syndicate 3500, the entity no longer has material claims outstanding liabilities, and therefore no key audit matter has been identified related to that balance. We reassessed the impact of COVID-19 on the group and determined that it is also no longer a key audit matter.
Materiality	The materiality that we used for the group financial statements was \$4.02m which was determined on the basis of 2% of total assets.

Scoping	Full scope audit procedures were performed on the two material components Advent Capital (Holdings) Limited and Advent Capital (No.3) Limited. All other components of the group were immaterial and therefore not in scope.
Changes in our approach	This is the first year audit of the parent company and group performed by Deloitte LLP.

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- evaluating management's forecasts and projections over the group's ability to meet members capital requirements by assessing the income generated from the FAL inter-availability agreement;
- assessing whether the group has the ability to renew the FAL inter-availability agreement with its affiliate company, Riverstone Corporate Capital Limited ("RCCL") beyond 12 months from the date of this report;
- assessing whether the group has the ability to service the interest expense due on the $55m long-term debt; and
- reviewing the appropriateness of the going concern disclosures.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.
Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.
These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Valuation of equity fund investment held at fair value

Key audit matter description	The Group through its subsidiary Advent Capital (No.3) Limited has a holding of $80.569m in a Qualifying Investor Alternative Investment Fund (QIAIF) equity fund. The equity fund is not traded on any market or exchange, and therefore the valuation of the holding is subject to uncertainty and judgement in terms of the pricing of the underlying holdings. The underlying assets held by the equity fund are predominately of listed equities, cash, and UK government debt instruments. An error in the pricing of the underlying assets of the equity fund could result in a material misstatement. The accounting policy for the financial instrument is set out in note 1 c), and further disclosures related to the balance are included in note 7.

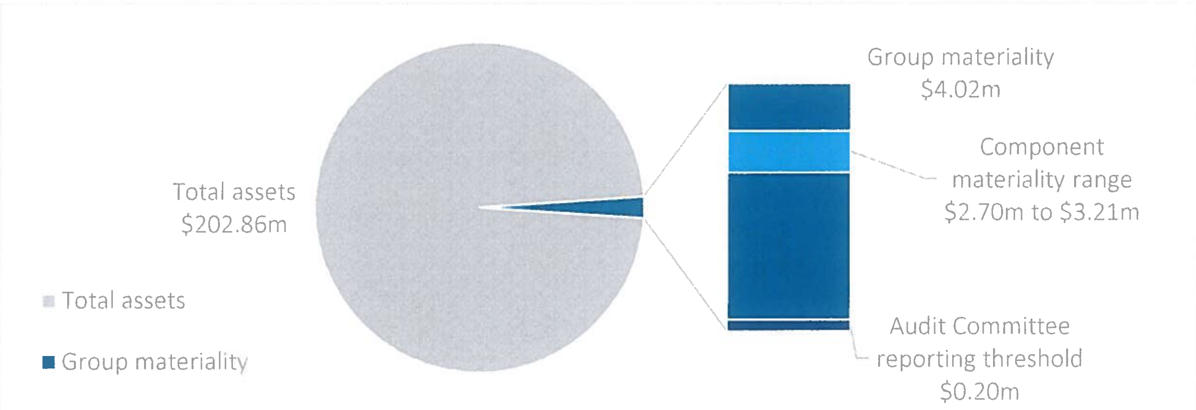
How the scope of our audit responded to the key audit matter	We performed the following procedures to address the key audit matter: • Obtained an understanding of management's relevant controls for valuing the fund holding; • Obtained a breakdown of the financial instruments held by the fund and reconciled the breakdown to the amounts in the financial statements; • For the underlying equity assets held by the fund we obtained independent prices for the assets at the year end date; and, • Recalculated the equity asset valuations using the independent prices, and compared the values with management's breakdown.
Key observations	We concluded that the valuation of the equity fund investment held at fair value was reasonable.

6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.
Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	$4,020,000 (2020: $3,882,000)	$3,209,000 (2020: $1,619,000)
Basis for determining materiality	2% of total assets (2020: 1% of total assets)	2% of total assets (2020: 1% of total assets)
Rationale for the benchmark applied	We determined that 2% of total assets was the most appropriate measure given the group's role of providing capital to other affiliated participants in the Lloyd's market.	We determined that 2% of total assets was the most appropriate measure given the group's role of providing capital to other affiliated participants in the Lloyd's market, and its position as an issuer of listed debt instruments.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
Performance materiality	70% of group materiality (2020: 75%)	70% of parent company materiality (2020: 75%)
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the nature of the parent company and the group being an issuer of listed debt instruments and this being our first year audit.	

6.3. Error reporting threshold

We agreed with the those charged with governance that we would report all audit differences in excess of $201,000, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to those charged with governance on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit – Identification and scoping of components

We consider the nature of the group as an underwriting of general insurance and reinsurance business at Lloyd's until 31 December 2020 at which time Syndicate 780 closed its final underwriting year by way of a reinsurance to close into Syndicate 3500.For the purpose of the audit of the consolidated financial statements we have performed full scope audit procedures on the components Advent Capital (Holdings) Limited and Advent Capital (No.3) Limited which form greater than 99% of total assets. All other components of the group were immaterial and therefore not in scope.

8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

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

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

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

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

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, internal audit, and the board about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: valuation of equity fund holding held at fair value. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, TISE Listing Rules, Lloyd's regulations and byelaws and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

11.2. Audit response to risks identified

As a result of performing the above, we identified valuation of equity fund investment held at fair value as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements including Lloyd's byelaws;
- enquiring of management, the audit committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and Lloyd's; and,
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. Matters on which we are required to report by exception

13.1. Adequacy of explanations received and accounting records

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

13.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

14. Use of our report

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.

Adam Ely

Adam Ely, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
29 April 2022

Advent Capital (Holdings) Limited (Company No. 03033609)
Consolidated Statement of Comprehensive Income
For the year ended 31st December 2021

	Note	2021 $'000	2020* $'000
Technical Account – General Business			
Gross premiums written	6	-	8,309
Outward reinsurance premiums		-	(4,085)
Net premiums written		**-**	**4,224**
Change in provision for gross unearned premiums		-	5,908
Change in provision for reinsurance unearned premiums		-	(2,957)
Net premiums earned	6	**-**	**7,175**
Gross Claims Paid			(55,827)
Reinsurers' share		-	33,880
Net Paid claims			(21,947)
Change in the gross provision for claims		-	74,183
Reinsurers' share		-	(40,227)
Change in the net provision for claims		-	33,956
Claims incurred, net of reinsurance		**-**	**12,009**
Net operating expenses	5	(63)	(5,121)
Acquisition costs		-	(1,648)
Total technical charges, net of reinsurance		**(63)**	**5,240**
Balance on the technical account for general business		**(63)**	**12,415**
Non-Technical Account			
Investment income	7	89	3,360
Realised (losses) on investments	7	-	(1,535)
Unrealised gains on investments	7	12,532	1,083
Unrealised (losses) on investments	7	-	(12,267)
Other income, including interest and FAL fees		4,592	2,796
Foreign exchange (losses) gains		(225)	1,312
Investment expenses and charges	7	-	(550)
Operating Profit		**17,051**	**6,614**
Interest expense		(4,133)	(4,489)
Profit before tax		**12,792**	**2,125**
Tax on profit	8	(537)	(5,840)
Profit (loss) for the financial year		**12,255**	**(3,715)**
Exchange differences on translation		11	476
Total comprehensive income (loss)		**12,266**	**(3,239)**

*Restated for presentation under FRS 102 only, see note 2a

Advent Capital (Holdings) Limited (Company No. 03033609)
Consolidated Balance Sheet
As at 31st December 2021

	Note	2021 $'000	2020* $'000
Assets			
Investments			
Other financial investments	7	**80,569**	**228,465**
Reinsurers' share of technical provisions			
Claims outstanding	6	-	**64,951**
Debtors			
Debtors arising out of reinsurance operations	6	-	12,636
Other debtors	7	61,875	48,131
		61,875	**60,767**
Deferred tax	8	408	2,051
Other assets			
Cash at bank and in hand	7	60,014	31,969
		60,014	**31,969**
Total assets		**202,866**	**388,203**
Capital, Reserves and Liabilities			
Capital and reserves			
Called up share capital	7	50,530	47,269
Share Premium		141,351	141,351
Capital redemption reserve		33,690	33,690
Other reserves		7,718	7,707
Profit and loss account		(127,626)	(139,881)
Total shareholders' funds		**105,663**	**90,136**
Technical provisions			
Claims outstanding	6	-	**180,641**
Creditors: Amounts falling due within one year			
Creditors arising out of reinsurance operations		-	2,138
Derivative financial instruments	7	4,927	-
Other creditors including tax and social security	9	446	22,608
		5,373	**24,746**
Creditors: Amounts falling due within after year			
Long term debt		91,830	92,860
Total capital, reserves and liabilities		**202,866**	**388,203**

*Restated for presentation under FRS 102 only, see note 2a.

The financial statements on pages 18 to 48 were approved by the Board of Directors on 29th April 2022 and were signed on its behalf by:

Luke Tanzer
Chief Executive Officer

Andrew Creed
Chief Financial Officer

Advent Capital (Holdings) Limited (Company No. 03033609)
Consolidated
Statement of Changes in Equity
For the year ended 31st December 2021

	Ord. share capital $'000	Share premium $'000	Capital redemption reserve $'000	Other reserves $'000	Accumulated deficit $'000	Total $'000
Balance, 1 January 2020*	47,269	141,351	33,690	(4,928)	(124,007)	93,375
Loss for the year*	-	-	-	-	(3,715)	(3,715)
Other comprehensive income*	-	-	-	-	476	476
Balance, 31 December 2020*	47,269	141,351	33,690	(4,928)	(127,246)	90,136
Profit for the year	-	-	-	-	12,255	12,255
Issue of share capital	3,261	-	-	-	-	3,261
Other comprehensive income	-	-	-	-	11	11
Balance, 31 December 2021	**50,530**	**141,351**	**33,690**	**(4,928)**	**(127,626)**	**105,663**

*Restated for presentation under FRS 102 only, see note 2a.

Share premium account is the excess of proceeds from issue of shares over the par value of the ordinary shares.

Capital redemption reserve was transferred from share capital on the reduction in par value of ordinary shares from 25p to 5p per share in June 2005.

Other reserves are grandfathered merger reserves.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes on pages 22 to 44 of these financial statements.

Advent Capital (Holdings) Limited (Company No. 03033609)
Consolidated Statement of Cashflow
For the year ended 31st December 2021

	2021 $'000	2020* $'000
Reconciliation of (loss) / profit for the year to net cash inflow from operating activities		
Profit/(loss) for the financial year	12,255	(3,715)
(Decrease) in gross technical provisions	(180,641)	(75,459)
Decrease in reinsurers' share of gross technical provisions	64,951	40,949
Decrease/(increase) in debtors	535	(18,681)
(Decrease) in creditors	(20,223)	(1,374)
Interest expense and amortisation of debt costs	4,133	4,489
Investment return	(17,214)	7,113
Other	-	(2,600)
Net cash inflow from operating activities	**(136,204)**	**(49,278)**
Purchase of equity and debt instruments	-	(13,309)
Sale of equity and debt instruments	168,494	-
Tax received		10,364
Interest paid	(3,960)	(4,560)
Interest income received	3	3,211
Net cash inflow/(outflow) from investing activities	**164,537**	**(4,294)**
Cash at beginning of year	31,969	85,173
Foreign exchange	(288)	368
Cash at end of year	**60,014**	**31,969**

*Restated for presentation under FRS 102 only, see note 2a.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes on pages 22 to 44 of these financial statements.

1. General Information

The Group's principal activity was the underwriting of general insurance and reinsurance business at Lloyd's until 31st December 2018 at which time Syndicate 780 ceased underwriting. The Managing Agency contract of Syndicate 780 was novated from Advent Underwriting Limited ("AUL") to RiverStone Managing Agency Limited ("RSMA") on 1st January 2019. Effective 1st January 2019, the Company's subsidiary, Advent Capital (No.3) Limited also participates in the Lloyd's market through the provision of Funds at Lloyd's to RiverStone Corporate Capital Limited, an affiliate company.

Effective 31 December 2020, the liabilities of Syndicate 780 were reinsured to close into Syndicate 3500, which is also under the management of RSMA.

2. Summary of Significant Accounting Policies and Basis of Preparation

a) Basis of Preparation

The financial statements of the Group have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" as issued in March 2018 ("FRS102"), Financial Reporting Standard 103, "Insurance Contracts" ("FRS103") and the Companies Act 2006. The financial statements have been prepared in compliance with the provisions of the Large and Medium-sized Companies and Groups (Accounting and Reports) Regulations relating to insurance groups.

Effective 1st January 2020, the Group and Company changed from reporting under IFRS to FRS 102 to be consistent with rest of the Riverstone International group of companies. There are no material valuation adjustments to the opening balances following the change in accounting standard. Primary statements and applicable notes to the accounts have been re-presented to reflect this change.

b) Going Concern

The Group's forecasts and projections show that the Group is able to operate and have the resources available to meet its ongoing operating and debt costs through the income generated from the Funds at Lloyd's ("FAL") inter-availability agreement with Riverstone Corporate Capital Limited ("RCCL") which is in place until the end of 2022 and on the $55 million loan to RCCL which accrues interest. The Group has the appetite to enter into further transactions of this type once the FAL inter-availability agreement ceases. Finally, if the decision is made to stop pledging assets to support the underwriting of RCCL the Group has the resources to repay the outstanding debt. After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence and to meet its liabilities as they come due, for the foreseeable future. Having addressed the principal risks, the directors consider it appropriate to adopt the going concern basis of accounting in preparing these financial statements.

c) Financial Investments

The Group holds securities at fair value through the profit and loss account. Purchases and sales of investments are recognised on the trade date, being the date at which a commitment to buy or sell the asset has been made. Investments are initially recognised at fair value and are subsequently re-measured at fair value based upon quoted bid prices. Changes to the fair value are included in the income statement for the period in which they arise.

d) Foreign Currency Translation

The Company's functional currency is the US dollar. Foreign currency transactions are translated into US dollars using the exchange rate at the date of the transactions. Monetary assets and liabilities in foreign currencies are translated into US dollars at the closing rates of exchange at the balance sheet date. Non-monetary assets and liabilities, are translated into US dollars at historic rates of exchange. Resulting foreign exchange gains and losses are recognised in operating expenses. The group's presentational currency is US Dollar, any foreign exchange arising on translation of consolidated entitieswith a non-US Dollar functional currency is recorded in OCI.

e) Derivatives

Derivative financial instruments comprise a fair value swap. Derivatives are initially and subsequently measured at their fair value with movements in the fair value being immediately recognised in the profit and loss account. Fair values are obtained from quoted market prices, discounted cash flow models, risk models and option pricing models as appropriate.

f) Cash at bank and in hand

Cash at bank and in hand consist of cash at bank and on hand on demand deposits.

g) Long term debt

Long term debt is initially recognised at fair value, net of transaction costs incurred. Subsequently, long term debt is stated at amortised cost using the effective interest rate method. Any difference between the amortised cost and the redemption value is recognised in the income statement over the period of the debt.

h) Insurance and reinsurance business

The results for insurance and reinsurance business written are determined on an annual basis whereby the incurred cost of claims, commission and related expenses are charged against net earned premium.

(i) Gross premiums - insurance and reinsurance contracts are accounted for as insurance under FRS 103. Premiums written relate to business incepted during the year, together with any differences between booked premiums for prior years and those previously accrued and include estimates of premiums due but not yet receivable or notified to the Group, less an allowance for cancellations.

Premiums are accreted to the income statement on a pro-rata basis over the term of the related policy.

All premiums are stated gross of acquisition costs, which represent commission and other related expenses, which are expensed over the period in which the related premiums are earned.

(ii) Reinsurance premiums ceded comprise the cost of reinsurance arrangements placed and are generally recognised over the period in which related gross written premiums are earned. "Losses occurring during" policies are charged over the period for which coverage is provided.

(iii) Claims incurred comprise claims and related expenses paid in the year and changes in the provisions for outstanding claims, including provisions for claims incurred but not reported (IBNR) and related expenses, together with any other adjustments to claims from previous years. Where applicable, deductions are made for salvage and other recoveries.

Provision is also made, where necessary, for any deficiencies arising when unearned premiums, net of associated acquisition costs, are insufficient to meet expected claims and expenses after taking into account future investment return on the investments supporting the unearned premiums reserve and unexpired risks provision. The expected claims are calculated based on information available at the balance sheet date. Unexpired risk surpluses and deficits are offset where business classes are managed together and a provision is made if an aggregate deficit arises.

(iv) Reinsurance recoveries represent the reinsurers' share of the claims incurred in the period, adjusted for any provisions for bad debt.

(v) Outstanding claims represent the ultimate cost of settling all claims (including direct and indirect claims settlement costs) arising from events which have occurred up to the balance sheet date, including provision for IBNR, less any amounts paid in respect of those claims. Outstanding claims are reduced by anticipated salvage and other recoveries.

Provision is made at the year-end for the estimated costs of claims incurred but not settled at the balance sheet date, including the cost of IBNR to the Group. The estimated cost of claims includes expenses to be incurred in settling claims and a deduction for the value of salvage and other recoveries. The Group takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established.

(vi) Reinsurance assets include amounts recoverable from reinsurance companies for paid and unpaid losses and loss adjustment expenses and ceded unearned premiums. Amounts receivable from reinsurers are calculated with reference to the claims liability associated with the reinsured risks. Any impairment to a reinsurance asset is immediately recognised in the Income Statement.

j) Receivables and payables

Debtors and creditors, valued at cost, include the totals of the Group's share of the syndicates' outstanding debit and credit transactions as processed by XChanging Ins-sure Services Ltd. Since there is no legal right of offset, no account has been taken of any offsets which may be applicable in calculating the net amounts due between the syndicates and their counterparty insureds, reinsurers or intermediaries as appropriate.

k) Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated and parent company only financial statements. Deferred tax is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the Group controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

l) Dividends

Dividends to the Company's shareholders are recognised as a liability in the period in which the dividends are approved by the Company's shareholders

m) Joint Operations

The Company had historically entered into a Joint Operation in an Australian domiciled service company which commenced writing business from 1 January 2017. The Company's share of each asset, liability, income and expenditure item of the Joint Operation were fully consolidated. This joint operation shareholding was disposed in 2020.

n) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

g) Affiliate loans

Loans to affiliate companies are initially and subsequently recognised at cost. All loans can be demanded for repayment within 12 months.. Interest accreted is recognised through other income in the profit and loss account.

3. Critical accounting judgements and estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

i) Claims reserves (2020 only)

The establishment of claims reserves represented the area of greatest uncertainty in preparing the Group financial statements. Reserves for future anticipated claims were made based on information available at the time of preparation of the financial statements. Any "best estimate" of ultimate claims needed to be viewed as a point value within a likely range of outcomes. The nature of each insurer's business, and the reinsurance arrangements in place, influence how wide that likely range of outcomes will be.

Significant areas requiring estimation and judgment included;

- Estimates of the amount of any liability in respect of claims notified but not settled and incurred but not reported claims (IBNR) to be included within provisions for inward insurance and reinsurance contracts
- The corresponding estimate of the amount of outwards reinsurance recoveries which will become due as a result of the estimated claims on inwards business.
- The recoverability of amounts due from reinsurers.

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Group, where more information about the claim event is generally available. Claims IBNR may often not be apparent to the insured until many years after the event giving rise to the claims has happened. Classes of business where the IBNR proportion of the total reserve is high, such as casualty, will typically display greater variations between initial estimates and final outcomes because of the greater degree of difficulty of estimating these reserves.

Classes where claims are typically reported relatively quickly after the claim event tend to display lower levels of volatility. In calculating the estimated cost of unpaid claims, the Group used a variety of estimation techniques, generally based upon statistical analyses of historical experience, which assumes that the development pattern of the current claims will be consistent with past experience.

Allowance is made, however, for changes or uncertainties which may create distortions in the underlying statistics or which might cause the cost of unsettled claims to increase or reduce when compared with the cost of previously settled claims including:

- changes in the Group claims processes which might accelerate or slow down the development and/or recording of paid or incurred claims compared with the statistics from previous years;
- changes in the legal environment;
- the effects of inflation;
- changes in mix of business;
- the impact of large losses; and
- movements in industry benchmarks.

A component of these estimation techniques is usually the estimation of the cost of notified but not paid claims. In estimating the cost of these claims the Group had regard to the claim circumstance as reported, any information available from cedants and information on the cost of settling claims with similar characteristics in previous years.

Large claims impacting each relevant business class are generally assessed separately, being measured on a case-by-case basis or projected separately to allow for the possible distortive effect of the development and incidence of these large claims.

For major natural catastrophe events, the original loss estimates for all 'on risk' exposures are analysed using computer simulation to ascertain those accounts likely to be impacted. From the initial output, modelled loss estimates, per account, were generated.

Where possible, the Group adopted multiple techniques to estimate the required level of provisions. This assists in giving greater understanding of the trends inherent in the data being projected. The projections resulting from the various methodologies also assist in setting the range of possible outcomes. The most appropriate estimation technique is selected taking into account the characteristics of the business class and the extent of the development of each accident year.

Provisions are calculated gross of any reinsurance recoveries. A separate estimate is made of the amounts that will be recoverable from reinsurers based upon the gross provisions and having due regard to collectability.

Actual claims experience will always differ from projected estimates. Such differences in relation to risks previously earned are recognised in the income statement in the accounting period during which the difference is identified.

ii) Pipeline premiums (2020 Only)

Written premiums include pipeline premiums which represent future premiums receivable on in-force insurance contracts. Pipeline premium estimates were typically based on the knowledge and experience of the contracts being written and are updated regularly based on actual cash received versus estimate.

4. Foreign Exchange Risk Management

The Groups operations are conducted in a number of currencies, the principal ones of which are US $, GBP £, CAD $, Euro € and $ AUD. The Group's policy is that it is not in the business of taking or speculating on foreign currency risk. Its objective is to match each principal currency position.

Monthly, the Group reviews its consolidated foreign currency balance sheet, prepared in its principal currencies. Action is taken to reduce or mitigate foreign currency mismatches through the purchase or sale of the appropriate currencies or the use of forward exchange transactions where necessary.

The Group made use of a currency translation service from Xchanging, whereby premiums and claims receivable in currencies outside the Group's principal currencies are translated at the spot rate of exchange to Sterling (or in some cases US$) at the date of payment of the claim or receipt of the premium.

The principal exchange rates used in translating foreign currency assets, liabilities, income and expenditure in the preparation of these financial statements were:

	2020 Period average Rate $	2020 Period end Rate $	2019 Period average Rate $	2019 Period end Rate $
Sterling	0.7268	0.7383	0.7792	0.7316
Euro	0.8454	0.8794	0.8757	0.8173
Australian Dollar	1.3308	1.3754	1.4475	1.2959
Canadian dollar	1.2533	1.2631	1.3404	1.2740

The Groups gross premiums were written in the following currencies:

	2021 $'000	2021 %	2020 $'000	2020 %
US dollar	-	-	6,976	84.0
£ sterling	-	-	347	4.2
Australian dollar	-	-	1,059	12.7
Canadian dollar	-	-	397	4.8
Euro	-	-	(470)	(5.7)
	-	-	**8,309**	**100.0**

The Groups asset and liability positions in its major foreign currencies were as follows:

31st December 2021	**US $'000**	**GBP £'000**	**CAD $'000**	**Euro €'000**	**AUD $'000**
Total assets	180,933	4,906	-	12,530	114
Total liabilities	(84,174)	(199)	-	(11,749)	-
Net assets (net liabilities)	**96,759**	**4,707**	-	**781**	**114**

31st December 2020	**US $'000**	**GBP £'000**	**CAD $'000**	**Euro €'000**	**AUD $'000**
Total assets	300,611	10,400	20,259	15,789	8,004
Total liabilities	(219,427)	(14,466)	(7,342)	(16,299)	(1,529)
Net assets (net liabilities)	**81,184**	**(4,066)**	**12,916**	**(510)**	**6,474**

The effect on profit before tax of a 5% increase or decrease in the closing exchange rates on the foreign currency balance sheet at 31st December 2021 is approximately $0.4 million (2020: $0.8 million).

5. Net operating Expenses

		2021 $'000		2020 $'000
Administrative expenses		63		5,121
	$	**63**	$	**5,121**

		2021 $'000		2020 $'000
Audit services				
Fees payable to the Company's auditors for the audit of the Company and consolidated Financial Statements		17		109
The audit of the Company's subsidiaries		12		21
Fees payable to the Company's auditors for the audit of Syndicate 780		-		176
Non-audit services				
Fees payable to the Company's auditors and its associates for other services:				
Other services		-		72
Actuarial – Statement of Actuarial Opinion		-		147
	$	**29**	$	**525**

6. Insurance Risk Management

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty over the amount of the resulting ultimate claim. By the very nature of an insurance contract, this risk is unpredictable at the outset. Note that there is no insurance risk in relation to the 2021 financial year following the closure by reinsurance to close of Syndicate 780.

The principal risk that the Group faced under its insurance contracts was that the actual claims and benefit payments exceeded the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits were greater than estimated. The actual number and amount of claims and benefits arising from insurance contracts would have varied from year to year from the level established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be materially affected by a change in any subset of the portfolio. The Group had a diversified portfolio of insurance risks.

The Group mitigated insurance risk through the use of reinsurance, both in the form of third party reinsurance associated with the business originally written and reinsurance with affiliated reinsurers.

The Group historically reported its underwriting activities on a line of business basis using the six major segments which had the following insurance risk characteristics:

a) The Reinsurance segment consists of the property and casualty treaty reinsurance classes. The casualty treaty class provides excess of loss coverage for general casualty classes such as auto liability, medical malpractice, workers compensation and associated exposures, with an emphasis on clash business. The majority of the account was written in the United States and no business was written on an unlimited basis. The property treaty class offers property catastrophe and individual risk cover for insurance and reinsurance contracts written predominantly on a "losses occurring during policy period" basis with generally no risks in excess of 12 months and with a large proportion of risks expiring at 31 December each year.

b) The Specialty segment includes a broad range of products including terrorism, marine, offshore energy portfolios with coverage provided for individual risk and catastrophe accumulations and specie, marine hull & machinery, liability and cargo insurance. Most risks were written on an excess or limited conditions basis with the objective of avoiding exposure to attritional losses.

c) The Consumer Products segment consists of the accident & health (A&H) insurance and bespoke products classes. The A&H account provided a wide range of medical and accident coverage, primarily through binding authorities, whilst the bespoke products class offered a wide-ranging portfolio from trucking physical damage to credit card enhancement schemes.

d) The Property segment consisted of the Property D&F and Property Binders classes and includes commercial property, personal lines and commercial automobile physical damage insurance written in the open market and through binding authorities on both a lead and following basis, either through underwriting facilities or on an individual risk basis

e) The Discontinued segment includes classes of business written prior to 2015.

f) The Affiliate Reinsurance segment shows the outward reinsurance transactions on a line by line basis.

i) Segmental Analysis

The tables below details the Group underwriting performance by segment. Note that following the reinsurance to close of Syndicate 780 there are no insurance technical balances in the 2021 result. Acquisition costs, consisting of direct brokerage commissions, are allocated to each segment on a direct basis while operating costs, including underwriting costs, where they cannot be specifically attributed, are either allocated based on gross premiums written or gross premiums earned. The Group does not prepare a segmented balance sheet by line of business and accordingly, has presented key insurance account balances only.

31 December 2021	Consumer Products $'000	Speciality $'000	Property $'000	Reinsurance $'000	Discontinued $'000	Affiliate Reinsurances & Other $'000	Total $'000
Operating (expenses)/income	-	-	-	-	-	(63)	(63)
Underwriting profit (loss)	-	-	-	-	-	**(63)**	**(63)**

	Consumer Products $'000	Speciality $'000	Property $'000	Reinsurance $'000	Discontinued $'000	Affiliate Reinsurances & Other $'000	Total $'000
Reinsurers' share of outstanding claims	-	-	-	-	-	-	-
Reinsurers' share of unearned premium	-	-	-	-	-	-	-
Deferred acquisition costs	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	65,225	65,225
Total assets	-	-	-	-	-	**65,225**	**65,225**

	Consumer Products $'000	Speciality $'000	Property $'000	Reinsurance $'000	Discontinued $'000	Affiliate Reinsurances & Other $'000	Total $'000
Other liabilities	-	-	-	-	-	5,373	5,373
Total liabilities	-	-	-	-	-	**5,373**	**5,373**

31 December 2020	Consumer Products $'000	Speciality $'000	Property $'000	Reinsurance $'000	Discontinued $'000	Affiliate Reinsurances & Other $'000	Total $'000
Gross premiums written	1,674	3,203	2,530	1,090	(188)	0	8,309
Net premiums written	1,105	2,714	2,421	752	(188)	(2,580)	4,224
Net premiums earned	4,001	2,963	3,945	1,799	(188)	(5,345)	7,175
Net claims incurred	(6,045)	721	(2,181)	20,554	1,016	(2,056)	12,009
Acquisition (costs) /income	(544)	(971)	(1,159)	(307)	-	1,333	(1,648)
Operating (expenses)/income	(2,206)	(1,660)	(2,177)	(988)	-	1,910	(5,121)
Underwriting profit (loss)	**(4,794)**	**1,053**	**(1,572)**	**21,058**	**828**	**(4,158)**	**12,415**
Claims ratio	151.1%	(24.3%)	55.3%	(1142.5%)	-	-	(167.4%)
Acquisition cost ratio	13.6%	32.8%	29.4%	17.0%	-	-	23.0%
Operating cost ratio	55.1%	56.0%	55.2%	54.9%	-	-	71.4%
Combined ratio	219.8%	64.5%	139.9%	(1070.6%)	-	-	(73.0%)

Balance sheet accounts							
Reinsurers' share of outstanding claims	1,839	1,755	8,918	4,953	3,580	43,906	64,951
Reinsurers' share of unearned premium	-	-	-	-	-	-	-
Deferred acquisition costs	-	-	-	-	-	-	-
Other assets						323,652	323,652
Total assets	**1,839**	**1,755**	**8,918**	**4,953**	**3,580**	**367,558**	**388,603**

	Consumer Products $'000	Speciality $'000	Property $'000	Reinsurance $'000	Discontinued $'000	Affiliate Reinsurances & Other $'000	Total $'000
Outstanding claims	(5,640)	(27,220)	(20,078)	(120,092)	(7,611)	-	(180,641)
Unearned premium	-	-	-	-	-	-	-
RI deferred acquisition costs	-	-	-	-	-	-	-
Other liabilities						(117,424)	(117,424)
Total liabilities	**(5,640)**	**(27,220)**	**(20,078)**	**(120,092)**	**(7,611)**	**(117,424)**	**(298,065)**

All premiums were concluded in the United Kingdom.

The geographical analysis of gross premiums written by location is as follows:

	2021 $'000	2020 $'000
US and Canada	-	284
UK	-	1,922
Other	-	4,564
Other EU	-	1,539
	$ -	$ **8,309**

ii) Outstanding Claims

	Provision for unearned premiums $'000	Outstanding claims $'000	Total $'000
Gross			
At 1st January 2021	-	180,641	180,641
Exchange adjustments	-	-	-
RITC to Syndicate 3500	-	(180,641)	(180,641)
Movements in provisions			
- Current year	-	-	-
- Prior years	-	-	-
- Paid claims	-	-	-
At 31st December 2021	**-**	**-**	**-**
Reinsurers' share			
At 1st January 2021	-	64,951	64,951
Exchange adjustments	-	-	-
RITC to Syndicate 3500	-	(64,951)	(64,951)
Movements in provisions			
- Current year	-	-	-
- Prior years	-	-	-
- Paid recoveries	-	-	-
At 31st December 2021	**-**	**-**	**-**
Gross			
At 1st January 2020	5,980	250,154	256,134
Exchange adjustments	-	862	862
Movements in provisions			
- Current year	(5,980)	3,034	(2,946)
- Prior years	-	(21,601)	(21,601)
- Paid claims	-	(51,808)	(51,808)
At 31st December 2020	**-**	**180,641**	**180,641**
Reinsurers' share			
At 1st January 2020	2,957	102,935	105,892
Exchange adjustments	-	414	414
Movements in provisions			
- Current year	(2,957)	761	(2,196)
- Prior years	-	(6,708)	(6,708)
- Paid recoveries	-	(32,451)	(32,451)
At 31st December 2020	**-**	**64,951**	**64,951**
Net			
At 31st December 2021	-	-	-
At 31st December 2020	-	115,690	115,690

For the year ended 31st December 2021, prior years' reserve releases, net of reinstatement premiums and reinsurance recoveries, amounted to $Nil (2020: $14.9 million).

The claims balance is further analysed between notified outstanding claims and IBNR outstanding below:

	2021		2020	
	Gross $'000	Net $'000	Gross $'000	Net $'000
Notified outstanding claims	-	-	102,203	64,432
IBNR	-	-	78,438	51,258
Outstanding claims	-	-	**180,641**	**115,690**
Percentage of IBNR to notified outstanding claims	-	-	**77%**	**80%**

The concentration of insurance risk before and after reinsurance by the most material classes of business is summarised below, with reference to the carrying amount of outstanding claims (gross and net of reinsurance) arising from insurance contracts:

	2021		2020	
	Gross $'000	Net $'000	Gross $'000	Net $'000
Property Binder	-	-	21,430	5,497
Accident and Health	-	-	1,838	-
Casualty	-	-	62,882	46,222
Marine	-	-	18,868	12,938
Terrorism	-	-	1,487	932
Other Liability	-	-	15,842	11,645
Property Reinsurance	-	-	15,030	6,041
Casualty Treaty	-	-	28,095	21,043
Other	-	-	15,169	11,372
Total technical provisions	-	-	**180,641**	**115,690**

iii) Claims development tables

The following table shows the adverse or favourable development of claims, on a gross and net basis, determined on an accident year basis, from the amounts originally estimated at the end of the preceding year. Claims in currencies other than US dollars have been reconverted at 31 December 2020 exchange rates for all accident years. Note due to the reinsurance to close of Syndicate 780 to Syndicate 3500 on 31st December 2020 there is no such table for the 2021 calendar year.

Earned gross claims

Accident year	2010 and prior $'000s	2011 $'000s	2012 $'000s	2013 $'000s	2014 $'000s	2015 $'000s	2016 $'000s	2017 $'000s	2018 $'000s	2019 $'000s	2020 $'000s	Total $'000s
At the end of accident year	2,905,000	360,000	128,000	119,443	112,918	132,437	152,266	252,736	200,818	60,066	6,781	
One year later	2,915,000	365,000	136,673	119,078	109,264	143,964	174,471	253,417	204,403	49,043		
Two years later	2,893,000	349,234	131,292	111,850	105,416	149,684	166,960	255,207	207,151			
Three years later	2,867,931	327,676	128,983	102,554	97,535	124,730	160,598	261,540				
Four years later	2,820,121	369,451	126,914	95,448	98,621	125,978	162,299					
Five years later	2,813,173	361,418	126,426	95,870	95,201	123,295						
Six years later	2,810,240	366,145	130,166	95,086	95,584							
Seven years later	2,885,158	348,754	129,626	88,790								
Eight years later	2,872,862	355,691	135,657									
Nine years later	2,831,123	354,049										
Ten Years later	2,836,639											
Estimate of cumulative claims	2,836,639	354,049	135,657	88,790	95,584	123,295	162,299	261,540	207,151	49,043	6,781	4,320,828
Cumulative paid claims	2,824,570	346,187	117,990	83,052	84,526	109,602	144,965	233,680	162,253	29,858	3,503	4,140,186
Gross claims liability	12,069	7,862	17,667	5,738	11,058	13,693	17,334	27,860	44,898	19,186	3,279	180,641

Earned net claims

Accident year	2010 and prior $'000s	2011 $'000s	2012 $'000s	2013 $'000s	2014 $'000s	2015 $'000s	2016 $'000s	2017 $'000s	2018 $'000s	2019 $'000s	2020 $'000s	Total $'000s
At the end of accident year	2,194,961	232,615	117,974	117,974	96,681	107,776	131,558	151,247	123,306	50,163	6,781	
One year later	2,211,017	237,926	120,008	120,008	92,610	111,185	145,356	151,108	143,174	39,066		
Two years later	2,192,766	243,237	114,923	114,923	89,318	115,056	123,630	162,228	136,672			
Three years later	2,185,536	226,242	112,889	112,889	82,648	99,299	132,525	167,864				
Four years later	2,194,603	220,931	110,654	110,654	77,178	107,172	124,948					
Five years later	2,188,561	211,365	111,761	111,761	78,972	104,348						
Six years later	2,188,425	216,903	106,458	106,458	79,142							
Seven years later	2,167,608	192,037	111,602	77,880								
Eight years later	2,146,420	199,118	117,498									
Nine years later	2,047,856	196,303										
Ten Years later	2,050,502											
Estimate of cumulative claims	2,050,502	196,303	117,498	77,880	79,142	104,348	124,948	167,864	136,672	39,066	6,781	3,101,005
Cumulative paid claims	2,045,388	192,414	99,971	72,231	68,195	90,964	109,402	156,466	124,397	22,385	3,503	2,985,315
Net claims liability	5,114	3,889	17,527	5,649	10,948	13,385	15,546	11,398	12,275	16,681	3,279	115,690

v) Debtors arising from insurance and reinsurance operations

The table below sets out the analysis of the debtors arising from insurance and reinsurance operations, at cost and fair value. All debtors arising from insurance and reinsurance operations were transferred out of the Group on 1st January 2021 as a result of the reinsurance to close of Syndicate 780.

	2021 $'000	2020 $'000
Insurance and reinsurance premiums due	-	508
Pipeline premium	-	8,189
Reinsurance recoveries on paid claims	-	3,939
	-	12,636

Pipeline premium represented amounts receivable in respect of premiums incepted on binder business for which notification from the broker had not yet been received, together with reinstatement premiums on claims. The estimate of the likely settlement date for reinstatement premiums due was intrinsically related to the estimate of the likely settlement dates for the major losses.

$Nil (2020: $6.8 million) is due within one year.

The reinsurance recoveries accruals on paid claims is further analysed below:

	2021 $'000	2020 $'000
Fully performing	-	3,544
Past due	-	395
	-	3,939

7. Financial risk management

i) Investment gain (loss)

	2021 $'000	2020 $'000
Interest and dividends	89	3,360
Investment management expenses	-	(550)
Net investment income	89	2,810
Gain on sale of investments	-	196
Loss on sale of investments	-	(1,731)
Net loss on sale of investments	-	(1,535)
Unrealised gains on investments	12,532	1,083
Unrealised losses on investments	-	(12,267)
Net unrealised gains (losses) on investments	12,532	(11,184)
	12,621	**(9,909)**

ii) Financial Instruments

	2021 $'000	2020 $'000
Financial Assets		
Carrying value		
Debt securities and other fixed income securities	-	161,050
Equity Fund	80,569	59,849
Syndicate overseas deposits	-	6,913
Derivatives and forward exchange contracts	-	653
	80,569	**228,465**
Cost		
Debt securities and other fixed income securities	-	156,747
Equity Fund	78,771	78,771
Syndicate overseas deposits	-	6,913
Derivatives and forward exchange contracts	-	259
	78,771	**242,690**
Financial Liabilities		
Carrying Value		
Fair Value Swap	4,927	-
	4,927	-

Cost		
Fair Value Swap	-	-
	-	-

At 31st December 2021, investments of $Nil (2019: $96.6 million) were held in US situs and other regulatory deposits available for the payment of claims in those jurisdictions and which are not available for the payment of other claims and obligations.

As of 31st December 2021, the Group subsidiary, Advent Capital (No.3) Limited ("AC3") had made excess capital of $135.2 million inter-available with RCCL. RCCL pays the AC3 a fee for its use of the excess capital and has indemnified it from loss from its use of the excess capital.

Cash at bank and in hand

	2021 $'000	**2020 $'000**
Company	4,275	2,386
Syndicate 780	-	24,862
Other subsidiaries	55,739	4,721
	60,014	**31,969**

At 31st December 2021, the cash at bank and in hand were held with Royal Bank of Scotland, Barclays Bank, A-, A by Standard & Poor's.

Other Assets

	2021 $'000	**2020 $'000**
Other assets at cost and fair value comprise:		
- prepayments	-	551
- accrued income	-	86
- receivable for securities sold	-	22,135
- tax recoverable	2,792	1,877
- other debtors	298	(875)
- due from affiliated companies	58,785	24,263
	61,875	**48,131**
Categorised as due:		
- within 12 months	6,875	48,131
- after more than 12 months	55,000	-
	61,875	**48,131**

iii) Investments analysed by type, maturity and fair value hierarchy

Level 3 contains investments where fair values are measured using valuation techniques for which significant inputs are not based on market observable data. Valuation techniques include comparisons with similar instruments where observable market prices exist, discounted cash flow analysis, option pricing models, and other valuation techniques commonly used by market participants.

The remainder of the portfolio is considered to be Level 2, as these assets are valued based upon prices quoted in markets that are less active, have fewer sources or are derived from prices quoted in an active market.

The tables below present the Group's assets that are measured at fair value, together with an analysis of when they mature:

At 31st December 2021	Total $'000	Less than 1 year $'000	1 to 2 years $'000	2 to 3 years $'000	More than 3 years $'000	No Maturity $'000
Level 1						
Debt and other fixed income securities	-	-	-	-	-	-
Equity Fund	-	-	-	-	-	-
Overseas deposits	-	-	-	-	-	-
	-	-	-	-	-	-
Level 2						
Debt securities and other fixed income securities	-	-	-	-	-	-
Corporate Bonds	-	-	-	-	-	-
State and Municipal Bonds	-	-	-	-	-	-
Equity Fund	80,569	3,921	-	-	-	76,648
Interest treasury locks	-	-	-	-	-	-
Forward Exchange contracts	-	-	-	-	-	-
Overseas deposits	-	-	-	-	-	-
	80,569	3,921	-	-	-	76,648
Level 3						
Derivatives (liability)	-	(4,927)	-	-	-	-

At 31st December 2020	Total $'000	Less than 1 year $'000	1 to 2 years $'000	2 to 3 years $'000	More than 3 years $'000	No Maturity $'000
Level 1						
Debt and other fixed income securities	133,379	133,379	-	-	-	-
Equity Fund	60,490	1,965	-	-	-	58,525
Overseas deposits	2,255	1,465	790	-	-	-
	196,124	**136,809**	**790**	**-**	**-**	**58,525**
Level 2						
Debt securities and other fixed income securities	15,972	15,972	-	-	-	-
Corporate Bonds	-	-	-	-	-	-
State and Municipal Bonds	11,699	-	-	-	11,699	-
Equity Fund	(641)	(641)	-	-	-	-
Interest treasury locks	93	93	-	-	-	-
Forward Exchange contracts	548	548	-	-	-	-
Overseas deposits	4,658	-	1,820	1,053	1,785	-
	32,329	**15,972**	**1,820**	**1,053**	**13,484**	**-**
Level 3						
Derivatives	12	12	-	-	-	-
	12	12	-	-	-	-
	228,465	**152,793**	**2,610**	**1,053**	**13,484**	**58,525**

Level 3 investment movements are summarised as follows:

	2021 $'000	2020 $'000
Balance at 1st January	12	27
Loss (profit) recognised in the income statement	(4,939)	(15)
Balance at 31st December	(4,927)	**12**

iv) **Financial Risk**

The Group is exposed to financial risk through its financial assets and liabilities. The key financial risks are that proceeds from assets are not sufficient to fund the liabilities arising from debt obligations as they fall due and the inability of counterparties to pay amounts to the Group when they fall due. The most important components of financial risk are equity risk, credit risk, liquidity risk and foreign exchange risk.

Equity Risk

Equity risk arises from the Group's investments in equities. Equity risk is the risk that the value of an investment will fall because of market influences, on a net basis this is limited due to the Group's fair value swap.

Credit Risk

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

- counterparty risk with financial institutions
- amounts due from affiliates

The table below is in relation to credit risk only:

At 31st December 2021	AAA $'000	AA $'000	A $'000	BBB $'000	Below BBB $'000	Not Rated $'000	Total $'000
Debt securities and other fixed income securities	-	-	-	-	-	-	-
Equity Fund*	-	3,921	-	-	-	-	3,921
Overseas deposits	-	-	-	-	-	-	-
Derivatives and forwards contracts	-	-	-	-	-	-	-
Reinsurers' share of outstanding claims	-	-	-	-	-	-	-
Other debtors	-	-	-	-	-	60,960	60,960
Cash at bank, deposit institutions and in hand	-	-	60,014	-	-	-	60,014
Total	-	**3,921**	**60,014**	-	-	**60,960**	**124,895**

At 31st December 2020	AAA $'000	AA $'000	A $'000	BBB $'000	Below BBB $'000	Not Rated $'000	Total $'000
Debt securities and other fixed income securities	144,993	4,209	149	11,699	-	-	161,050
Equity Fund*	-	1,965	-	-	-	-	1,965
Overseas deposits	2,648	535	611	436	1,218	1,465	6,913
Derivatives and forwards contracts	-	653	-	-	-	-	653
Reinsurers' share of outstanding claims	-	-	62,598	892	-	1,461	64,951
Other debtors	-	-	-	-	-	48,327	48,327
Cash at bank, deposit institutions and in hand	-	943	28,640	-	2,386	-	31,969
Total	**147,641**	**8,305**	**91,998**	**13,027**	**3,604**	**51,253**	**315,828**

* Equity fund also includes non-rated equities of $76.6 million (2020:$58.5 million). The figures quoted in the tables above relate to debt securities held within the fund.

No financial assets are past due or impaired at the reporting date and management expects no significant losses from non-performance by these counterparties.

Liquidity Risk

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost.

At 31st December 2021	**Total $'000**	**Less than 1 year $'000**	**1 to 2 Years $'000**	**2 to 3 Years $'000**	**More than 3 years $'000**
Derivatives	4,927	4,927	-	-	-
Outstanding Claims	-	-	-	-	-
Creditors	446	446	-	-	-
Other	91,830	-	-	-	91,830
	97,203	**446**	**4,927**	**-**	**91,830**

At 31st December 2020	**Total $'000**	**Less than 1 year $'000**	**1 to 2 Years $'000**	**2 to 3 Years $'000**	**More than 3 years $'000**
Derivatives	447	447	-	-	-
Outstanding Claims	180,641	53,344	59,236	39,639	28,422
Creditors	24,299	22,793	350	351	805
Other	92,680	-	-	-	92,680
	298,067	**76,584**	**59,586**	**39,990**	**121,907**

v) Held for sale investments

Included within other financial investments are $80.6 million of investments that as at 31st December 2021 have a contractually binding agreement for sale within the next 12 months. The assets held for sale relate to certain equity investments under which the Group has entered into fair value swaps, these swaps include a condition of sale of the underlying asset within 12 months from the balance sheet date.

vi) Capital Management

The Group's objective is to have sufficient capital to support its operations.

The Company has provided capital to its operating subsidiaries using permanent capital and unsecured long-term debt financing. The long-term debt issuances have no financial covenants other than the quarterly payment of interest and payment of principal on maturity. In the case of the Company's US dollar and Euro denominated subordinated debt due 3 June 2035, amounting to an aggregate of $47.5 million at 31 December 2020 (2019: $46.3 million), the Company can defer interest payable on the subordinated notes for 20 consecutive quarters without causing an event of default.

Share Capital

	Authorised		**Allotted, Called Up and Fully Paid**	
	2021 $000	**2020 $000**	**2021 $000**	**2020 $000**
Ordinary shares of $0.80 each	80,000	80,000	50,530	50,530
Number of shares (000s)	100,000	100,000	67,228	59,103

Long Term Debt

Outstanding debt	Issue date	Due date	Callable by the Company after	2021 $'000	2020 $'000
US$34 million	3/6/2005	3/6/2035	3/6/2010	33,189	33,161
Interest rate 3 months LIBOR +	3.90%				
Interest rate (31st December 2021)	4.02%				
€12 million	3/6/2005	3/6/2035	3/6/2010	13,312	14,308
Interest rate 3 months LIBOR +	3.85%				
Interest rate (31st December 2021)	3.30%				
				46,502	**47,469**
US$26 million	3/6/2005	3/6/2035	3/6/2010	25,619	25,545
Interest rate 3 months LIBOR +	4.50%				
Interest rate (31st December 2021)	4.62%				
US$20 million	3/6/2005	3/6/2035	3/6/2010	19,710	19,666
Interest rate 3 months LIBOR +	3.85%				
Interest rate (31st December 2021)	4.27%				
				45,329	**45,211**
Total debt at amortised cost				**91,830**	**92,680**
Weighted average interest rate				**4.13%**	**4.22%**

The Subordinated Notes rank on a winding-up of the Company in priority to distributions on all classes of share capital and rank pari passu with each other but are subordinated in right of payment to the claims of all unsubordinated creditors of the Group.

The Senior Notes rank on a winding-up of the Company in priority to distributions on all classes of share capital and subordinated loan notes, and rank pari passu with each other but are subordinated in right of payment to the claims of all unsubordinated creditors of the Group.

The Subordinated Notes and Senior Notes are listed on the Channel Islands Stock Exchange.

8. Income Tax Charge / (Recovery)

Charge in the year	2021 $'000	2020 $'000
Current Tax		
Current tax – current year	(3,841)	(1,926)
Deferred Tax:		
Origination and reversal of timing differences	1,643	7,766
Tax on profit on ordinary activities	**$ 537**	**$ 5,840**

Factors affecting tax charge for the year		
Profit on ordinary activities before tax	12,792	2,125
Tax charge at the average standard rate of UK corporation tax of 19% (2020: 19%)	2,431	404
Effects of:		
Rate changes	(97)	(1,168)
Prior year adjustments	(1,261)	217
Group relief not charged	3,906	-
Permanent differences		46
Foreign Tax credits	(336)	-
DTA not provided for	(4,106)	6,341
	537	**5,840**

Factors that may affect future tax charges

The Group transferred losses of $21.3 million (2020: $2.2 million) to fellow UK affiliates.
The UK corporation tax rate applicable for the year is 19%.

Deferred Tax

	2021 $'000	**2020 $'000**
Deferred tax asset in respect of underwriting results to be declared:	-	1,742
Deferred tax asset in respect of:		
Other timing differences	408	309
	408	**2,051**
Deferred tax asset at 1st January	2,051	9,817
Deferred tax charge in the income statement		
Origination and reversal of timing differences	(1,643)	(7,776)
Deferred tax asset at 31st December	**408**	**2,051**

9. Trade and Other Payables

	2021 $'000	2020 $'000
Trade and other payables at cost and fair value		
- Debt interest accruals	246	254
- Amounts due to Group companies	-	159
- Payable for securities purchased	-	21,850
- Other	200	602
	446	**22,608**
Categorised as due		
- within 12 months	446	22,608
- after more than 12 months	-	-
	446	**22,608**

10. Commitments

(a) Capital commitments

There were no capital commitments or authorised but un-contracted commitments at the end of the financial year.

(b) FAL

The Group has committed funds at Lloyd's to support the underwriting of RCCL in the form of investments and cash. These assets are not available to meet day to day cash flow requirements of the Group.

11. Related Parties

The Group accepted inwards reinsurance business from affiliated companies of $nil (2020: $nil). Note that following the CVC Capital Partners acquisition these entities are no longer considered related parties.

Ceded outwards reinsurance premiums and related reinsurance recoveries to and from affiliated companies are set out in the table below:

	Reinsurance Premiums		Reinsurance Recoveries	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Wentworth Insurance Company Limited	-	1,611	-	1,777
Odyssey Re holding Corp	-	24	-	194
Allied World Assurance Company Holdings, GmbH	-	-	-	-
Brit Re (Bermuda)	-	1,047	-	(1,920)
Crum and Forster Insurance Company	-	569	-	65
	-	**3,251**	**-**	**116**

The Group paid investment management fees to HWIC of $nil (2020: $0.6 million).

12. Staff costs

	2021 $'000	2020 $'000
Wages and salaries	-	(241)
Social security costs	-	(11)
	-	**(252)**

There were no employees employed by the Group during the year.

13. Directors' remuneration and transactions

No emoluments were paid by the Group to any Directors, who are also considered to be the key management personnel, during the year (2020: $Nil). The services of the Directors to the Group are incidental and their emoluments are deemed to be wholly attributable to their services to other group companies. Accordingly, no disclosure of emoluments has been made in these financial statements.

The ultimate controlling party of the groups is set out in note 20.

No subsequent events have been noted.

Advent Capital (Holdings) Limited (Company No. 03033609)
Parent Company Only Balance Sheet
For the year ended 31st December 2021

	Note	2021	2020
		$'000s	$'000s
Fixed Assets			
Investments in subsidiary undertakings	18	3,879	619
Current Assets			
Balance due from associated companies	18	151,799	158,019
Other debtors		674	591
Deferred tax		408	309
Cash at bank and in hand	16	4,275	2,386
Total assets		**161,035**	**161,924**
Creditors: Amounts falling due within one year			
Trade and other payables	17	761	583
Net current assets		**156,395**	**160,722**
Total assets less current liabilities		**160,274**	**161,341**
Creditors: Amounts falling due after one year			
Long term debt	7	91,830	92,680
Total liabilities		**92,591**	**93,263**
Shareholders' Equity			
Ordinary share capital	7	50,530	47,269
Share premium account		141,351	141,351
Capital redemption reserve		33,690	33,690
Accumulated losses brought forward		(153,649)	(149,053)
Loss for the year		(3,478)	(4,596)
Total shareholders' equity		**68,444**	**68,661**
Total shareholders' equity and liabilities		**161,035**	**161,924**

The above parent only statement of financial position should be read in conjunction with the accompanying notes on pages 47 to 48 of these financial statements.
The parent company only financial statements were approved by the Board on 29th April 2022 and signed on its behalf by:

Luke Tanzer
Chief Executive Officer
Company Registration Number: 03033609

Andrew Creed
Chief Financial Officer

Advent Capital (Holdings) Limited (Company No. 03033609)
Parent Company Only Statement of Changes in Equity
For the year ended 31st December 2021

	Share capital $'000s	Share premium $'000s	Capital redemption reserve $'000s	Accumulated Losses $'000s	Total shareholders' equity $'000s
Balance, at 1st January 2020	47,269	141,351	33,690	(149,053)	73,257
Loss and total comprehensive expenses for the year	-	-	-	(4,596)	(4,596)
Balance, at 31st December 2020	47,269	141,351	33,690	(153,649)	68,661
Issue of share capital	3,261				3,261
Loss and total comprehensive expenses for the year	-	-	-	(3,478)	(3,478)
Balance, at 31st December 2021	**50,530**	**141,351**	**33,690**	**(157,127)**	**68,444**

The above parent only statement of changes in equity should be read in conjunction with the accompanying notes on pages 47 to 48 of these financial statements.

14. General Information

Advent Capital (Holdings) Limited produces consolidated accounts for the Advent Group. The Parent Company is domiciled in the United Kingdom.

15. Summary of Significant Accounting Policies and Basis of Preparation

a) Basis of preparation

The financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" as issued in March 2018 ("FRS102"), Financial Reporting Standard 103, "Insurance Contracts" ("FRS103") and the Companies Act 2006. The financial statements have been prepared in compliance with the provisions of the Large and Medium-sized Companies and Groups (Accounting and Reports) Regulations relating to insurance groups.

Effective 1st January 2020, the company changed from reporting under IFRS to FRS 102 to be consistent with rest of the Riverstone International Limited group of companies. There are no material valuation differences arising as a result in the change in accounting standard.

b) Investment in subsidiaries

Investments in the Parent Company's subsidiaries are initially stated at cost and are subsequently reviewed for impairment as circumstances indicate that the carrying value exceeds the realisable value.

c) Dividend Income

Dividend income from investments in subsidiaries is recognised when the right to receive payment has been established.

d) Going Concern

Having addressed the principal risks, the directors consider it appropriate to adopt the going concern basis of accounting for the Company.

16. Cash at Bank and in hand

	2021 $'000	2020 $'000
Cash at bank and in hand	4,275	2,386

17. Trade and other payables

	2021 $'000	2020 $'000
Interest payable	246	254
Accruals	515	329
Total at cost and fair value	**761**	**583**

18. Investments in subsidiaries

	2021 $'000	2020 $'000
As at 1st January	619	2,293
Sale of investment in Blend	-	(1,674)
Capital contribution to AC3	3,261	-
AGS Liquidation	(1)	-
As at 31st December	**3,879**	**619**

The net investment balance consists of the following companies:

Company	Shareholding	Nature of Business	Country of Registration
Advent Underwriting Limited	100%	Lloyd's Managing Agent	England & Wales
Advent Capital Limited	100%	Lloyd's Corporate Member	England & Wales
Advent Capital (No. 2) Limited	100%	Lloyd's Corporate Member	England & Wales
Advent Capital (No. 3) Limited	100%	Lloyd's Corporate Member	England & Wales

Amounts due to and from subsidiaries are non-interest bearing, have no fixed repayment terms and are recorded at cost which approximates fair value.

Balances with affiliated companies
Intercompany receivables and payables due from or to each subsidiary or related undertaking from within the Advent Group are as follows:

	2021 $'000	2020* $'000
Advent Underwriting Limited	(688)	(695)
Advent Capital (No.2) Limited	(76)	(77)
Advent Capital (No.3) Limited	152,564	158,791
Total	**151,799**	**158,019**

*restated

The registered addresses of all other subsidiaries are 2nd Floor, 2 Minster Court, Mincing Lane, London, EC3R 7BB.

19. Profit attributable to members of the Parent Company

As permitted by section 230 of the Companies Act 2006, the Parent Company's income statement has not been included in the Company's financial statements. The Parent Company's loss for 2021 was $3.5 million (2020: loss of $4.6 million).

20. Controlling party

The Company is a private limited company registered and domiciled in the United Kingdom. The ultimate holding company is Gatland Holdings Jersey Limited ("Gatland") which is registered in Jersey. The majority of the shares in Gatland are held by CVC Capital Partners Strategic Opportunities II LP.