

COMPANY NO. 06198350

REGISTERED OFFICE: Park Gate, 161-163 Preston Road, Brighton, East Sussex, United Kingdom, BN1 6AU



Riverstone Corporate Capital 5 Limited

2022 Annual Report



Riverstone Corporate Capital 5 Limited (Company No. 06198350)
Annual Report
For the year ended 31st December 2022

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Riverstone Corporate Capital 5 Limited (Company No. 06198350)
Directors and Administration
For the year ended 31st December 2022

Directors

A. R. Creed (Appointed 19th December 2022)
L. R. Tanzer (Appointed 19th December 2022)
R. J. R. Housley (Resigned 7th September 2022)
J. T. James (Resigned 19th December 2022)
A. J. Golding (Resigned 19th December 2022)

Company Secretaries

F. Henry (Appointed 19th December)
D. S. Lurie (Resigned 19th December 2022)

Registered Office

Park Gate
161-163 Preston Road
Brighton
East Sussex
United Kingdom
BN1 6AU

Statutory Auditors

Deloitte LLP
2 New Street Square
London
EC4A 3BZ

Website

<https://www.rsml.co.uk>

Riverstone Corporate Capital 5 Limited (Company No. 06198350)

Strategic Report

For the year ended 31st December 2022

The Directors have pleasure in presenting the Strategic Report of Riverstone Corporate Capital 5 Limited (“Riverstone Corporate Capital 5” or “the Company”) for the year ended 31st December 2022.

Ownership

Riverstone Corporate Capital 5 and its immediate parent company RiverStone Holdings Limited (“RiverStone Holdings”) are wholly owned subsidiaries of Riverstone International Holdings Limited (“Riverstone International”).

Principal Activity

The principal activity of Riverstone Corporate Capital 5 is that of providing capital support to certain run-off years of account in syndicates at Lloyd’s.

Riverstone Corporate Capital 5 is the sole corporate member for Syndicate 5151.

The Syndicate’s principal activity was the underwriting of direct insurance and reinsurance business in the Lloyd’s market. In April 2020, it was announced that the Syndicate would cease underwriting with effect from 31st December 2020 following which the Syndicate was put into an orderly run-off.

Following an agreement signed on 28th August 2022, and receipt of change of control approval by all relevant regulatory bodies, including the Prudential Regulation Authority (“PRA”), the Financial Conduct Authority (“FCA”) and Lloyd’s, 100% of the share capital of the Company was acquired by RiverStone Holdings on 19th December 2022.

Effective 1st January 2023, the liabilities of Syndicate 5151’s final remaining open year of account, 2020, were reinsured to close into Syndicate 3500. The Syndicate is now fully closed.

Business Review

Results and Key Performance Measurements

The results for the year set out in the profit and loss account show a profit for the financial year of £1.9 million (2021: loss of £3.2 million).

The balance on the technical account for general business for the year was a profit of £6.3 million (2021: loss of £4.9 million). This comprises net earned premiums of £23.1 million, allocated investment losses of £6.8 million, favourable net incurred claims of £6.5 million and net operating expenses of £16.5 million.

The total comprehensive income for the year of £25.7 million (2021: loss of £1.6 million) comprises the gain on the technical account for general business, net investment losses of £0.3 million (2021: losses of £0.2 million), foreign exchange losses of £3 million (2021: gains of £0.9 million), taxation expense of £1.2 million (2021: credit of £1.0 million) and currency translation gains of £23.9 million (2021: gains of £1.6 million).

Total shareholder’s funds decreased to £135.4 million at 31st December 2022 (2021: £176.6 million) due to the payment of a dividend of \$80.4 million, (£67 million) partially offset by the comprehensive income for the year of £25.8 million.

Total outstanding claims, gross of reinsurance, were £461.7 million as at 31st December 2022 (2021: £521.3 million). Total cash, deposits and investments were £346.7 million at 31st December 2022 (2021: £318.2 million).

Riverstone Corporate Capital 5 Limited (Company No. 06198350)

Strategic Report

For the year ended 31st December 2022

Strategy and Future Developments

The 2020 year of account was closed into Syndicate 3500 as of 1st January 2023. Syndicate 5151 is now closed. The Company does not expect to undertake any further trading activity for the foreseeable future.

Principal Risks and Uncertainties

The process of risk acceptance and risk management was addressed through a framework of policies, procedures and internal controls. All policies were subject to approval by the Board and ongoing review by the Board, executive committees, risk management and internal audit. Compliance with regulatory, legal and ethical standards was a high priority for Syndicate 5151. The Board was responsible for ensuring that a proper internal control framework existed to manage financial risks and that controls operated effectively

The risks that Syndicate 5151 was exposed to and their impact on economic capital have been assessed. This process was risk based and used Solvency II based principles to manage capital requirements and to ensure that there was sufficient financial strength and capital adequacy to support the obligations to policyholders, regulators and other stakeholders.

The principal risks faced by Syndicate 5151 arose from fluctuations in the severity of claims compared with expectations, late reporting of claims, inadequate reserving and inadequate reinsurance protection (including the credit worthiness of major reinsurers).

Section 172(1) of the Companies Act 2006

The Board of directors of Riverstone Corporate Capital 5 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 ensuring that sufficient capital is available to support Syndicate 5151, the management of which is performed by RiverStone at Lloyd's Limited.

Employees

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

Business Relationships

The Board recognises that relationships with our stakeholders are key to the delivery of our strategy. During 2022, all members of the Board have had the opportunity to meet with representatives of Lloyd's, which continues to refresh and facilitate an understanding of their needs and expectations.

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.

Riverstone Corporate Capital 5 Limited (Company No. 06198350)
Strategic Report
For the year ended 31st December 2022

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 immediate holding company throughout the year.

Approved by Order of the Board

Park Gate
161-163 Preston Road
Brighton, East Sussex
United Kingdom BN1 6AU

DocuSigned by:
Fraser Henry
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F Henry
Company Secretary
31st March 2023

Riverstone Corporate Capital 5 Limited (Company No. 06198350)

Directors' Report

For the year ended 31st December 2022

The Directors have pleasure in presenting their report and the audited financial statements for Riverstone Corporate Capital 5 (Company No. 06198350) for the year ended 31st December 2022.

Directors

Directors holding office from the period from 1st January 2022 to the date of this report were:

A. R. Creed (Appointed 19th December 2022)
L. R. Tanzer (Appointed 19th December 2022)
R. J. R. Housley (Resigned 7th September 2022)
J. T. James (Resigned 19th December 2022)
A. J. Golding (Resigned 19th December 2022)

Riverstone Corporate Capital 5 has provided an indemnity for its directors which is a qualifying third party indemnity provision for the purposes of Section 234 of the Companies Act 2006. This indemnity was in force during the financial year and also at the date of this report.

Future Developments

RiverStone Corporate Capital 5 has no current plans to participate in the underwriting of another syndicate. The Company is therefore ceasing to trade and then will become dormant for the foreseeable future.

Dividends

Riverstone Corporate Capital 5 paid \$80.4 million interim dividends during the year (2021: £nil). The Directors do not recommend the payment of a final dividend (2021: nil).

Independent Auditors

During 2022, in accordance with Section 485 of the Companies Act 2006, Deloitte LLP (“Deloitte”) were appointed, and expressed their willingness to continue, as the company’s registered auditor.

Financial Instruments

As described in Note 5 to the financial statements, Syndicate 5151 was exposed to financial risk through its financial assets and liabilities, including its reinsurance assets and policyholder liabilities. In particular, a key financial risk was that the proceeds from financial and reinsurance assets are not sufficient to fund the obligations arising from insurance policies as they fall due. The most important components of this financial risk are market risk (including interest rate risk, equity risk and currency risk), credit risk and liquidity risk.

Riverstone Corporate Capital 5 Syndicate 5151 managed this risk within its overall risk management framework.

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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”, and applicable law). 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

Riverstone Corporate Capital 5 Limited (Company No. 06198350)

Directors' Report

For the year ended 31st December 2022

state of affairs of the company and of the profit or loss of the 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 applicable United Kingdom Accounting Standards, comprising FRS102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 company will continue in business.

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

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

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 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 company's auditors are aware of that information.

Approved by Order of the Board

Park Gate
161-163 Preston Road
Brighton, East Sussex
United Kingdom BN1 6AU

DocuSigned by:
Fraser Henry
0CBB7EF8A5C5493...
F Henry
Company Secretary
31st March 2023

Riverstone Corporate Capital 5 Limited (Company No. 06198350)

Independent Auditors' Report to the Members of Riverstone Corporate Capital 5 Limited

For the year ended 31st December 2022

Independent auditor's report to the members of RiverStone Corporate Capital 5 Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of RiverStone Corporate Capital 5 Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its 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 profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- the cash flow statement;
- the statement of accounting policies; and
- the related notes 1 to 24.

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).

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, 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.

Emphasis of matter - Financial statements prepared other than on a going concern basis

We draw attention to note 3 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

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

Riverstone Corporate Capital 5 Limited (Company No. 06198350)
Independent Auditors' Report to the Members of Riverstone Corporate Capital 5 Limited
For the year ended 31st December 2022

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.

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 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 company or to cease operations, or have no realistic alternative but to do so.

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.

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.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These] included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as actuarial, valuations and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

Riverstone Corporate Capital 5 Limited (Company No. 06198350)
Independent Auditors' Report to the Members of Riverstone Corporate Capital 5 Limited
For the year ended 31st December 2022

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

- Valuation of technical provisions includes assumptions and methodology requiring significant management judgement and involves complex calculations, and therefore there is potential for management bias. There is also a risk of overriding controls by making late adjustments to the technical provisions. In response to these risks we involved our actuarial specialists to develop independent estimates of the technical provisions and we tested the late journal entries to technical provisions.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

Report on other legal and regulatory requirements

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 company and its environment obtained in the course of the audit, we have not identified any material misstatements in [the strategic report or] the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

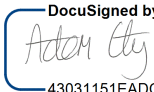
We have nothing to report in respect of these matters.

Riverstone Corporate Capital 5 Limited (Company No. 06198350)
Independent Auditors' Report to the Members of Riverstone Corporate Capital
5 Limited
For the year ended 31st December 2022

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.

DocuSigned by:



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Adam Ely, FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London

United Kingdom

31st March 2023

Riverstone Corporate Capital 5 Limited (Company No. 06198350)
Profit and Loss Account
For the year ended 31st December 2022

	Note	2022 £'000	2021 £'000
Technical Account – General Business			
Gross premiums written	6	7,443	77,197
Outward reinsurance premiums		<u>(6,827)</u>	<u>(405,198)</u>
Net premiums written		<u>616</u>	<u>(328,001)</u>
Change in provision for unearned premium			
Gross amount		35,581	85,116
Reinsurers' share		<u>(13,132)</u>	<u>3,103</u>
Change in net provision for unearned premium		22,449	88,219
Earned premiums net of reinsurance		<u>23,065</u>	<u>(239,782)</u>
Gross claims paid	8	(143,166)	(124,352)
Reinsurers' share	8	<u>56,168</u>	<u>239,822</u>
Net paid claims		<u>(86,998)</u>	<u>115,470</u>
Change in the gross provision for claims		101,135	22,561
Reinsurers' share		<u>(7,622)</u>	<u>89,298</u>
Change in the net provision for claims		<u>93,513</u>	<u>111,589</u>
Claims incurred, net of reinsurance		6,515	227,329
Allocated investment return transferred from the non-technical account		(6,761)	(171)
Net operating expenses	6, 9	<u>(16,513)</u>	<u>7,758</u>
Total technical charges, net of reinsurance		<u>(16,759)</u>	<u>234,916</u>
Balance on the technical account for general business		6,306	(4,886)
Non-Technical Account			
Investment income	10	2,745	4,246
Unrealised gains on investments		1,004	63
Unrealised (losses) on investments		(9,005)	(4,197)
Realised (losses) gains on investments		(1,606)	-
Investment expenses and charges	11	(157)	(283)
Allocated investment return transferred to the general business technical account		6,761	171
(Losses) gains on derivative contracts		-	-
Unrealised foreign exchange (losses) gains	12	<u>(2,989)</u>	<u>878</u>
Profit (loss) before tax		3,060	(3,988)
Tax	13	<u>(1,194)</u>	<u>835</u>
Profit (loss) for the financial year		£ <u>1,866</u>	£ <u>(3,153)</u>

Riverstone Corporate Capital 5 Limited (Company No. 06198350)
Statement of Comprehensive Income
For the year ended 31st December 2022

	Note	2022 £'000	2021 £'000
Profit (loss) for the financial year		1,866	(3,153)
Currency translation adjustments		<u>23,887</u>	<u>1,599</u>
Total comprehensive income (expense) for the year		£ <u>25,753</u>	£ <u>(1,554)</u>

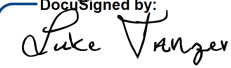
Riverstone Corporate Capital 5 Limited (Company No. 06198350)**Balance Sheet****As at 31st December 2022**

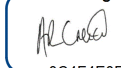
	Note	2022 £'000	2021 £'000
Assets			
Investments			
Other financial investments	14	175,532	221,391
Reinsurers' share of technical provisions			
Claims outstanding	8	224,894	515,942
Provision for unexpired risk provision		-	-
Provision for unearned premium		12,118	54,777
		237,012	570,719
Debtors			
Amounts owed by group companies		-	6,909
Debtors arising out of direct insurance operations	15	4,724	16,511
Debtors arising out of reinsurance operations	16	41,388	119,557
Other debtors		3,728	13,003
Deferred tax asset		-	280
		49,840	156,260
Other assets			
Cash at bank and in hand		94,129	10,765
Overseas deposits		77,069	82,524
		171,198	93,289
Prepayments and accrued income			
Accrued interest		868	1,484
Deferred acquisition costs		6,287	15,316
		7,155	16,800
Total assets		£ 640,737	£ 1,061,964

Riverstone Corporate Capital 5 Limited (Company No. 06198350)
Balance Sheet
As at 31st December 2022

	Note	2022 £'000	2021 £'000
Capital, Reserves and Liabilities			
Called up share capital	17	-	-
Share premium account		112,903	205,113
Profit and loss account		22,446	(28,511)
Total shareholders' funds		135,349	176,602
Technical provisions			
Claims outstanding	8	461,655	521,329
Provision for unexpired risk		-	-
Provision for unearned premiums		23,290	54,777
		484,945	576,106
Provisions for other risks			
Deferred taxation	21	-	-
Creditors: Amounts falling due within one year			
Amounts owed to group companies			3,447
Creditors arising out of direct insurance operations	18	-	(2,628)
Creditors arising out of reinsurance operations	19	14,548	287,852
Other creditors including tax and social security	20	2,010	73
		16,558	288,744
Accruals and Deferred Income		3,885	20,512
Total capital, reserves and liabilities		£ 640,737	£ 1,061,964

The financial statements on pages 13 to 38 were approved by the Board of Directors on 31st March 2023 and were signed on its behalf by:

DocuSigned by:

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L. R. Panzer
 Chief Executive Officer

DocuSigned by:

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A. R. Creed
 Chief Financial Officer

Riverstone Corporate Capital 5 Limited (Company No. 06198350)
Notes to the Financial Statements
For the year ended 31st December 2022

	Share premium account £'000	Profit and Loss Account £'000	Total Shareholders' Funds £'000
Balance at 1st January 2022	205,113	(28,511)	176,602
Profit for the financial year	-	1,866	1,866
Other comprehensive income (expense) for the year	20,717	3,170	23,887
Reduction in Share Capital	(112,927)	112,927	-
Dividends Paid	-	(67,006)	(67,007)
Balance at 31st December 2022	£ 112,903	£ 22,446	£ 135,349
Balance at 1st January 2021	205,113	(26,957)	178,156
Loss for the financial year	-	(3,153)	(3,153)
Other comprehensive income for the year	-	1,599	1,599
Reduction in Share Capital	-	-	-
Dividends	-	-	-
New share capital issued	-	-	-
Total comprehensive expense for the year	-	(1,554)	(1,554)
Balance at 31st December 2021	£ 205,113	£ (28,511)	£ 176,602

Riverstone Corporate Capital 5 Limited (Company No. 06198350)

Notes to the Financial Statements

For the year ended 31st December 2022

1. General Information

Riverstone Corporate Capital 5 Limited (“Riverstone Corporate Capital 5” or “the Company”) is the sole corporate member for Syndicate 5151. The Syndicate’s principal activity was the underwriting of direct insurance and reinsurance business in the Lloyd’s market. The Syndicate wrote predominately marine, property and casualty insurance and reinsurance. Syndicate 5151 is managed by RiverStone at Lloyd’s Limited (“the Managing Agent”).

Riverstone Corporate Capital 5 is a private company limited by shares and is incorporated in England. The address of its registered office is Park Gate, 161-163 Preston Road, Brighton, East Sussex, United Kingdom BN1 6AU.

2. Statement of Compliance

The financial statements of Riverstone Corporate Capital 5 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” (“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 and Technical Release 1/99 (Accounting for Lloyd’s Corporate Capital Vehicles).

3. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation

The preparation of financial statements in conformity with FRS102 and FRS103 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements, are disclosed further below.

(b) Going Concern

These financial statements have been prepared on the basis that The Company ceased to write new business on the 31st December 2020. Its final year of account, 2020, was closed into Syndicate 3500 as of 1st January 2023 and has no plans to participate in another Syndicate. As a result, these Financial Statements have been prepared on a basis other than going concern.

The assets and liabilities at the balance sheet date have been recognised under the historical cost convention except for certain financial assets which are measured at fair value, using the annual basis of accounting in accordance with Regulation 5 the Insurance Accounts Directive (Lloyd’s Syndicate and Aggregate Accounts Regulations 2008), and in compliance with United Kingdom Accounting Standards including Financial Reporting Standard 102, “The Financial Reporting Standard Applicable in the UK and republic of Ireland” (“FRS 102”) and Financial Reporting Standard 103, “Insurance contracts” (“FRS 103”).

There are no other assets or liabilities recognisable as a consequence of not preparing these financial statements on a going concern basis. Therefore, no adjustments are necessary to the amounts at which

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the net assets are included in these financial statements. FRS 102 and 103 have been consistently applied to all years presented. There have been no material changes in accounting policies compared to the 2021 financial statements.

(c) Exemptions for Qualifying Entities under FRS102

FRS102 allows a qualifying entity certain disclosure exemption, subject to certain conditions, which have been complied with, including notification of, and no objection to the use of exemptions by Riverstone Corporate Capital 5's shareholders.

Riverstone Corporate Capital 5 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 the consolidated statement of cash flows, included in the financial statements of Riverstone International includes Riverstone Corporate Capital 5's cash flows.
- ii) from disclosing key management personnel compensation, as required by FRS102 paragraph 33.7.
- iii) from the requirement to disclose transactions with related parties within the same group as provided by FRS 102, Section 33.1A.

(d) Basis of Accounting

The technical result has been determined by recognising Riverstone Corporate Capital 5's proportion of all the transactions undertaken by the Lloyd's syndicates in which it participates. For each syndicate, Riverstone Corporate Capital 5's proportion of underwriting transactions, investment return and operating expenses has been reflected within Riverstone Corporate Capital 5's profit and loss account and balance sheet, using an annual basis of accounting.

The proportion referred to above is calculated by reference to Riverstone Corporate Capital 5's participation as a percentage of the syndicates' total capacity.

(e) Insurance Contracts

- i) Premiums written reflect adjustments made in the year to estimates of premiums written in prior years. Premiums are shown gross of commission payable and exclude taxes and duties levied on them. Estimates are made for pipeline premiums, including amounts due to Syndicate 5151 not yet notified.
- ii) Premiums are accreted to the income statement on a pro-rata basis over the term of the related policy, except for those contracts where the period of risk differs significantly from the contract period. In these cases, premiums are recognised over the period of risk in proportion to the amount of insurance protection provided.
- iii) Unearned premiums represent the proportion of premiums written that relate to unexpired terms of policies in force at the balance sheet date. The unearned premium reserve is translated to Sterling at closing rates of exchange.
- iv) Acquisition costs, which represent commission and other related expenses, are allocated over the period in which the related premiums are earned.

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- v) Unexpired risks represents the amount set aside in respect of risks to be borne by the company after the end of the financial year, to provide for all claims and expenses in connection with insurance contracts in force in excess of the related unearned premiums and any premiums receivable on those contracts.
- vi) External reinsurance to close premiums received and paid are reflected as a component of gross premiums written or outwards reinsurance premium as appropriate.
- vii) Gross claims incurred comprise claims and related expenses paid in the year and changes in provisions for outstanding claims notified by the syndicates, together with provisions for claims incurred but not reported and any other adjustments to claims from previous years.

Losses and related reinsurance recoveries are estimated by Riverstone Corporate Capital 5 by reference to the ultimate result based upon the latest information available from the syndicates at the time of completing the financial statements. Provisions are estimated on a syndicate-by-syndicate basis. Provision is made at year-end for the estimated cost of claims and related reinsurance recoveries incurred but not settled at the balance sheet date, including the cost of claims and related reinsurance recoveries incurred but not yet reported to Riverstone Corporate Capital 5. Riverstone Corporate Capital 5 takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions and the related reinsurance recoveries, it is likely that the final outcome will prove to be different to the original liability established.

(f) Translation of Foreign Currencies

The financial statements are presented in Pounds Sterling and, unless otherwise stated, are rounded to thousands. Items included in Riverstone Corporate Capital 5's financial statements are measured using the currency of the primary economic environment in which it operates. Riverstone Corporate Capital 5's functional currency is United States Dollars.

Foreign currency transactions are translated into the functional currency using the average rate of exchange during the year. At each year end foreign currency monetary items are translated using the year end rate of exchange. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account for the year. All exchange differences arising from the translation from functional currency to presentation currency are recognised through the Statement of Comprehensive Income as a separate component of equity.

(g) Tax

Tax expense for the year comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

i) Current Tax

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

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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ii) Deferred Tax

Deferred tax assets and liabilities are established for differences between amounts reported in the financial statements and amounts reported in Riverstone Corporate Capital 5's annual corporation tax returns, including revaluation gains and losses on investments. Deferred taxes are calculated at the rates at which it is expected that the tax liability or benefit will arise using tax rates and laws that have been enacted or substantively enacted by the year end. Deferred tax assets are recognised to the extent that they are regarded as more likely than not recoverable. Movements on deferred tax assets and liabilities are recognised in the profit and loss account, except to the extent that they arise in relation to movements in the Statement of Comprehensive Income.

(h) Investment Return

Investment return comprises all investment income, realised investment gains and losses and movements in unrealised gains and losses, net of investment expenses and charges.

Realised gains and losses on investments carried at market value are calculated as the difference between sale proceeds and purchase price. Movements in unrealised gains and losses on investments represent the difference between the valuation at the balance sheet date, together with the reversal of unrealised gains and losses recognised in earlier accounting periods in respect of investment disposals in the current year.

Investment return is initially recorded in the non-technical account. A transfer is made from the non-technical account to the technical account of the investment return on investments supporting the insurance technical provisions and related shareholder's funds.

(i) Other Financial Investments

Riverstone Corporate Capital 5 has chosen to apply the recognition and measurement provisions of IAS 39 (as adopted for use in the EU) and the disclosure requirements of FRS 102 in respect of the financial statements.

Riverstone Corporate Capital 5 classifies all of its investments as financial assets at fair value through profit and loss. Management determines the classification of its investments at initial recognition and re-evaluates this at every reporting date.

A financial asset is classified as fair value through profit and loss at inception if it is acquired principally for the purpose of selling in the short term, if it forms part of a portfolio of financial assets in which there is evidence of short-term profit-taking, or if so designated by management to minimise any measurement or recognition inconsistency with the associated liabilities. All derivatives are classified as at fair value through profit and loss.

Financial assets designated as at fair value through profit and loss at inception are those that are managed and whose performance is evaluated on a fair value basis. Information about these financial assets is provided internally on a fair value basis to Riverstone Corporate Capital 5's key management personnel. Riverstone Corporate Capital 5's investment strategy is to invest in listed and unlisted equity securities and fixed interest rate debt securities and derivatives designated upon initial recognition at fair value through profit and loss.

The fair values of listed investments are based on current bid prices on the balance sheet date. Unlisted investments for which a market exists are also stated at the current bid price on the balance sheet date or the last trading day before that date.

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Net gains or losses arising from changes in the fair value of financial assets at fair value through profit and loss are presented in the Profit and Loss Account within 'Unrealised gains on investments' or 'Unrealised losses on investments' in the year in which they arise.

Riverstone Corporate Capital 5 discloses its investments in accordance with a fair value hierarchy with the following levels:

- i) Level 1 – the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date;
- ii) Level 2 – inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly;
- iii) Level 3 – inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Available for Sale Financial Assets

Available for sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories.

Purchases and sales of investments are recognised on the trade date i.e. the date on which Riverstone Corporate Capital 5 commits to purchase or sell the asset. Investments are initially recognised at fair value plus, in the case of all financial assets not carried at fair value through profit and loss, transaction costs that are directly attributable to their acquisition. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or where they have been transferred and Riverstone Corporate Capital 5 has also transferred substantially all risks and rewards of ownership.

Changes in the fair value of financial assets classified as available for sale are recognised in equity. When financial assets classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the Profit and Loss Account within net realised gains on investments.

(j) Related Party Transactions

Riverstone Corporate Capital 5 discloses transactions with related parties which are not wholly owned within the same group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the financial statements.

4. Critical Accounting Judgements and Estimation Uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Riverstone Corporate Capital 5 makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimation of the ultimate liability arising from claims made under insurance contracts is Riverstone Corporate Capital 5's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that Riverstone Corporate Capital 5 will ultimately pay for such claims. Some of these claims are not expected to be settled for several years and there is uncertainty as to the

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amounts at which they will be settled. The level of provision has been set on the basis of the information that is currently available, including potential outstanding loss advices, experience of development of similar claims and case law.

The most significant assumptions made relate to the level of future claims, the level of future claims settlements and the legal interpretation of insurance policies. Whilst the directors consider that the gross provision for claims and the related reinsurance recoveries are fairly stated on the basis of the information currently available to them, the ultimate liability will vary as a result of subsequent information and events and may result in adjustments to the amount provided. Adjustments to the amounts of provision are reflected in the financial statements for the year in which the adjustments are made. The methods used, and the estimates made, are reviewed regularly.

5. Management of Insurance and Financial Risk

Financial Risk Management Objectives

Riverstone Corporate Capital 5 is exposed to insurance risk through the insurance contracts that it has written and to financial risk through its financial assets, reinsurance assets and policyholder liabilities. In particular, the key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from insurance policies as they fall due. The most important components of this financial risk are market risk (including interest rate risk, equity price risk and currency risk), credit risk and liquidity risk.

Riverstone Corporate Capital 5 has established an overall risk management policy which focuses on the main risks to which it is exposed, paying particular attention to key risks which impact on the overall operation of the business. A risk register is maintained which is updated at least quarterly. All risks on the register are reviewed with key management personnel and the board of directors of the Managing Agent reviews the key risks on a quarterly basis.

(a) Insurance Risk

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.

The principal risk that Riverstone Corporate Capital 5 faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. The actual number and amount of claims and benefits arising from insurance contracts will vary 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. Riverstone Corporate Capital 5 has a diversified portfolio of insurance risks, all of which relate to business originally written previously, and which are mature in nature. Riverstone Corporate Capital 5 mitigates 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.

i) Process for Assessment of Technical Provisions

Riverstone Corporate Capital 5 adopts a consistent process to the calculation of an appropriate provision for the exposures arising from the business it has written. A full reserving analysis is

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conducted at least annually, and the technical provisions recorded on the balance sheet are in line with the view of the board of directors of the Managing Agent of the best estimate value of the underlying liabilities.

The technical provisions recorded at the reporting date comprise the estimated ultimate cost of settlement of all claims incurred in respect of events up to that date, whether reported or not, together with related claims handling expenses, less amounts already paid. This is estimated based on known facts at the balance sheet date. The provision is revised as part of a regular ongoing process as claims experience develops, certain claims are settled and further claims are reported.

Riverstone Corporate Capital 5 uses assumptions based on a mixture of internal and market data to measure its claims liabilities. This information is used to project the ultimate number and value of claims, by major class of business, using recognised statistical estimation techniques. Assumptions are reviewed and tested regularly in the light of actual claims development and general market movements and trends.

ii) Sources of Uncertainty in the Estimation of Future Claim Payments

The sources of estimation uncertainty in establishing the ultimate liability arising from claims made under insurance contracts is discussed in Note 4.

The estimated cost of claims includes direct expenses to be incurred in settling claims, net of the expected subrogation value and other recoveries. Riverstone Corporate Capital 5 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.

The liability for insurance contracts comprises a provision for claims incurred but not yet reported and a provision for reported claims not yet paid. The estimation of claims incurred but not reported is generally subject to a greater degree of uncertainty than the estimates of claims that have already been notified, for which there is more information available.

iii) Key Assumptions and Sensitivities

The assumptions that have the greatest impact on gross and net technical provisions are those that affect the expected level of claims in the liability and professional indemnity classes. The largest sensitivities on these classes are in respect of uncertainties around future numbers and amounts of claims. The reserves for these classes will be paid out over several years.

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iv) Claims Development Tables

The following table presents the comparison of actual claims incurred to previous estimates for the last 10 years.

Claims Outstanding (Gross)

Underwriting Year	2013 £'000	2014 £'000	2015 £'000	2016 £'000	2017 £'000	2018 £'000	2019 £'000	2020 £'000	Total £'000
Estimate of cumulative gross claims									
At the end of the first year	48,377	60,593	43,489	73,418	130,035	89,067	69,551	61,645	576,536
- One year later	87,477	106,295	120,644	192,203	252,295	249,768	160,972	138,043	1,307,697
- Two years later	91,276	119,921	119,922	201,210	278,511	299,659	168,126	162,946	1,441,571
- Three years later	88,638	113,797	128,197	193,887	291,012	300,932	164,791	-	1,281,254
- Four years later	86,432	131,492	127,367	202,906	308,186	364,298	-	-	1,220,681
- Five years later	89,044	127,787	126,109	205,251	325,532	-	-	-	873,721
- Six years later	80,172	129,703	120,825	219,697	-	-	-	-	550,398
- Seven years later	80,548	128,997	132,478	-	-	-	-	-	342,023
- Eight years later	79,181	140,676	-	-	-	-	-	-	219,858
- Nine years later	97,673	-	-	-	-	-	-	-	97,673
Current estimate of cumulative claims	97,673	140,676	132,478	219,697	325,532	364,298	164,791	162,946	1,608,091
Cumulative payments to date	89,037	133,172	118,213	183,716	257,096	241,785	92,003	48,104	1,163,126
Liability recognised in the balance sheet	8,636	7,504	14,265	35,981	68,436	122,513	256,794	114,842	444,965

Reserve in respect of prior years

16,690

Total reserve included in the balance sheet

£ 461,655

Claims Outstanding (Net)

Underwriting Year	2013 £'000	2014 £'000	2015 £'000	2016 £'000	2017 £'000	2018 £'000	2019 £'000	2020 £'000	Total £'000
Estimate of cumulative gross claims									
At the end of the first year	32,971	35,909	28,204	31,974	46,425	41,220	31,562	30,274	278,539
- One year later	60,492	66,159	74,688	82,119	101,689	105,161	75,277	6,973	572,558
- Two years later	62,476	70,944	71,210	84,419	109,677	110,615	25,363	105,403	640,106
- Three years later	59,877	67,249	72,564	83,408	112,993	63,276	100,967	-	560,335
- Four years later	58,652	68,544	72,248	87,569	76,816	163,265	-	-	527,095
- Five years later	60,444	66,537	70,425	62,649	164,870	-	-	-	424,926
- Six years later	58,416	68,492	58,060	128,417	-	-	-	-	313,386
- Seven years later	58,733	59,779	101,047	-	-	-	-	-	219,559
- Eight years later	50,866	115,909	-	-	-	-	-	-	166,775
- Nine years later	96,805	-	-	-	-	-	-	-	96,805
Current estimate of cumulative claims	96,805	115,909	101,047	128,417	164,870	163,265	100,967	105,403	976,683
Cumulative payments to date	88,179	108,061	92,957	112,823	135,280	124,547	58,879	35,600	756,326
Liability recognised in the balance sheet	8,626	7,848	8,090	15,594	29,590	38,718	159,846	69,803	220,357

Reserve in respect of prior years

16,404

Total reserve included in the balance sheet

£ 236,761

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v) Insurance Risk Concentrations

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:

	2022		2021	
	Gross £'000	Net £'000	Gross £'000	Net £'000
Property	24,603	11,896	31,058	321
Aviation	60,731	8,375	50,693	524
Marine and Energy	32,322	23,063	39,288	406
Speciality	171,118	76,218	157,945	1,632
Professional Lines	114,942	65,134	172,029	1,778
Reinsurance	57,939	52,074	70,316	727
	£ 461,655	£ 236,760	£ 521,329	£ 5,387

(b) Market Risk

i) Interest Rate Risk

Interest rate risk arises primarily from investments in fixed interest securities. In addition, to the extent that claims inflation is correlated to interest rates, liabilities to policyholders are exposed to interest rate risk. Riverstone Corporate Capital 5 works closely with its investment manager to review the duration of the investment portfolio in relation to the estimated mean duration of the liabilities.

Given the short term nature of the cash and investments of Riverstone Corporate Capital 5, it is not exposed to significant interest rate risk since maturing short term investments are repriced at market interest rates on an ongoing basis.

The impact of a 100 basis point increase in interest rates on the value of Riverstone Corporate Capital 5's investments held at 31st December 2022 is an approximate £2,092,000 loss (2021: loss of £3,050,000) to the profit and loss account. Similarly, a 100 basis point decrease in interest rates would give rise to an approximate £2,167,000 gain (2021: gain of £3,104,000) to the profit and loss account.

ii) Currency Risk

Riverstone Corporate Capital 5 manages its foreign exchange risk against its functional currency, which is United states dollars. Riverstone Corporate Capital 5 has a proportion of its assets and liabilities denominated in currencies other than the US Dollar

At 31st December 2022, if the Pound Sterling had weakened by 10% more in 2022 against the US Dollar with all other variables held constant, profit for the year would have been £3.5 million higher (2021: £3.5 million lower), mainly as a result of net foreign exchange gains on the translation of US Dollar denominated financial assets, and US Dollar denominated liabilities.

At 31st December 2022, if the Canadian Dollar had weakened by 10% more in 2022 against the US Dollar with all other variables held constant, profit for the year would have been £8.4 million lower (2021: £1.3 million higher), mainly as a result of net foreign exchange gains on the translation of US Dollar denominated financial assets, and US Dollar denominated liabilities.

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At 31st December 2022, if the Euro had weakened by 10% more in 2022 against the US Dollar with all other variables held constant, profit for the year would have been £1.0 million higher (2021: £1.8 million lower), mainly as a result of net foreign exchange gains on the translation of US Dollar denominated financial assets, and US Dollar denominated liabilities.

At 31st December 2022, if the Japanese Yen had weakened by 10% more in 2022 against the US Dollar with all other variables held constant, profit for the year would have been £4.5 million lower (2021: £0.2 million lower), mainly as a result of net foreign exchange gains on the translation of US Dollar denominated financial assets, and US Dollar denominated liabilities.

At 31st December 2022, if the Australian Dollar had weakened by 10% more in 2022 against the US Dollar with all other variables held constant, profit for the year would have been £6.8 million lower (2021: £5.0 million lower), mainly as a result of net foreign exchange gains on the translation of US Dollar denominated financial assets, and US Dollar denominated liabilities.

(c) Credit Risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. Key areas where Riverstone Corporate Capital 5 is exposed to credit risk are:

- reinsurers' share of insurance liabilities;
- amounts due from reinsurers in respect of claims already paid;
- amounts due from insurance intermediaries;
- amounts due from corporate bond issuers;
- counterparty risk with respect to derivative transactions; and
- cash at bank and in hand.

As Riverstone Corporate Capital 5 is in runoff, its exposures to other reinsurers and insurance intermediaries are determined by contracts previously written. Riverstone Corporate Capital 5 manages the levels of credit risk from reinsurers and insurance intermediaries by quarterly review of receivable balances by counterparty. Management assesses the creditworthiness of all reinsurers and intermediaries by reviewing credit grades provided by rating agencies and other publicly available financial information. It is Riverstone Corporate Capital 5's policy to provide for reinsurer bad debts in situations where it does not expect to collect the full amount outstanding due to the financial position of the reinsurer or due to disputes over coverage. In certain circumstances, collateral is held in the form of either deposits or letters of credit from reinsurers.

Riverstone Corporate Capital 5 reduces its exposure to credit risk in relation to investments by entering into transactions with counterparties that are reputable and by settling trades through recognised exchanges. Riverstone Corporate Capital 5 maintains strict control limits on the maximum notional amount of derivative positions.

The assets bearing credit risk are summarized below, together with an analysis by credit rating (AM Best or equivalent):

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	2022	2021
	£'000	£'000
Reinsurance debtors and reinsurers' share of claims outstanding	224,894	575,278
Debtors arising out of direct insurance operations	4,724	16,511
Debtors from ceding insurers and intermediaries	41,388	16,753
Debt and other fixed income securities	165,144	207,839
Holdings in collective investment schemes	6,125	13,553
Cash at bank and in hand	94,129	10,765
Overseas deposits	77,069	85,524
	<u>613,473</u>	<u>923,223</u>
Total assets bearing credit risk	£ 613,473	£ 923,223
<small>*Restated, see note 3(f) for further details</small>		
	2022	2021
	£'000	£'000
A++	161,622	139,254
A+	217,286	51,901
A, A-	170,853	620,426
B++ and below or not rated (including affiliated assets)	63,712	111,642
	<u>613,473</u>	<u>923,223</u>
Total assets bearing credit risk	£ 613,473	£ 923,223

Assets arising from reinsurance and insurance contracts held are further analysed as follows:

	2022	2021
	£'000	£'000
Performing	637,596	1,016,019
Past due	1,402	45,462
Impaired	-	-
Provision for irrecoverable amounts	-	-
	<u>638,998</u>	<u>1,061,482</u>
	£ 638,998	£ 1,061,482

(d) Liquidity Risk

The primary liquidity risk is the obligation to pay claims to policy holders as they fall due. The projected settlement of these liabilities is modelled, on a regular basis, using a combination of operational cash flow forecasting and actuarial techniques. The board of directors of the Managing Agent sets limits on the minimum proportion of maturing funds available to meet such calls and on the minimum level of borrowing facilities that should be in place to cover anticipated liabilities and unexpected levels of demand. The table below analyses the maturity of Riverstone Corporate Capital 5's financial liabilities and outstanding claims. All liabilities are presented on a contractual cash flow basis except for the insurance liabilities, which are presented in their expected cash flows.

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	0-1 year £'000	1-3 years £'000	3-5 years £'000	>5 years £'000	Carrying Value £'000
At 31st December 2022					
Creditors	10,005	3,257	1,608	1,688	16,558
Claims outstanding	<u>131,493</u>	<u>163,828</u>	<u>81,954</u>	<u>84,380</u>	<u>461,655</u>
Financial liabilities and outstanding claims	£ <u>141,499</u>	£ <u>167,085</u>	£ <u>83,562</u>	£ <u>86,068</u>	£ <u>478,214</u>
At 31st December 2021					
Creditors	124,867	91,364	40,697	31,818	288,744
Claims outstanding	<u>186,639</u>	<u>186,593</u>	<u>83,116</u>	<u>64,981</u>	<u>521,329</u>
Financial liabilities and outstanding claims	£ <u>311,506</u>	£ <u>277,957</u>	£ <u>123,813</u>	£ <u>96,799</u>	£ <u>810,073</u>

(e) Capital Management

Riverstone Corporate Capital 5 maintains an efficient capital structure comprising only its equity shareholders' funds, consistent with its risk profile and the regulatory and market requirements of its business. Riverstone Corporate Capital 5's objectives in managing its capital are:

- to satisfy the requirements of its policyholders and regulators
- to match the profile of its assets and liabilities, taking account of the risks inherent in the business
- to retain financial flexibility by maintaining adequate liquidity

Riverstone Corporate Capital 5 considers not only the traditional sources of capital funding but the alternative sources of capital including reinsurance and securitisation, as appropriate, when assessing its deployment and usage of capital. Riverstone Corporate Capital 5 manages as capital all items that are eligible to be treated as capital for regulatory purposes. Riverstone Corporate Capital 5 is regulated by the Prudential Regulation Authority, the Financial Conduct Authority and Lloyd's and is subject to insurance solvency regulations which specify the minimum amount and type of capital that must be held in addition to the insurance liabilities. Riverstone Corporate Capital 5 manages capital in accordance with these rules and performs the necessary tests to ensure continuous and full compliance with such regulations. Riverstone Corporate Capital 5 manages its own regulatory capital by reference to both minimum capital requirements and also self-assessed risk-based capital based on EU Directive. Riverstone Corporate Capital 5 has complied with all of its capital requirements throughout the year.

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6. Segmental Analysis

	Gross premiums written 2022 £'000	Gross premiums earned 2022 £'000	Gross claims incurred 2022 £'000	Net operating expenses 2022 £'000	Re- insurance balance 2022 £'000
Direct Insurance					
Accident and health	3,924	8,685	(32,197)	(4,270)	31,159
Motor (3 rd Party Liability)	3	6	-	(2)	(2)
Motor (Other Classes)	-	1	(442)	(12)	462
Marine	87	735	8,827	(37)	(9,495)
Aviation	593	6,236	(17,035)	(2,696)	15,629
Transport	202	451	(6,093)	(336)	6,245
Energy-marine	12	63	6,637	150	(6,968)
Energy non-marine	(68)	(108)	(9,448)	(201)	9,916
Fire and other damage to property	4	249	66,207	1,635	(69,385)
Third party liability	(380)	11,338	(59,092)	(5,495)	57,598
Pecuniary	(172)	1,485	(7,222)	(254)	6,192
	<u>3,278</u>	<u>13,883</u>	<u>7,827</u>	<u>(4,995)</u>	<u>(12,764)</u>
Reinsurance acceptances					
Total	£ 7,443	£ 43,024	£ (42,031)	£ (16,513)	£ 28,587
	Gross premiums written 2021 £'000	Gross premiums earned 2021 £'000	Gross claims incurred 2021 £'000	Net operating expenses 2021 £'000	Re- insurance balance 2021 £'000
Direct Insurance					
Accident and health	6,113	12,289	(8,737)	(2,073)	(2,860)
Motor (3 rd Party Liability)	-	11	-	4	(10)
Motor (Other Classes)	9	308	(564)	46	417
Marine	1,046	3,598	(2,568)	(3,152)	(2,032)
Aviation	8,812	11,037	(7,329)	2,863	3,231
Transport	309	1,325	197	(1,188)	(2,694)
Energy-marine	160	476	393	(538)	(891)
Energy non-marine	(52)	288	(1,487)	(438)	858
Fire and other damage to property	498	4,714	(2,251)	(5,473)	(5,539)
Third party liability	31,085	66,946	(42,561)	(12,934)	(7,124)
Pecuniary	2,184	9,199	(1,220)	(3,435)	(11,502)
	<u>50,164</u>	<u>110,191</u>	<u>(66,127)</u>	<u>(26,318)</u>	<u>(13,898)</u>
Reinsurance acceptances	27,033	52,122	(35,664)	(25,591)	591
Total	£ 77,197	£ 162,313	£ (101,791)	£ (51,909)	£ (13,307)

All premiums written were in respect of insurance contracts concluded in the UK.

Riverstone Corporate Capital 5 Limited (Company No. 06198350)

Notes to the Financial Statements

For the year ended 31st December 2022

7. Syndicates

The Company participated wholly on Syndicate 5151. Syndicate 5151's principal activity was the underwriting of direct insurance and reinsurance business in the Lloyd's market. In April 2020, it was announced that the Syndicate would cease underwriting with effect from 31st December 2020 following which the Syndicate was put into an orderly run-off.

Effective 1st January 2023, the liabilities of Syndicate 5151's final remaining open year of account, 2020, were reinsured to close into Syndicate 3500. The Syndicate is now fully closed.

8. Technical Provisions – Claims Outstanding

The change in the provisions for claims outstanding during the year was as follows:

	2022			2021		
	Gross £'000	Reinsurers' Share £'000	Net £'000	Gross £'000	Reinsurers' Share £'000	Net £'000
Reported claims	231,128	(231,128)	-	244,558	(195,761)	48,797
Incurred but not reported	284,814	(284,814)	-	298,255	(234,010)	64,245
Loss adjustment expenses	5,387	-	5,387	4,864	-	4,864
At 1st January	521,329	(515,942)	5,387	547,677	(429,771)	117,906
Claims paid during the year	(143,166)	56,168	(86,998)	(124,352)	239,822	115,470
Claims incurred during the year	42,030	(48,546)	93,514	101,791	(329,120)	(227,329)
Commutation of LPT	-	309,762	309,762	-	-	-
Foreign exchange	41,462	(26,336)	15,125	(3,787)	3,127	(660)
Total movement	(59,674)	291,048	231,373	(26,348)	(86,171)	(112,519)
Reported claims	265,169	(129,426)	135,743	231,128	(231,128)	-
Incurred but not reported	191,936	(95,468)	96,467	284,814	(284,814)	-
Loss adjustment expenses	4,550	-	4,550	5,387	-	5,387
At 31st December	461,655	(224,894)	236,760	521,329	(515,942)	5,387
	2022			2021		
	Gross £'000	Reinsurers' Share £'000	Net £'000	Gross £'000	Reinsurers' Share £'000	Net £'000
At 1 st January	54,777	(54,777)	-	144,625	(55,847)	88,778
Written Premiums	7,443	(6,827)	616	77,197	(405,198)	(328,001)
Earned Premiums	(35,581)	13,132	(22,449)	(162,313)	402,095	239,782
Commutation of LPT	-	33,281	33,281	-	-	-
Foreign Exchange	(3,349)	3,072	(277)	(4,732)	4,173	(559)
Unearned Premium at 31stDecember	£ 23,290	£ (12,119)	£ 11,171	£ 54,777	£ (54,777)	£ -

The initial recognition of reinsurer's share of unearned premium associated with the reinsurance of new liabilities is recognised in the profit and loss account as a gross up to gross premiums written.

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9. Net Operating Expenses

	2022	2021
	£'000	£'000
Acquisition costs	3,629	22,752
Change in deferred acquisition costs	9,143	24,535
Administrative expenses	6,675	4,623
Reinsurer's commissions	<u>(2,934)</u>	<u>(59,667)</u>
	£ 16,513	£ (7,758)

Riverstone Corporate Capital 5 has no employees.

No emoluments were paid by Riverstone Corporate Capital 5 to any Directors or other key management personnel during the year (2021: nil). The emoluments of the Directors and other key management personnel are paid by other companies. The services of the Directors and other key management personnel to Riverstone Corporate Capital 5 are incidental and their emoluments are deemed to be wholly attributable to their services to other companies. Accordingly, no disclosure of emoluments has been made in these financial statements.

The amounts incurred in respect of audit services in relation to Riverstone Corporate Capital 5 are as follows:

	2022	2021
	£'000	£'000
Audit services:		
Fees payable to the auditor's for the audit of the accounts		
The Company	10	10
Syndicate 5151	175	258
Non-audit services:		
Other services pursuant to Regulations and Lloyd's Byelaws	65	61

10. Investment Income

	2022	2021
	£'00	£'000
Income from financial assets at fair value through profit and loss	£ 2,745	£ 4,246

11. Investment Expenses and Charges

	2022	2021
	£'000	£'000
Investment management expenses	£ (157)	£ (283)

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Notes to the Financial Statements
For the year ended 31st December 2022

12. Profit (loss) for the financial year

	2022	2021
	£'000	£'000
The result for the year is stated after (charging) crediting:		
Foreign exchange gain (loss)	£ <u>(2,989)</u>	£ <u>878</u>

*Restated, see note 3(f) for further details

13. Tax on Profit (loss)

	2022	2021
	£'000	£'000
(a) Current tax		
Current tax charge /(credit) for the year	39	(6,781)
Foreign taxes paid	-	(192)
Adjustments in respect of prior years	<u>875</u>	<u>130</u>
Total current tax charge	<u>914</u>	<u>(6,843)</u>
Deferred tax		
Origination and reversal of timing differences:		
Deferred tax credit for the year	-	5,286
Deferred tax change of rate	-	(53)
Deferred tax adjustments in respect of prior years	<u>280</u>	<u>775</u>
Total tax (credit) charge	£ <u>1,194</u>	£ <u>(835)</u>

(b) Factors affecting the tax charge for the year

The corporation tax assessed for the year differs to the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022	2021
	£'000	£'000
Profit (Loss) before tax	£ <u>3,060</u>	£ <u>(3,988)</u>
Profit (loss) before tax multiplied by the UK corporation tax rate of 19% (2021: 19%)	581	(758)
Tax rate change	-	(53)
Permanent adjustments	462	320
Double tax relief utilised	(124)	(802)
Foreign taxes paid	-	(432)
Prior year adjustment	250	906
Foreign exchange differences	<u>25</u>	<u>(15)</u>
Total tax charge (credit) for the year	£ <u>1,194</u>	£ <u>(835)</u>

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14. Other Financial Investments

(a) Other Financial Investments by Category

	Market Value 2022 £'000	Market Value 2021 £'000	Historic Cost 2022 £'000	Historic Cost 2021 £'000
Held at fair value through profit and loss				
Holdings in collective investment schemes	4,263	13,552	4,263	13,552
Fixed interest securities	171,269	206,896	172,013	210,633
Floating interest rate securities	-	943	-	943
	<u>£ 175,532</u>	<u>£ 221,391</u>	<u>£ 176,276</u>	<u>£ 225,128</u>

Included in the market values above are £165.1m (2021: £201.5m) in respect of listed investments.

(b) Listed Investments

Included in carrying values of financial assets above are amounts in respect of listed investments as follows:

	2022 £'000	2021 £'000
At fair value through profit and loss		
Shares and other variable yield securities and units in unit trusts	-	-
Debt securities and other fixed interest securities	<u>171,269</u>	<u>207,839</u>
Total listed investments	<u>£ 171,269</u>	<u>£ 207,839</u>

Disclosures of Fair Values in Accordance with the Fair Value Hierarchy

	Level 1 2022 £'000	Level 2 2022 £'000	Level 3 2022 £'000	Total 2022 £'000
Debt and other fixed income securities	171,269	-	-	171,269
Holdings in collective investment schemes	<u>-</u>	<u>-</u>	<u>4,263</u>	<u>4,263</u>
	<u>£ 171,269</u>	<u>£ -</u>	<u>£ 4,263</u>	<u>£ 175,532</u>
	Level 1 2021 £'000	Level 2 2021 £'000	Level 3 2021 £'000	Total 2021 £'000
Debt and other fixed income securities	-	207,839	-	207,839
Holdings in collective investment schemes	<u>362</u>	<u>8,592</u>	<u>4,599</u>	<u>13,532</u>
	<u>£ 362</u>	<u>£ 216,431</u>	<u>£ 4,599</u>	<u>£ 221,391</u>

Level 3 investments valuations are based on third party broker quotes.

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(d) Level 3 Pricing

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.

(f) Collateralised Cash and Investments

Riverstone Corporate Capital 5 maintains a letter of credit facility, Lloyd's trust funds and overseas deposits in respect of its contractual obligations under which Riverstone Corporate Capital 5 is obliged to collateralise its insurance liabilities.

15. Debtors Arising Out of Direct Insurance Operations

	2022 £'000	2021 £'000
Amounts owed from intermediaries	£ 4,724	£ 16,511

16. Debtors Arising Out of Reinsurance Operations

	2022 £'000	2021 £'000
Due from ceding insurers and intermediaries	13,117	-
Due from reinsurers and intermediaries	28,271	119,557
	£ 41,388	£ 119,557

17. Called up Share Capital

	2022	2021
Authorised:		
100 ordinary shares of £1 each	£ 100	£ 100
 Allotted and fully paid:		
Ordinary shares of £1 each		
At 1 January	9	9
Issued during the financial year	-	-
At 31 December	£ 9	£ 9

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18. Creditors Arising Out of Direct Insurance Operations

	2022 £'000	2021 £'000
Amounts owed to intermediaries	£ -	£ (2,628)

19. Creditors Arising Out of Reinsurance Operations

	2022 £'000	2021 £'000
Due to ceding insurers and intermediaries	-	(2,167)
Due to reinsurers and intermediaries	14,548	290,019
	£ 14,548	£ 287,852

20. Other Creditors Including Tax and Social Security

	2022s £'000	2021 £'000
Insurance premium tax	335	-
Tax and social security	1,623	-
Other creditors	52	73
	£ 2,010	£ 73

21. Deferred Tax Asset

	2022 £'000	2021 £'000
At 1 st January	280	6,325
Recognition of future timing differences	-	-
Movement in the financial year – P&L	905	(5,286)
Prior year adjustment	(605)	(775)
Deferred tax rate change	-	53
Foreign exchange difference	(20)	(36)
At 31st December	£ -	£ 280

Deferred tax is provided on the annually accounted technical result of the 2021 and 2022 years of account which remains undistributed at 31st December 2022. An asset is only recognised where forecasts show that the taxable loss will be utilised in the foreseeable future. As at 1st April 2023 the corporation tax rate is expected to change from 19% to 25%

22. Pledged and Restricted Assets

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Funds at Lloyd's to support Syndicate 5151 are provided by Riverstone Corporate Capital 5. These funds may only be released with the permission of Lloyd's when they exceed the capital required to be maintained by Riverstone Corporate Capital 5 for Lloyd's solvency purposes.

23. Related Party Transactions and Immediate and Ultimate Parent Company

Riverstone Corporate Capital 5 is a wholly owned subsidiary of RiverStone Holdings Limited ("RiverStone Holdings") which is registered in England and Wales. The ultimate holding company is RiverStone International Holdings Limited ("RiverStone International") which is registered in Jersey. The majority of the shares in RiverStone International are held by controlling party CVC Capital Partners Strategic Opportunities II LP. Exemption has been taken under FRS102 section 33.1A to not disclose group related balances.

24. Subsequent Events

The only open year of account of Syndicate 5151, 2020, was closed into Syndicate 3500 as of 1st January 2023.