



REGISTERED OFFICE: 2<sup>nd</sup> Floor, 2 Minster Court, London, EC3R 7BB

# Advent Capital (Holdings) Limited

2022 Annual Report



# Advent Capital (Holdings) Limited (Company No. 03033609) Annual Report For the year ended 31st December 2022

Parent Company Only Statement of Financial Position

Parent Company Only Statement of Changes in Equity

Notes to the Parent Company Only Financial Statements

Contents

Directors, Advisors and Auditors

Strategic Report

4

Directors' Report

7

Independent Auditor's Report to the Members of Advent Capital (Holdings) LTD

9

Consolidated Statement of Comprehensive Income

16

Consolidated Balance Sheet

17

Consolidated Statement of Changes in Equity

Notes to the Financial Statements

19

31

32

33

# Advent Capital (Holdings) Limited (Company No. 03033609) Directors and Administration For the year ended 31<sup>st</sup> December 2022

### **Directors**

T J Ambridge A R Creed L R Tanzer

### **Company Secretaries**

N Johnson

### Registered Office

2nd Floor 2 Minster Court London EC3R 7BB

### **Statutory Auditors**

Deloitte LLP 2 New Street Square London United Kingdom EC4A 3BZ

### Website

https://www.rsml.co.uk

# Advent Capital (Holdings) Limited (Company No. 03033609) Strategic Report For the year ended 31<sup>st</sup> December 2022

The directors present their strategic report of the consolidated group for the year ended 31st December 2022.

### Ownership

Advent Capital (Holdings) LTD's ("The Company" or "ACH") ultimate holding company is Riverstone International Holdings Limited ("Riverstone International"), a company registered in Jersey.

### **Business Review**

### Overview of the Group and Company

ACH is a limited company, incorporated in the United Kingdom and 100% owned by Gatland BidCo Limited ("Bidco") which is registered in Jersey. The Advent Group is a sub-consolidation within the Riverstone International 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. AC3 has also entered into a series of loans with RCCL, the proceeds of which RCCL is obliged to pledged directly to FAL. RCCL pays the Group a fee for use of its capital.

### 2022 Results and key performance indicators

For the year ended 31st December 2022, the Company had a loss before tax of \$0.1 million (2020: profit of \$12.8 million).

The primary KPI for the company is shareholder's equity.

Shareholder's equity at 31st December 2022 was \$105.4 million (2021: \$105.7 million), the Company's shareholder's equity is \$63.3 million. (2021: \$68.4 million).

### 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.

	2022 \$'000	2021 \$'000	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000
Operating profit / (loss)	(168)	(63)	12,415	12,254	(27,991)	(48,665)
Investment gain (loss)	(457)	12,621	(9,909)	7,098	(23,602)	38,592
Interest on debt	(5,350)	(4,133)	(4,489)	(5,845)	(5,594)	(4,830)
Corporate and other income(costs)	6,911	4,592	2,796	3,698	(15,086)	1,337
Profit (loss) on exchange	(1,086)	(225)	1,312	(1,580)	370	(1,735)
Pre-tax (loss) profit	(150)	12,792	2,125	15,625	(71,903)	(15,301)

### Advent Capital (Holdings) Limited (Company No. 03033609) Strategic Report

For the year ended 31st December 2022

### Investment Performance

The Group's investment performance is shown in the table below. Investment performance is measured net of interest on debt costs.

	2022					
	Group	Company	Other	Group	Сотрапу	Other
	Total		Subs	Total		Subs
	\$'000	\$,000	\$'000	\$'000	\$,000	\$,000
Fixed income investments	49,675	-	49,675	-	-	-
Equity Fund		. ~	-	80,569	-	80,569
Cash	30,746	2,142	27,604	60,014	4,275	55,739
Total investments and cash	80,421	2,142	77,279	140,583	4,275	136,308
Investment return	(457)	~	(457)	12,621	-	12,621
Interest on debt	(5,350)	(5,350)		(4,133)	(4,133)	
Net investment gain (loss)	(5,807)	(4,133)	(457)	8,488	(4,133)	12,621

The net investment gain deteriorated to a loss of \$5.8 million (2021: profit of \$8.5 million). The 2022 investment return includes interest and dividends of \$0.8 million (2021: \$0.1 million), net realised and unrealised losses of \$1.2 million (2021: profit of \$12.5 million) and investment management expenses of \$0.1 (2021: \$Nil million).

The weighted average interest rate on outstanding debt at 31st December 2022 was 6.96% (2021: 4.13%). The rise in the interest rate payable is purely driven by the increase in the 3 month LIBOR rate in 2022.

### Capital Management

Shareholder's equity at 31st December 2022 was \$105.4 million (2021: \$105.7 million), the Company's shareholder's equity is \$63.3 million. (2021: \$68.4 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 \$45.7 million at 31st December 2022 (2021: \$46.5 million), the Group can defer interest payable for 20 consecutive quarters without causing an event of default.

The interest rate payable on the US dollar debt is currently linked to the 3 month USD LIBOR benchmark rate, which is due to cease being published at the end of June 2023. After this date, absent an agreed replacement benchmark rate, the interest rate will no longer float. The Company is engaging noteholders and reviewing options for replacement of the benchmark rate.

### 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.

On 8th February 2023 the Group entered into an additional \$51 million loan with RCCL under the terms of which RCCL must utilise the proceeds to support its ongoing underwriting at Lloyd's.

### Advent Capital (Holdings) Limited (Company No. 03033609) Strategic Report For the year ended 31st December 2022

### 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), and adverse changes in exchange rates (Group and Company).

### 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 – the Board is 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. 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. The Board understands it has a responsibility to manage material environment and social issues in its investments and business operations. Significant progress was made in 2022 to develop an ESG strategy and framework and identify the ESG topics material to our business. Material topics identified include Sustainable Investing and Climate-related Litigation which will be key areas of focus as we continue to develop and embed our ESG strategy and framework.

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.

Approved on behalf of the Board

Andrew Creed Chief Financial Officer 28th April 2023

# Advent Capital (Holdings) Limited (Company No. 03033609) Directors' Report

For the year ended 31st December 2022

The Directors present their Report together with the audited consolidated Group and Company Financial Statements for the year ended 31st December 2022.

#### 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 (2021: \$nil).

### Political and charitable donations

The Group and Company did not donate to any political party or charities in the year to 31st December 2022 (2021: \$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 note 5 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.

### 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;

# Advent Capital (Holdings) Limited (Company No. 03033609) Directors' Report For the year ended 31st December 2022

- 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:

- 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 2022 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:

Andrew Creed

Chief Financial Officer

28th April 2023

### Report on the audit of the financial statements

### Opinion

In our opinion:

- the financial statements of Advent Capital (Holdings) Limited (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 2022 and of the group's loss for the year then ended;
- the group and parent financial statements 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 the financial statements 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 balance sheets;
- the consolidated and parent company statements of changes in equity;
- · the summary of Significant Accounting Policies and Basis of Preparation; 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) as applied in accordance with the provisions of the Companies Act 2006.

### 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 group and the parent 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 were:  Valuation of debt and other fixed income securities.					
	<ul> <li>Newly identified</li> <li>Increased level of risk</li> <li>Similar level of risk</li> <li>Decreased level of risk</li> </ul>	Within this report, key audit matters are identified as follows:				

Materiality	The materiality that we used for the group financial statements was \$3.94m which was determined on the basis of 2% of total assets.
Scoping	Full scope audit procedures were performed on the parent company, Advent Capital (Holdings) Limited and the material component, Advent Capital (No.3) Limited. All other components of the group were immaterial and therefore not in scope.
Significant changes in our approach	We no longer consider the valuation of equity fund investment held at fair value to be a key audit matter as the investment has been sold. We have identified the valuation of debt and other fixed income securities held as financial investments as a key audit matter. There were no other significant changes to our audit approach in the current year.

### 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 Funds at Lloyds "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 directors' conclusion that the group has the ability to service the interest expense due on the \$91m long-term debt is appropriate; 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 debt and other fixed income securities !

# valuation of dept and other fixed income sec

# Key audit matter description

The Group through its subsidiary Advent Capital (No.3) Limited has a holding of \$72.892m (2021: nil) in debt and other fixed income securities. These securities were acquired during the year following the disposal of the previous held Equity Fund. The valuation of debt and other fixed income securities has been identified as a key audit matter in the current year due to its quantitative significance to the balance sheet. The assets held are predominately of government debt instruments. An error in the valuation of the investments 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 5 to the financial statements.

# 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 relevant controls in relation to investments valuation of debt and other fixed income securities;
- Obtained a breakdown of the assets held and reconciled the this to the amounts in the financial statements;
- We obtained independent prices for the assets at the year end date and recalculated the valuations using the independent prices, and compared the values with management's breakdown.

### Key observations

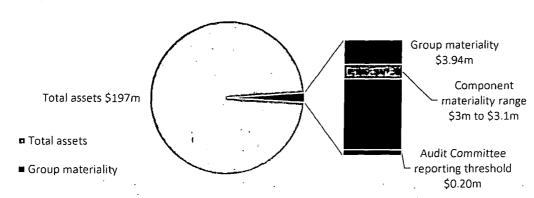
We concluded that the valuation of the investments of debt and other fixed income securities held at fair value was reasonable.

### 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	\$ 3.94 million (2021: \$4.02 million)	\$ 3.10 million (2021: \$ 3.21 million)
Basis for determining materiality	2% of total assets (2021: 2% of total assets)	2% of total assets (2021: 2% 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% (2021: 70%) of group materiality	70% (2021: 70%) of parent company materiality
Basis and rationale for determining performance materiality	on controls and;	we considered the following factors: environment and whether we are able to rely cedures including our preliminary analytical

### 6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of \$ 0.2 million (2021: \$0.2 million), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

### 7. An overview of the scope of our audit

### 7.1. Identification and scoping of components

For the purpose of the audit of the consolidated financial statements we have performed full scope audit procedures on the parent company Advent Capital (Holdings) Limited and material component 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.

### 7.2. Our consideration of the control environment

With an involvement of our IT specialists we have obtained an understanding of relevant IT environment and tested relevant general IT controls.

We also obtained an understanding of relevant controls over cash, investments and the financial close reporting cycles and tested the operating effectiveness of these controls.

We have however been unable to place reliance on the general IT controls of the general ledger system. Mitigations for these general IT controls deficiencies could not be established due to system limitations.

### 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: <a href="https://www.frc.org.uk/auditorsresponsibilities">www.frc.org.uk/auditorsresponsibilities</a>. This description forms part of our auditor's report.

# <sup>11.</sup> 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, the directors and the Audit Committee
  about their own identification and assessment of the risks of irregularities, including those that are
  specific to the group's sector;

- any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
  - o identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - o detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - o 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. 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 bye laws 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 did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

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 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 including internal specialists 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, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
28 April 2023

# Advent Capital (Holdings) Limited (Company No. 03033609) Consolidated Statement of Comprehensive Income For the year ended 31st December 2022

	Note	2022 \$'000		2021 \$'000
Investment (loss) / income	5	(457)		12,621
Other operating income		6,911		4,592
Other operating charges	4	(167)		(63)
Operating Profit		6,287		17,150
Foreign exchange (losses)		(1,086)		(225)
Interest expense		(5,350)	_	(4,133)
(Loss) / Profit before tax		(149)		12,792
Tax on (loss) / profit	6	(71)	_	(537)
(Loss) / Profit for the financial year		(220)		12,255
Exchange differences on translation		(86)	. <u>-</u>	
Total comprehensive (loss) / income	\$	(306)	<b>s</b> _	12,266

# Advent Capital (Holdings) Limited (Company No. 03033609) Consolidated Balance Sheet As at 31st December 2022

	Note	2022 \$'000	2021 \$'000
Assets		. Ψ 000	ŷ <b>000</b>
Investments			
Other financial investments	5	72,892	80,569
Debtors			
Other debtors	5	64,539	61,875
		64,539	61,875
Deferred tax	. 6	337	408
Other assets			
Cash at bank and in hand	5	59,397	60,014
		59,397	60,014
Total assets		197,165	202,866
Capital, Reserves and Liabilities			
Capital and reserves			
Called up share capital	5	.50,530	50,530
Share Premium		141,351	141,351
Capital redemption reserve		33,690	33,690
Other reserves		7,632	7,718
Profit and loss account		(127,846) <b>105,35</b> 7	(127,626) <b>105,663</b>
Total shareholder's funds		105,557	105,005
Creditors: Amounts falling due within one year	_		- غور د
Derivative financial instruments	5	-	4,927
Other creditors including tax and social security	7	611	5,373
Creditors: Amounts falling due within after year			3,3/3
Long term debt	5	91,197	91,830
Total capital, reserves and liabilities	\$	197,165	202,866

The financial statements on pages 16 to 34 were approved by the Board of Directors on 26th April 2023 and were signed on its behalf by:

Andrew Creed Chief Financial Officer

# Advent Capital (Holdings) Limited (Company No. 03033609) Consolidated Statement of Changes in Equity For the year ended 31st December 2022

	Ord. share capital \$'000	Share premium \$'000	Capital redemption reserve \$'000	Other reserves \$'000	Accumulated deficit \$'000	Total \$'000
Balance, 1 January 2021	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)	(114,980)	105,663
Loss for the year	·	-	·	-	(220)	(220)
Issue of share capital	_ '	_	,-		<u>.</u>	•
Other comprehensive loss		· <u>-</u>	-		(86)	(86)
Balance, 31 December 2022	50,530	141,351	133,690	(4,928)	(115,286)	105,357

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 19 to 30 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 31st 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 January 2022 ("FRS102").

The Company did not act as an insurance company during either the current or comparative period, therefore the Consolidated Statement of Comprehensive Income and Consolidated Balance Sheet have been re-presented under Schedule 1 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, previously Schedule 3.

### **Exemptions for Qualifying Entities under FRS102**

FRS102 allows certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to the use of exemptions by Advent Capital (Holdings) Limited shareholders.

The Group has taken advantage of the following exemptions:

- i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and a consolidated statement of cash flows is included in the financial statements of Riverstone International Holdings Limited which can found on the RiverStone International group website.
- ii) from the requirement to disclose transactions with wholly owned related parties within the same group as provided by FRS102, Section 33.1A.

### 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") 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 entities with 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) Receivables and payables

Debtors and creditors are valued at cost.

### i) 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.

### j) 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

### k) 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.

### l) 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 operating income in the profit and loss account.

### 3. Foreign Exchange Risk Management

The Groups operations are conducted in a number of currencies, the principal ones of which are US \$, GBP £, 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.

Quarterly, 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 at the RiverStone International group level.

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

	Period average Rate \$	2022 Period end Rate	Period average Rate \$	2021 Period end Rate \$
Sterling	0.8114	0.8313	0.7268	0.7383
Euro	0.9511	0.9370	0.8454	0.8794
Australian Dollar	1.4421	1.4746	1.3308	1.3754

The Group's asset and liability positions in its major foreign currencies were as follows:

31st December 2022	US \$'000	GBP £'000	Euro €'000	AUD \$'000
Total assets	173,893	8,493	12,245	114
Total liabilities	(79,192)	(1)	(11,904)	-
Net assets (net liabilities)	94,701	8,492	341	114
31st December 2021	US \$'000	GBP £'000	Euro €'000	AUD \$'000
Total assets	180,933	4,906	12,530	114
Total liabilities	(84,174)	(199)	(11,749)	7
Net assets (net liabilities)	96,759	4,707	781	114

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 2022 is approximately \$0.5 million (2021: \$0.4 million).

### 4. Other operating charges

		2022 \$'000		2021 \$'000
Administrative expenses		167		63
	\$	167	\$ .	63
		2022 \$'000		2021 \$'000
Audit services Fees payable to the Company's auditors for the audit of the Company and consolidated Financial Statements The audit of the Company's subsidiaries		16 12		17 12
Non-audit services		-		-
	\$ -	28	\$ 	29

5.	Financial risk management				
i)	Investment gain (loss)		2022 \$'000		2021 \$'000
	Interest and dividends Investment management expenses Net investment income		857 (70) <b>787</b>	,	89 - 89
	Gain on sale of investments Loss on sale of investments Net Gain on sale of investments		8,209 (6,292) <b>1,917</b>		· - -
٠	Unrealised gains on investments Unrealised losses on investments Net unrealised gains (losses) on investments		(3,161) (3,161)	_ ' _	12,532 12,532
		\$ .	(457)	\$	12,621
ii)	Financial Instruments  Financial Assets  Carrying value		2022 \$'000		2021 \$'000
	Debt securities and other fixed income securities Equity Fund	-	72,892	_	80,569
		\$ _	72,892	\$_	80,569
	Cost Debt securities and other fixed income securities Equity Fund	-	76,049 -	_	78,771
		\$_	76,049	\$	78,771
	Financial Liabilities Carrying value Fair value Swap		-		· 4,927
	Cost Fair value Swap		-		-
	Cash at bank and in hand		2022 \$'000		2021 \$'000
	Company Other subsidiaries	_	2,142 57,255	. <u>-</u>	4,275 55,739

	\$_	59,397	<b>. \$</b>	60,014
Other Debtors				
		2022		2021
		\$'000		\$'000
Other assets at cost and fair value comprise:				
- tax recoverable		-		2,792
- other debtors including accrued interest		274		298
- due from affiliated companies		64,265		58,785
		64,539		61,875
Categorised as due:				
- within 12 months		9,539		6,875
- after more than 12 months		55,000		55,000
	<b>\$</b> _	64,539	\$	61,875

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

All of the portfolio is considered to be Level 1, 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.

Level 3 contained 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 tables below present the Group's assets that are measured at fair value, together with an analysis of when they mature:

At 31st December 2022	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	72,892	28,116	26,636	16,646	1,494	-
Equity Fund	-	-	-	<del>.</del>	-	-
	72,892	28,116	26,636	16,646	1,494	
Level 2  Debt securities and other fixed income securities	<del>-</del>	-	_	_	-	-
Equity Fund	_	_	-	_	_	-
Forward Exchange contracts		-	_		-	<u> </u>
	_		_		-	-
Level 3 Derivatives (liability)	-	-	-		_	-

# Advent Capital (Holdings) Limited (Company No. 03033609)

# Notes to the Financial Statements

For the year ended 31st December 2022

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	\$ 000	Ψ 000	Ψ 000	Ψ 000	Ψ 000	Ψ 000
Debt and other fixed income securities	-	-		-	-	-
Equity Fund	_					
	_	-	-		-	-
Level 2		•				•
Debt securities and other fixed income securities	-	-	-	-	_	-
Equity Fund	80,569	3,921	-	-		76,648
Forward Exchange contracts		<u>-</u>		<u> </u>	_	
	80,569	3,921		-	_	76,648
Level 3 Derivatives (liability)	_	(4,927)	_	-	<del>-</del>	

Level 3 investment movements are summarised as follows:

	2022 \$'000	2021 \$'000
Balance at 1st January Profit / (loss) recognised in the income statement Cash received on disposal	(4,927) 8,209 (3,282)	(4,939)
Balance at 31st December	\$ \$	(4,927)

### 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 interest rate risk, credit risk, liquidity risk and foreign exchange risk.

### 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:

Åt 31st December 2022	AAA \$'000	AA \$'000	A \$'000	BBB \$'000	Below BBB \$'000	Not Rated \$'000	Total \$'000
Debt securities and other fixed income securities	-	27,433	29,088	16,371	-	-	72,892
Equity Fund*	-	-	-	-	-	-	-
Other debtors  Cash at bank, deposit institutions and in hand	- -	53,058	6,339	<u>.</u>	<u>-</u>	64,539	64,539 59,397
Total _	· 	80,491	35,427	16,371	<del>.</del>	64,539	196,828
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
Other debtors	-	•	-	-	-	60,960	60,960
Cash at bank, deposit institutions and in	-		60,014	-	-	-	60,014
hand _							

<sup>\*</sup> Equity fund also includes non-rated equities of \$Nil million (2021: \$76.6 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 2022	Total \$'000	Less than 1 year \$'000	1 to 2 Years \$'000	2 to 3 Years \$'000	More than 3 years \$'000
Derivatives	-	-	-	_	_
Creditors	611	611	_	_	
Long Term Debt	91,197	<u>-</u>	-		91,197
	91,808	611			91,197

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	_	_	-
Creditors	446	446	-	-	_
Long Term Debt	91,830	-			91,830
	97,203	446	4,927	_	91,830

### Interest Rate Risk

Interest rate risk arises primarily from investments in fixed interest securities. The Group works closely with its investment manager to review the duration of the investment portfolio in relation to the estimated mean duration of the liabilities.

The impact of a 100 basis point increase in interest rates on the value of the Group's investments held at 31<sup>st</sup> December 2022 is an approximate \$0.8 million loss (2021: \$Nil million) to the profit and loss account. Similarly, a 100 basis point decrease in interest rates would give rise to an approximate \$0.8 million gain (2021: Nil million) to the profit and loss account.

### v) 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 3rd June 2035, amounting to an aggregate of \$45.7 million at 31st December 2022 (2021: \$46.5 million), the Company can defer interest payable on the subordinated notes for 20 consecutive quarters without causing an event of default.

### Share Capital

			Allotted, Ca	illed Up and
	· A	Authorised		Fully Paid
	2022	2021	2022	2021
	\$000	\$000	\$000	\$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	67,228

				·	
Long Term Debt			Callable by the Company	2022	2021
Outstanding debt	Issue date	Due date	after	\$,000	\$,000
US\$34 million Interest rate 3 months LIBOR + Interest rate (31st December 2022)	3/6/2005 3.90% 7.04%	03/06/2035	3/6/2010	33,224	33,189
€12 million Interest rate 3 months LIBOR + Interest rate (31st December 2022)	3/6/2005 3.85% 4.24%	03/06/2035	3/6/2010	12,507	13,312
morestrate (31st Bootmon 2022)	1.2170		-	45,731	46,502
US\$26 million Interest rate 3 months LIBOR + Interest rate (31st December 2022)	3/6/2005 4.50% 7.79%	15/01/2026	3/6/2010	25,707	25,619
US\$20 million Interest rate 3 months LIBOR + Interest rate (31st December 2022)	3/6/2005 3.85% 7.44%	15/12/2026	3/6/2010	19,759	19,710
			_	45,466	45,329
Total debt at amortised cost			-	91,197	91,830
Weighted average interest rate			_	6.96%	4.13%

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.

The interest rate payable on the US dollar debt is currently linked to the 3 month USD LIBOR benchmark rate, which is due to cease being published at the end of June 2023. After this date, absent an agreed replacement benchmark rate, the interest rate will no longer float. The Company is engaging noteholders and reviewing options for replacement of the benchmark rate.

6.	Income Tax Charge / (Recovery)			
	Charge in the year	2022 \$'000		2021 \$'000
	Current Tax			
	Current tax – current year	-		(3,841)
	Deferred Tax:			
	Origination and reversal of timing differences	71	_	1,643_
	Tax on profit on ordinary activities \$	71	\$	537
	Factors affecting tax charge for the year			
	(Loss) / Profit on ordinary activities before tax	(149)	_	12,792
	Tax charge at the average standard rate of UK	(20)		2 421
	corporation tax of 19% (2021: 19%)	(28)		2,431
	Effects of:			
	Rate changes	-		(97)
	Prior year adjustments	71		(1,261)
	Group relief not charged	28		3,906
	Permanent differences			
	Foreign Tax credits	_		(336)
	DTA not provided for			(4,106)
	\$	71	\$	537
	Factors that may affect future tax charges The Group transferred losses of \$28K (2021: \$21.3 million) to fellow UF The UK corporation tax rate applicable for the year is 19%.	C affiliates.		
	Deferred Tax	2022 \$'000		2021 \$'000
	Deferred tax asset in respect of:	227		400
	Other timing differences	337	•	408
		337	-	408
	Deferred tax asset at 1st January	408		2,051
	Deferred tax charge in the income statement			
	Origination and reversal of timing differences	(71)		(1,643)
	Deferred tax asset at 31st December \$	337	. \$	408

Trade and Other Payables			
·		2022	2021
		\$'000	\$'000
Trade and other payables at cost and fair value			
- Debt interest accruals		402	246
- Investment managers fees		70	-
- Other	<del></del>	139	200
		611	446
Categorised as due			
- within 12 months		611	446
- after more than 12 months		· <u>-</u>	-
	\$	611 \$	446

### 8. 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.

### 9. Staff costs

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

### 10. 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 (2021: \$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.

### 11. Subsequent Events

On 8th February 2023 the group entered into a further \$51 million loan with RCCL under the terms of which RCCL must utilise the proceeds to support its ongoing underwriting at Lloyd's.

# Advent Capital (Holdings) Limited (Company No. 03033609) Parent Company only Balance Sheet For the year ended 31<sup>st</sup> December 2022

	Note	2022 \$'000s		2021 \$'000s
Fixed Assets Investments in subsidiary undertakings	18	3,879		3,879
mvosinonis in subsidiary undertakings	10	3,077		3,077
Current Assets				
Balance due from associated companies	18	148,726		151,799
Other debtors		337		674 408
Deferred tax  Cash at bank and in hand	16	2,142		4,275
Cash at bank and in hand	10	. 2,172		1,275
Total assets	\$·	155,084	\$ _	161,035
Creditors: Amounts falling due within one year				
Trade and other payables	17	540		761
			_	
Net current assets		150,665	_	156,395
Total assets less current liabilities		154,544	_	160,274
Creditors: Amounts falling due after one year		01.105		01.020
Long term debt	7	91,197		91,830
				· · ·
Total liabilities	\$	91,197	<b>\$</b> _	92,591
OF 1.13 179 17				
Shareholders' Equity	7	50 520		50.520
Ordinary share capital	/	50,530 141,351		50,530
Share premium account		•		141,351
Capital redemption reserve		33,690		33,690
Accumulated losses brought forward		(157,127)		(153,649)
Loss for the year		(5,097)	_	(3,478)
Total shareholders' equity		63,347	_	68,444
marin district the second second	<u>.</u>	155 004	e	161 025
Total shareholders' equity and liabilities	\$ -	155,084	<b>\$</b> _	161,035

The above parent only statement of financial position should be read in conjunction with the accompanying notes on pages 33 to 34 of these financial statements.

As permitted by section 408 of the Companies Act 2006, the Parent Company's income statement has not been included in the Company's financial statements.

The parent company only financial statements were approved by the Board on 26<sup>th</sup> April 2023 and signed on its behalf by:

Andrew Creed Director

# Advent Capital (Holdings) Limited (Company No. 03033609) Parent Company Only Statement of Changes in Equity For the year ended 31<sup>st</sup> December 2022

	Share capital \$'000s	Share premium \$'000s	Capital redemption reserve \$'000s	Accumulated Losses \$'000s	Total shareholder' equity \$'000s
Balance, at 1st January 2021	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
Issue of share capital	<b>-</b> ,	<del>.</del>		-	-
Loss and total comprehensive expenses for	-	-	-	(5.005)	(5.005)
the year				(5,097)	(5,097)
Balance, at 31st December 2022	50,530	141,351	33,690	(162,224)	63,347

The above parent only statement of changes in equity should be read in conjunction with the accompanying notes on pages 33 to 34 of these financial statements.

# Advent Capital (Holdings) Limited (Company No. 03033609) Parent Company Only Notes to the Accounts For the year ended 31st December 2022

### 12. General Information

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

### 13. 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 January 2022 ("FRS102").

### 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

			2022 \$'000	2021 \$'000
	Cash at bank and in hand	\$2	2,142	\$4,275
17.	Trade and other payables			
			2022 §'000	2021 \$'000
	Interest payable Accruals		401 139	246 515
	Total at cost and fair value	\$	540_ \$	761

# Advent Capital (Holdings) Limited (Company No. 03033609) Parent Company Only Notes to the Accounts For the year ended 31st December 2022

18.	Investments in subsidiaries		
		2022 \$'000	2021 \$'000
	As at 1st January	3,879	619
	Capital contribution to AC3	· -	3,261
	Advent Group Services Limited Liquidation		(1)
	As at 31st December	\$3,879 \$	3,879

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:

	2022 \$'000	2021 \$'000
Advent Underwriting Limited Advent Capital (No.2) Limited Advent Capital (No.3) Limited	(611) (67) 149,407	(688) (76) 152,564
Total	\$ 148,726 \$	151,799

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

### 19. Profit attributable to members of the Parent Company

The Parent Company's loss for 2022 was \$5.1 million (2021: loss of \$3.5 million).

### 20. Controlling party

The company's intermediate holding party is RiverStone International Holdings Limited ("RiverStone International") which is registered in Jersey for which group accounts are prepared. The majority of the shares in RiverStone International are held by CVC Capital Partners Strategic Opportunities II LP which is the ultimate controlling party. Exemption has been taken under FRS 102 section 33.1A to not disclose group related balances.