PREMIA UK HOLDINGS 2 LTD

ANNUAL REPORT & FINANCIAL STATEMENTS

2020

CONTENTS

PREMIA UK HOLDINGS 2 LTD

CORPORATE INFORMATION

DIRECTORS

C.M. Grint (Appointed 28/10/2020)

S.L. Maries (Appointed 23/07/2020)

SECRETARY

TMF Corporate Administration Services Limited

8th Floor, 20 Farringdon Street

London

EC4A 4AB

AUDITORS

Deloitte LLP

1 New Street Square

London

EC4A 3HQ

BANKERS

NatWest Bank, London

REGISTERED OFFICE

The Minster Building

21 Mincing Lane

London

EC3R 7AG

REGISTERED NUMBER

Registered in England No. 12117638

STRATEGIC REPORT

The Directors of the Group present the strategic report for the period 23 July 2019 to 31 December 2020.

Principal Activities

The Company was incorporated on 23 July 2019. On 28 August 2020 the company acquired 100% of the share capital of BD Cooke Investments Limited and its subsidiaries. The accounting period end was extended to 31 December 2020 to bring the period end in line with the companies within the Group.

The main subsidiary undertaking, The Dominion Insurance Company Limited, ceased to trade in December 1994 and entered into solvent run-off. Since that time the Company's main activity has been the settlement and administration of claims and the collection of reinsurance. The majority of the liabilities outstanding relate to "long-tail" North American liability business including Environmental Pollution and Asbestos related claims.

Statement by the Directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006.

The Directors of the Group consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole in the decisions taken during the period ended 31 December 2020 in accordance with s172(1)(a-f) of the UK Companies Act 2006.

The Group's principle objective during the year was to continue to meet it's long term objective of paying the valid claims of the Group's principle stakeholders, its policyholders, as and when they fell due. This has been the principle objective of the Group for many years.

The key risks associated with achieving this objective are set out in the Risk Register which is a standing item on the agenda of the quarterly board meetings.

At subsidiary level an annual report is produced which is designed to demonstrate how these risks have been effectively identified, evaluated, managed and mitigated over the past year. This report is named the Own Risk and Solvency Report (ORSA) and is required to be submitted to the regulator for their scrutiny.

The decisions of the Directors made during the period take into account the impact on the long term objective set out above and are made with reference to the current Risk Register and ORSA.

The decisions of the Directors made during the period take into account their aim to keep any direct environmental impact to a minimum.

Employee welfare is of key concern to the Directors and is a standing item on the agenda of the quarterly Board meetings. The staff are invited to quarterly staff meetings chaired by the Managing Director at which they are to provide with information on matters of concern and invited to raise any issues. Each staff member has an annual one to one review with the Managing Director. The Group's success in employee relations in demonstrated by the average length of service which is in excess of 30 years.

Following the onset of COVID 19 and its resultant lockdown staff have been issued company laptops and remote working has been made available to enable staff to predominantly work from home. There has been no impact on the Companys ability to continue with day to day operations and Government safety guidelines have been adhered to in the office to ensure the safety of staff who have had to work at the business premises.

STRATEGIC REPORT (continued)

Key Performance Indicators

	2020
	$'000
Balance on technical account – general business	(1,682)
Profit/(Loss) for the financial period	(1,682)
Capital and reserves	(7,809)
Investment Income/(Expense)	311

Gross Paid Claims	5,291
Gross Reserves	135,971
Asbestos and Pollution Related Gross Reserves (Undiscounted)	99,159
Reinsurance Reserves	125,396

There is a loss in the current period following the Quota Share Reinsurance contract entered into on 1 September 2020. The aim of the Quota Share Reinsurance contract was to reduce the technical provisions of the subsidiaries Dominion Insurance Company Limited and Trent Insurance Company Limited therefore reducing the risk of the subsidiaries and enabling them to met Solvency Capital Requirements for the first time. However the effect of the contract for the period in relation to the reduction of the discount on those technical provisions has produced the loss for the year in the income statement.

The insurance business recorded a negative result of $3.4m in the period.

The Groups' information systems provide the ability to analyse claims. The subsidiaries companies continues to seek ways to ensure that its processes and administration are performed efficiently and this has resulted in a relatively stable level of operating expenses over the last few years.

The capital and reserves of the Group at 31 December 2020 were negative $7.8m.

Principal risks and uncertainties

The principal risks and uncertainties facing the Group are broadly grouped as: insurance, regulatory and financial instrument risk.
The risk management objectives and policies are driven by the need to protect the Groups regulatory capital position, to meet obligations to policyholders when they fall due and to have the financial strength to conduct the run-off in an orderly fashion.

Insurance risk
The principal risk the Group faces under insurance risk is that actual claims payments or the timing thereof differ from expectation. This is influenced by frequency of claims, severity of claims, actual benefits paid and subsequent development of claims.
There are considerable uncertainties in the provision for claims outstanding. This is in part due to the long term nature of the claims and in part the vagaries of the American legal system. The Group constantly assesses its exposures and wherever possible seeks to make favourable settlements.

Reinsurance recoveries are reviewed on a regular basis and where it is commercially viable to do so commutations are concluded with reinsurers. Such commutations convert long term reinsurance recoveries into present day cash and investments.

Regulatory risk
The subsidiaries of the Group are subject to regulation by the Prudential Regulation Authority (“PRA”). The PRA rules stipulate that sufficient margins of regulatory solvency be maintained and that customers are treated fairly. The Group's subsidiary insurance companies met the solvency capital requirements under Solvency II during the period to 31 December 2020.

STRATEGIC REPORT (continued)

Financial instrument risk

The Group has established a risk and financial management framework, the primary objective of which is the protection of the Group from potential events that may hinder its performance.

The main risks facing the Group are:

▪ Price risk: Reduction in the fair value of investments through market fluctuations will restrict the assets available to meet policyholders' entitlements. The risk is mitigated by holding investments with a maturity profile which matches the estimated claims settlement pattern by currency in order to minimise exchange and reinvestment risk.

▪ Interest rate risk: Movements in interest rates will impact the value of fixed interest securities relative to the value of the related liabilities. This risk is managed by an effective asset liability management strategy.

▪ Cash flow risk: Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability such as future interest payments on a variable debt rate. The Group manages this risk by holding cash and investments with a maturity profile which matches the estimated claims settlement pattern by currency.

▪ Liquidity risk: Liquidity risk is the risk that an insurance company will encounter difficulties in meeting obligations associated with financial liabilities. The Group aims to mitigate liquidity risk by monitoring cash generation from its operations. In addition, illiquidity in market trading may bring about an inability to close out a particular position resulting in less liquid assets to meet obligations. This is mitigated by investing primarily in listed investments.

▪ Credit risk: Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. Group policies are aimed at minimising such losses through careful selection and monitoring of third parties. The main credit risk the Group faces is from the inability of reinsurers to meet the obligations assumed under reinsurance arrangements. This is mitigated by placing reinsurance with reputable reinsurers and monitoring limits and receivables at regular intervals.

These risks are covered in substantial detail in note 20 to the financial statements.

By Order of the Board

C.Grint
Director
26 July 2021

DIRECTORS' REPORT

Registered in England No. **12117638**

The Directors present their report and the financial statements for the period 23 July 2019 to 31 December 2020. These are the first set of financial statements since incorporation.

DETAILS OF THE DIRECTORS

The following Directors held office during the period:

C.M. Grint	Appointed 28/10/2020
S.L. Maries	Appointed 23/07/2019
Zsolt Szalkai	Appointed 18/09/2019 Resigned 28/10/2020

RESULTS AND DIVIDENDS

The loss for the period after taxation amounted to $1,682,052.05.

The Directors do not recommend the payment of a dividend.

FINANCIAL INSTRUMENTS

Details of financial instruments are provided in the Strategic Report.

RESEARCH AND DEVELOPMENT

The Group has not undertaken any research and development activities during the period.

CHARITABLE AND POLITICAL DONATIONS

No donations were made for charitable or political purposes during the period.

STAFF AND PENSION SCHEME

The retention of key employees has been achieved through flexible working conditions. The average length of service is in excess of 30 years and staff turnover is negligible.

The Group operates a defined contribution scheme.

ENVIRONMENTAL IMPACT

The Group considers that its direct environmental impact is minimal. The Group has internal processes in place which ensures that the majority of the waste from its Orpington office are recycled.

Currently there are no explicit policies or key performance indicators used to shape or measure our environmental impact. Instead, this is managed as a general corporate aim.

GOING CONCERN

The Groups' business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, details of its financial instruments, and its exposures to price, credit, liquidity and cash flow risk are described in the Strategic Report.

The onset of COVID-19 and the need to provide for remote working have not impacted the ability of the Group to continue with its day to day operations. Furthermore, the slowdown of economic activities due to Covid-19 and its resultant lockdown as well as Brexit and its resultant political uncertainties also have not impacted the Group's activities or financial performance and position. The majority of the Group's underwritten insurance policies are asbestos, pollution and health hazard policies and are not in the nature that provoke significant claims as a result of the COVID-19 outbreak and Brexit. As the main subsidiary ceased trading in 1994 and entered into solvent run-off it is therefore not impacted by the economic slowdown. It is therefore considered that there is no impact of COVID-19 and Brexit on the Group's ability to continue as a going concern.

GOING CONCERN (continued)

Additionally, there are no other material uncertainties which may cast significant doubt upon the Group's ability to continue as a going concern. Although the net asset position of the Group at 31 December 2020 is negative, there is negative goodwill of $22.9m due to the bargain gain on the acquisition of BD Cooke Investments and its subsidiaries. With effect from 1 September 2020, the reinsurance contract covers 100% quota share of USD asbestos, pollution and health hazard claim liabilities. The reinsurance obligations undertaken by Premia Reinsurance Limited are collateralised by the investment grade assets the value of which exceeds the total reinsurance asset recognised against the above arrangement as at 31 December 2020. The subsidiaries, The Dominion Insurance Company Ltd and Trent Insurance Company Ltd are the sole beneficiaries of the Trust. The Group's investment portfolio and cash value of $36.5m is in excess of the remaining insurance liabilities plus run-off provisions totalling $24.9m. The Directors therefore have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

FUTURE DEVELOPMENTS

The Groups' long term objective is to ensure that it will continue to be able to pay all current and future valid claims as and when they fall due. The Group will continue to carry out its existing strategies of closely monitoring claims developments and minimising relevant risks as outlined above. There are no known changes to the American legal system or other outside factors that might affect the way claims are currently being assessed. There are no known new major claim types anticipated that could impact the Group.

EVENTS SINCE THE REPORTING DATE

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. All relevant events since the reporting date have been declared in Note 28. Having made enquiries of fellow directors and the auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

APPOINTMENT OF AUDITORS

On 23 October 2020 the board appointed Deloitte LLP to be auditor of the Group to hold office until the end of the next period for appointing auditor under section 495 of the Companies Act 2006.

By Order of the Board

C.Grint
Director
26 July 2021

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and FRS 103 "Insurance Contracts". Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Groups' transactions and disclose with reasonable accuracy at any time the financial position of the Company and of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor’s report to the members of Premia UK Holdings 2 Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Premia UK Holdings 2 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 2020 and of the group’s profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated statement of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 28.

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 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, 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 – Material uncertainty related to technical provisions valuation

We draw attention to notes 1.4, 17 and 21 of the financial statements, which describe the uncertainties in relation to determining the technical provisions associated with asbestos and environmental pollution claims and the associated run-off provision. The valuation of technical provisions, in particular the level of IBNR (incurred but not reported) associated with asbestos and environmental reserves, has significant estimation uncertainty with a potential range of possible outcomes significantly exceeding our materiality for financial statements as a whole. The ultimate gross liability which is currently estimated at $136 million and the run-off provison is estimated at $8m could vary significantly as a result of subsequent information or developments which may result in material adjustment to the amount currently recorded in the financial statements and consequent debit or credit adjustment to profit and loss. Our opinion is not modified in respect of this matter.

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.

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.

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.

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.

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 group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the group 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 group's ability to operate or to avoid a material penalty. These included those imposed by the Financial Conduct Authority ('FCA'), the Prudential Regulation Authority ('PRA') and the group's regulatory solvency requirements.

We discussed among the audit engagement team including significant component audit teams and relevant internal specialists such as actuarial 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.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the valuation of claims outstanding which includes a run-off provision.

For the valuation of claims outstanding, we performed the following procedures:

• We obtained an understanding of the end to end reserving process including the relevant controls over the data, assumptions and models used in reserving.

• We substantively tested the underlying claims data by agreeing back to source systems and third party support to provide assurance over the completeness and accuracy used in the company's reserving process

• We have worked with our Deloitte actuarial specialists to assess and challenge the appropriateness of the methodology and assumptions used by management in setting the company's claims outstanding. This challenge included:

o Assessment of the competence, capability and objectivity of management's expert in their role in calculating the claims outstanding;

o Assessment of management's methodology and assumptions against market practice including their assessment of the sensitivities based on our market knowledge and industry data where available; and

o In relation to US exposures, estimation of gross and net independent reserving ranges for exposures using Deloitte's benchmarking model.

• In respect of the valuation of the of the run-off provision we performed the following procedures:

o Assessment of management's historical budgets compared to actual experience and consideration of the assumptions underpinning management's future assumed forecasted expenses; and

o Performance of an independent recalculation of the forecast costs using management's data and forecasts.

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, directors and 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 correspondence with the FCA, PRA and HMRC.

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 period 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 of 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.

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 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; 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.

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.

Claire Clough FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

26 July 2021

TECHNICAL ACCOUNT - GENERAL BUSINESS

		Note	
Reinsurance premiums			82,898
Earned premiums, net of reinsurance			(82,898)
Investment income		9	156
Unrealised gain on investments		9	203
Investment expenses and charges		9	(48)
Other income		12	1,366
TOTAL TECHNICAL INCOME			(81,221)
CLAIMS INCURRED NET OF REINSURANCE			
Claims paid	- gross amount		5,291
	- reinsurer's share		(3,426)
	- net of reinsurance	3	1,865
Change in claims outstanding	- gross amount		(9,660)
	- reinsurer's share		(71,744)
	- net of reinsurance	3	(81,404)
Claims incurred net of reinsurance		3	(79,539)
TOTAL CLAIMS AND EXPENSES			(79,539)
BALANCE ON TECHNICAL ACCOUNT FOR GENERAL BUSINESS			(1,682)
NON-TECHNICAL ACCOUNT			
BALANCE ON TECHNICAL ACCOUNT FOR GENERAL BUSINESS			(1,682)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION			(1,682)
Tax on profit on ordinary activities		5	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES			(1,682)

The notes on pages 21 - 45 form part of these financial statements.

PREMIA UK HOLDINGS 2 LTD

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the period from 23 July 2019 to 31 December 2020

	Notes	2020
		$'000
Loss for the financial period attributable to members of the parent company		(1,682)
Total Comprehensive Loss for the period		(1,682)

The notes on pages 21 - 45 form part of these financial statements.

ASSETS		
INTANGIBLE FIXED ASSETS		
Negative Goodwill		(22,933)
Intangible asset		7,670
	12	(15,263)
INVESTMENTS		
Other financial investments	11	24,016
		24,016
TECHNICAL PROVISIONS		
Claims outstanding - reinsurers share	17	105,877
DEBTORS		
Debtors arising out of reinsurance operations		265
Other debtors		538
		803
OTHER ASSETS		
Tangible assets	13	22
Land and buildings	10	2,385
Cash at bank and in hand	26	12,466
		14,873
PREPAYMENTS AND ACCRUED INCOME		
Accrued interest and rent		283
Other prepayments and accrued income		362
		645
TOTAL ASSETS		130,951
EQUITY AND LIABILITIES		
SHAREHOLDER'S EQUITY		
Called up share capital	16	-
Profit and loss account		(1,682)
Distribution		(6,127)
Total capital and reserves		(7,809)
LIABILITIES		
TECHNICAL PROVISIONS		
Claims outstanding - gross amount	17	129,912

CREDITORS

Creditors arising out of direct insurance operations		-
Creditors arising out of reinsurance operations	18	58
Other creditor		8,371
		8,429
ACCRUALS AND DEFERRED INCOME		419
TOTAL LIABILITIES		138,760
TOTAL EQUITY and LIABILITIES		130,951

Approved at a meeting of the Board of Directors on 26 July 2021 and signed on its behalf

C.Grint
Director

The notes on pages 21 - 45 form part of these financial statements.

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PREMIA UK HOLDINGS 2 LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the period from 23 July 2019 to 31 December 2020

	Share capital	Profit and loss account	Total
	$'000	$'000	$'000
At 23 July 2019	-	-	-
Total Comprehensive Loss for the period	-	(1,682)	(1,682)
Distribution	-	(6,127)	(6,127)
At 31 December 2020	-	(7,809)	(7,809)
At 1 January 2019	-	16,596	16,596
Total Comprehensive Loss for the year	-	(467)	(467)
At 31 December 2019	-	16,129	16,129

ASSETS		
FIXED ASSETS		
Investments in subsidiary undertakings	15	7,553
TOTAL ASSETS		7,553
EQUITY AND LIABILITIES		
SHAREHOLDER'S EQUITY		
Called up share capital	16	-
Profit and loss account		(866)
Total capital and reserves		(866)
CREDITORS		
Other creditor		8,371
		8,371
ACCRUALS AND DEFERRED INCOME		48
TOTAL EQUITY and LIABILITIES		7,553

Approved at a meeting of the Board of Directors on 26 July 2021 and signed on its behalf

C.Grint
Director

The notes on pages 21 - 45 form part of these financial statements.

PREMIA UK HOLDINGS 2 LTD

CONSOLIDATED STATEMENT OF CASHFLOWS
for the period from 23 July 2019 to 31 December 2020

	Notes	2020 $'000
Loss on ordinary activities before tax		(1,682)
Depreciation of tangible assets	13	4
Distribution arising on Quota Share R/I contract		(6,127)
Movement in general insurance outstanding claims from acquisition		(9,634)
Movement in reinsurers’ share of outstanding claims from acquisition		(65,618)
Negative Goodwill written off		(1,366)
Realised and unrealised investment gains including foreign exchange		306
Decrease in debtors since acquisition		312
Increase in creditors since acquisition		7,596
NET CASH OUTFLOW FROM OPERATING ACTIVITIES		(76,209)
INVESTING ACTIVITIES		
Purchases of debt and equity instruments		(586)
Sales of debt and equity instruments		88,502
Purchase of Subsidiary		(5,568)
NET CASH FLOW FROM INVESTING ACTIVITIES		82,348
Increase in cash and cash equivalents		6,139
Cash and cash equivalents at acquisition		6,286
Exchange differences on cash at acquisition		41
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	26	12,466

The notes on pages 21 - 45 form part of these financial statements.

1 ACCOUNTING POLICIES

1.1 Statement of compliance

Premia UK Holdings 2 Limited is a limited liability company incorporated in England. The Registered Office is The Minster Building, Mincing Lane, London EC3R 7AG. The financial statements cover those of the individual entity and are prepared as at 31 December 2020 for the period ended 31 December 2020.

The Company was incorporated on 23 July 2019 and on 28 August 2020 the company acquired 100% of the share capital of BD Cooke Investments Limited and its subsidiaries. The accounting period end was extended to 31 December 2020 for the first accounting period to bring this in line with the other companies in the Group.

The financial statements have been prepared for the first time and are in compliance with FRS 102 and FRS 103, being applicable UK GAAP accounting standards, and in accordance with the provisions of Schedule 3 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations relating to insurance companies.

The financial statements are prepared under the historical cost convention except for land and buildings and certain financial instruments which are measured at fair value.

1.2 Basis of preparation

The group's financial statements for the period ended 31 December 2020 were approved for issue by the Board of Directors on 26 July 2021.

The financial statements, which consolidate the financial statements of the Company and its subsidiary undertakings, are prepared in US dollars which is the presentation and functional currency of the Group and rounded to the nearest $’000.

The financial statements are being prepared for the first time so comparatives are unavailable.

The Company has taken the advantage of the exemption under Section 408 of the Companies Act 2006 and is not presenting a Company Income Statement. The loss dealt with in the financial statements of the parent company for the period is $866,256.

The Directors consider that the going concern basis of accounting is appropriate. This is discussed in the Directors' Report.

The onset of COVID-19 and the need to provide for remote working have not impacted the ability of the Group to continue with its day to day operations. Furthermore, the slowdown of economic activities due to Covid-19 and its resultant lockdown as well as Brexit and its resultant political uncertainties also have not impacted the Group's activities or financial performance and position. The majority of the Group's underwritten insurance policies are asbestos, pollution and health hazard policies and are not in the nature that provoke significant claims as a result of the COVID-19 outbreak and Brexit. As the main subsidiary ceased trading in 1994 and entered into solvent run-off it is therefore not impacted by the economic slowdown. It is therefore considered that there is no impact of COVID-19 and Brexit on the Group's ability to continue as a going concern.

Additionally, there are no other material uncertainties which may cast significant doubt upon the Group's ability to continue as a going concern. Although the net asset position of the Group at 31 December 2020 is negative, there is negative goodwill of $22.9m due to the bargain gain on the acquisition of BD Cooke Investments and its subsidiaries. With effect from 1 September 2020, the reinsurance contract covers 100% quota share of USD asbestos, pollution and health hazard claim liabilities. The reinsurance obligations undertaken by Premia Reinsurance Limited are collateralised by the investment grade assets the value of which exceeds the total reinsurance asset recognised against the above arrangement as at 31 December 2020. The subsidiaries, The Dominion Insurance Company Ltd and Trent Insurance Company Ltd are the sole beneficiaries of the Trust. The Group's investment portfolio and cash value of $36.5m is in excess of the remaining insurance liabilities plus run-off provisions totalling $24.9m. The Directors therefore have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1 ACCOUNTING POLICIES - continued

The Group has also taken advantage of the exemption permitted by FRS 102 Section 33, Related Party Disclosure, not to disclose amounts involved in contracts between members of a group where a party to the transaction is a wholly-owned subsidiary.

1.3 Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and all of its subsidiaries made up at 31 December 2020.

The group financial statements consolidate the financial statements of Premia UK Holdings 2 Ltd and the entities in controls (its subsidiary undertakings) drawn up to 31 December each year.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of subsidiary undertakings are prepared for the same reporting date as the parent company, using consistent accounting policies. The consolidated profit and loss account includes 4 months of the results of the subsidiaries and are computed in accordance with generally accepted accounting principles applicable to insurance companies. All inter-company balances and transactions are eliminated.

1.4 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates. The following are the Group's key sources of estimation uncertainty:

Insurance contract technical provisions

For insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred, but not yet reported, at the reporting date (IBNR). It can take a significant period of time before the ultimate claims cost can be established with certainty and in total, IBNR claims form the majority of the liability in the statement of financial position.

The Group uses a combination of exposure based techniques together with standard actuaries claims projection techniques such as the chain ladder method to arrive at a best estimate of the ultimate cost of outstanding claims.

The exposure based techniques are used for long tail APH claims which represent more than 90% of the technical reserves. The Group maintains a database of historical claims paid information and current notified reserves together with policy information including lines and limits underwritten. This information is used to estimate a range of possible ultimate claims amounts, together with a best estimate. The Group adopts the best estimate amount as the basis for its technical claims provisions reported in the statement of financial positions.

There is significant estimation uncertainty as to the amounts at which these claims will be ultimately settled and the amounts which may be recoverable from reinsurers because of the long-tail natures of the claims and the absence of clarity in the legal position, See note 1.5 and 17 for further details.

Revaluation of mixed use property

Mixed use property is measured at fair value, with changes in fair value being recognised in profit or loss. The Group engaged independent valuation specialists to determine fair value at 31 December 2018. A valuation has taken place in the prior year as the property is revalued every 3 years. The valuer used a valuation technique based on an open market basis. The determined fair value of the mixed use property is most sensitive to the estimated yield as well as the long term vacancy rate. The key assumptions used to determine the fair value of mixed use property are further explained in Note 10.

Additionally FRS 102 Section 17.8 states that Land and Buildings are separable assets, and an entity shall account for them separately, even when they are acquired together. The Directors have considered the property in the light of the reporting regulations and the most recent valuation and conclude that the fair value of the land of the mixed use property is materially equal to the latest valuation of the property. As the value of the land is considered to materially equal the fair value of the property, management considers there to be no need for depreciation of the building.

Taxation

The Group establishes provisions based on reasonable estimates.
Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits. Further details are contained in Note 5.

1.5 Significant accounting policies

Insurance contracts

Product classification

Insurance contracts are those contracts when the insurer has accepted significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.

Claims

Claims include all claims occurring during the period, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

Claims outstanding

The provision for claims outstanding (note 17) is based on the estimated ultimate cost of all claims notified but not settled by the balance sheet date, claims incurred but not reported together with the provision for related claims handling costs. Provisions are calculated allowing for reinsurance recoveries and a separate asset is recorded for the reinsurers’ share, having regard to collectability.

Net operating expenses paid in the year are classified as claims handling expenses paid (note 3).

The claims provision includes amounts in respect of potential claims relating to environmental pollution and asbestos related claims. These claims are not expected to be settled for many years and there is considerable uncertainty as to the amounts at which they will be settled. Legislative and judicial actions to date concerning environmental pollution have failed to determine the basis of liability to indemnify losses.

The level of the provisions for these losses has been set on the basis of the information which is currently available including potential outstanding claims advices and case law. The Directors take appropriate advice in setting an appropriate level of provision. The methods used, and the estimates made, are reviewed regularly. The level of related reinsurance recoveries is dependent upon both the accuracy of the estimated gross technical provisions and the ultimate ability to pay off the underlying security.

1 ACCOUNTING POLICIES - continued

The claims incurred but not reported amount is based on estimates calculated using statistical techniques in consultation with appropriate advisors. The techniques generally use projections, based on past experience of the development of claims over time, to form a view on the likely ultimate claims to be experienced. In addition, factors such as knowledge of specific events and terms and conditions of policies are taken into account. The critical assumption used when estimating claims provisions is that past experience is a reasonable predictor of likely future claims development.

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, there exists considerable uncertainty in respect of the ultimate liability as this will vary as a result of subsequent information and events and may result in material adjustments to the amount provided. Any difference between provisions at the balance sheet date and settlements and provisions in the following year is included in the underwriting result for that year.

Reinsurance assets
The Group cedes insurance risk in the normal course of business for all of its businesses. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

Reinsurance assets are reviewed for impairment at each reporting date, or more frequently, when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the company may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer. The impairment loss is recorded in the statement of profit or loss.

Gains or losses on buying reinsurance are recognised in the statement of profit or loss immediately at the date of purchase and are not amortised. During the year the Company has recognised losses following the Quota Share Reinsurance contract which came into effect on 1 September 2020. This contract is described in note 25.

Ceded reinsurance arrangements do not relieve the Group from its obligations to policyholders.

Insurance Receivables
Insurance receivables are recognised when due and measured on initial recognition at the fair value of the consideration received or receivable. Subsequent to initial recognition, insurance receivables are measured at amortised cost, using the effective interest rate method. The carrying value of insurance receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the statement of profit or loss.
Insurance receivables are derecognised when the derecognition criteria for financial assets have been met.

Insurance Payables
Insurance payables are recognised when due and measured on initial recognition at the fair value of the consideration received less directly attributable transaction costs.
Subsequent to initial recognition, they are measured at amortised cost using the effective interest rate method. Insurance payables are derecognised when the obligation under the liability is settled, cancelled or expired.

1 ACCOUNTING POLICIES - continued

Foreign Currencies
The Group's functional currency and presentational currency is US Dollars.
Transactions in sterling are translated at the average rate of exchange during the period. Transactions in other foreign currencies are translated at the rate of exchange ruling at the date of the transaction.
All assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the year.
Exchange differences are included in the Claims Incurred Net of Reinsurance within the Income Statement.

Impairment of non-financial assets

The Group assesses at each reporting date whether an asset may be impaired. If any such indication exists the company estimates recoverable amount of the asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group estimates, the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through an impairment in profit and loss unless the asset is carried at a revalued amount where the impairment loss of a revalued asset is a revaluation decrease.

An impairment loss recognised for all assets, including goodwill, is reversed in a subsequent period if and only if the reasons for the impairment loss have ceased to apply.

Financial investments

As permitted by FRS 102, the company has elected to apply the recognition and measurement provisions of IAS 39 - Financial Instruments (as adopted for use in the EU) to account for all of its financial instruments.

The group classifies its financial investments as either financial assets at fair value through profit or loss, loans and receivables or available for sale. The group determines the classification of its financial assets at initial recognition.

Financial assets are initially recognised at fair value plus, in the case of instruments not at fair value through profit or loss, directly attributable transaction costs.

The classification depends on the purpose for which the investments were acquired or originated. In general, financial assets are classified as fair value through profit or loss as the Group's documented investment strategy is to manage financial investments acquired on fair value basis. The available for sale category is used only in cases when the investments are passively managed.

1 ACCOUNTING POLICIES - continued

All regular way purchases and sales of financial assets are recognised on the trade date i.e., the date the group commits to purchase or sell the asset. Regular way purchases or sales of financial assets require delivery of assets within the time frame generally established by regulation or convention in the market place.

Financial assets at fair value through profit or loss has two sub categories namely financial assets held for trading and those designated at fair value through profit or loss at inception. Investments typically bought with the intention to sell in the near future are classified as held for trading as are all derivatives, including embedded derivatives, that are not designated as hedging instruments. For investments designated as at fair value through profit or loss, the following criteria must be met:

- the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on a different basis; or
- the assets and liabilities are part of a group of financial assets, financial liabilities or both which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

These investments are initially recorded at fair value. Subsequent to initial recognition, these investments are re-measured at fair value at each reporting date. Fair value adjustments and realised gains and losses are recognised in the profit and loss account.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Fair value of financial assets

The Group uses the following hierarchy for determining the fair value of financial instruments by valuation technique:

● Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted price is usually the bid price.

● Level 2: when quoted prices are unavailable the instrument is valued using inputs that are observable either directly or indirectly including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs that are observable such as interest rates and yield curves observable at commonly quoted intervals, implied volatility or credit spreads and market-corroborated inputs.

● Level 3: when observable inputs are not available, unobservable inputs are used to measure fair value by use of valuation techniques. The objective of using the valuation technique is to estimate what the fair value would have been on the measurement date.

See Note 11 for details of financial instruments classified by fair value hierarchy.

1 ACCOUNTING POLICIES - continued

Impairment of financial assets

For financial assets not held at fair value through profit or loss, the Group assesses at each reporting date whether the financial asset or group of financial assets is impaired. The Group first assesses whether objective evidence of impairment exists for financial assets. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment.

For assets carried at cost, if there is objective evidence that an impairment loss on an unquoted equity investment that is not carried at fair value, because its fair value cannot be reliably measured, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return of a similar asset.

Derecognition of financial assets

A financial asset or, when applicable, a part of a financial asset is derecognised when:

● The rights to the cash flows from the asset have expired; or

● The Group retains the right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset; or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards nor transferred control of the asset, the asset is recognised to the extent of the group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay. In that case, the group also recognises an associated liability.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if:

● There is a currently enforceable legal right to offset the recognised amounts; and

● There is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1 ACCOUNTING POLICIES - continued

Investment return

Dividends are recognised when the investments to which they relate are declared 'ex-dividend'. Rent is recognised on an accrual basis. Interest income is recognised on a time proportionate basis taking into account effective interest yield.

Unrealised and realised gains and losses on financial investments are recognised based on the appropriate classification of financial investments and are covered in detail under the accounting policy for financial investments.

All actual investment returns are on investments supporting the general insurance technical provisions. As all investment returns would be allocated from the non-technical account to the technical account they are reported directly in the technical account.

Tangible Fixed Assets

Expenditure on computer equipment, furniture and fixtures, and office equipment is capitalised and depreciated over the estimated useful economic lives of the assets on a straight line basis. The periods used are as follows:

Computer equipment	3 years
Furniture and fixtures	4 years
Office equipment	4 years

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Pension Costs

The Group operates a defined contribution scheme. Group contributions paid and accrued during the period are charged in the Income Statement.

1 ACCOUNTING POLICIES - continued

Taxation

Current tax

Current tax liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.
Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Deferred tax

Deferred tax is recognised in respect of all timing differences, which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- where there are differences between amounts that can be deducted for tax for assets (other than goodwill) and liabilities compared with the amounts that are recognised for those assets and liabilities in a business combination a deferred tax liability/(asset) shall be recognised. The amount attributed to goodwill is adjusted by the amount of the deferred tax recognised; and
- unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Dividends

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the shareholders. Interim dividends are deducted from equity when they are paid.

Goodwill

Goodwill arising on consolidation has been capitalised and is amortised through the Income Statement over a period of 10 years.

2 ANALYSIS BY CLASS OF BUSINESS

The underwriting result is analysed as follows:

2020	Third party liability $'000
Gross Premium Written - UK	(82,898)
Gross Premium Earned	(82,898)
Gross Claims Incurred	(4,369)
Reinsurance balance	(75,170)

The reinsurance balance is the aggregate total of all those items included in the technical account which relate to reinsurance outwards transactions including items recorded as reinsurance commissions and profit participation.

3 CLAIMS INCURRED NET OF REINSURANCE

2020	Gross $'000	Reinsurance $'000
Claims paid	3,524	3,426
Claims handling expenses paid	1,767	-
	5,291	3,426
Outstanding claims carried forward (note 17)	129,912	105,877
Outstanding claims at acquisition	139,547	40,260
Exchange	25	-
Revalued Outstanding claims brought forward	139,572	40,260
Distribution Adjustment	-	6,127

Decrease	(9,660)	71,744
Claims incurred	(4,369)	75,170

Included in Claims paid - Reinsurance, is cash received from reinsurers with whom the Group has commuted its protections.

4 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	2020
	$'000
This is stated after charging/(crediting):	
Depreciation of tangible asset (note 13)	4
Amortisation of intangible asset (note 12)	(1,366)
Auditor's remuneration, including expenses (note 8)	132
Investment expenses and charges	49
Rental income from land and buildings	(28)
Operating lease - obligations up to 5 years	-

5 TAXATION

The tax (credit)/charge is based on the profit for the period and represents:

(a) Tax reconciliation

	2020
	$'000
Profit on ordinary activities before taxation	(1,682)
Expected tax at 19.0%	(320)
Factors affecting the current tax charge	
Impact of/ (Offset against brought forward) tax losses for which no deferred tax is recognised	366
Non-taxable investment incomes and gains	(46)
Total tax charge for the year	-

Finance Act 2013 legislation was enacted to reduce the UK corporation tax rate. The previous tax rates were 20% from 1 April 2015. New legislation was passed on 18 November 2015 to further reduce the UK corporation tax rate to 19% form 1 April 2017 and 18% from 1 April 2020. The rate from 1 April 2020 was then further reduced to 17% on 6 September 2016. As a result the current year corporation tax is 19.0% (2019: 19.0%).

Finance Bill 2017 was enacted to limit the utilisation of tax losses to 50% of profits subject to a £5m allowance per group from 1 April 2017.

On 11 March 2020 it was announced (and substantively enacted on 17 March 2020) that the UK corporation tax rate would remain at 19% and not reduce to 17% (the previously enacted rate) from 1 April 2020.
On 3 March 2021 the Chancellor has confirmed an increase in the corporation tax rate from 19% to 25% with effect from 1 April 2023.
The deferred tax balances included within the accounts have been disclosed gross, however would be expected to have a tax value in excess of $1.3m when applying a rate of 19%.

(b) Deferred tax

There are gross tax losses available and other timing differences of $6.6m to offset against taxable profits in future periods. No deferred tax asset has been recognised in respect of these losses due to uncertainty over the quantum, source and timing of any future taxable profits.

6 STAFF COSTS

	2020
	$'000
Wages and salaries	436
Pension contributions	62
Social security costs	92
	590

Staff costs include the remuneration paid to Executive Directors of the Group (see note 7) and are included in claims handling expenses paid (see note 3).

The average weekly number of employees, including Executive Directors, during the period since 28 August 2020 was comprised as follows:

	2020
	Number
Management	1
Administration	14
	15

There were no staff or costs before the acquisition of the subsidiaries on 28 August 2020.

7 DIRECTORS' EMOLUMENTS

The aggregate amount of remuneration paid to or received by directors during the year was as follows:

	2020
	$'000
Aggregate remuneration in respect of qualifying services	-
Aggregate contributions made to money purchase schemes	-
	-
Number of directors accruing benefits under money purchase schemes	0

Directors are paid by group companies outside of the Premia UK Holdings 2 Group.

8 AUDITORS' REMUNERATION

	2020
	$'000
Audit of financial statements of parent company and the group	20
Other fees to auditors :	
Audit of subsidiary companies	112
	132

Auditors' remuneration is included in claims handling expenses paid (see note 3).

9 INVESTMENT RETURN

2020

	$'000
Income from other financial investments and cash at bank	659
Realised loss	(503)
Total investment income	156
Unrealised gain on investments	203
Investment expenses and charges	(48)
	311

All investment income is received from financial investments held at fair value.

10 LAND AND BUILDINGS

Fair value

At 28 August 2020

Surplus on revaluation

At 31 December 2020

Depreciation and impairment

At 28 August 2020

Provided during the year

At 31 December 2020

Carrying value

At 31 December 2020

At 28 August 2020

The historical cost of the properties held at fair value is £2,324,000.

No land and buildings have a restricted title or are pledged for liabilities.

The properties were valued by and independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued, JLL Consultancy as at 31 December 2018, on the basis of fair value in accordance with the Appraisal and Valuation Manual of The Royal Institution of Chartered Surveyors. The critical assumption made relating to the valuation was an 8% yield to the let space and 9% to the owner occupied/vacant space given the future residential potential of the property.

11 FINANCIAL INVESTMENTS

	Carrying Value	Purchase Price
2020	$'000	$'000
Shares and other variable yield securities and units in unit trusts		
- Designated at fair value through profit or loss	-	-
Debt securities and other fixed income securities		
- Designated at fair value through profit or loss	21,280	21,058
Deposits with credit institutions	2,736	2,736
	24,016	23,794

There was no material change in fair value for financial instruments held at fair value attributable to own credit risk in the current or comparative period.

They have been no day 1 profits recognised in respect of financial instruments designated at fair value through profit or loss.

$4m of US Government Bonds are held by a bank as collateral for letter of credit facilities which the Group has with the bank. The terms of the collateralisation are that an amount of US government bonds equal to the amount of the issued letters of credit be held in the custody of the bank at all times.

The following table shows financial investments recorded at fair value analysed between the three levels in the fair value hierarchy.

	Level 1	Level 2	Level 3
	$'000	$'000	$'000
2020			
Shares and other variable yield securities and units in unit trusts	-	-	-
Debt securities and other fixed income securities	21,280	-	-
	21,280	-	-

Included in the level 1 category are financial assets that are measured by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Included in level 2 category are financial assets that would be included in level 1 but quoted prices are not publicly available.

12 INTANGIBLE ASSETS

Intangible assets represent negative goodwill arising on the acquisition of B.D. Cooke Investments Limited after a fair value adjustment at acquisition.

	Goodwill	Fair Value Adjustment	Intangible Asset
	2020	2020	2020
	$'000	$'000	$'000
Negative Goodwill recognised on acquisition	(24,513)	-	(24,513)
Fair value adjustment at acquisition	-	7,884	7,884
Goodwill written back	1,580	-	1,580
Amortisation of Fair value adjustment	-	(214)	(214)
Balance as at 31 December 2020	(22,933)	7,670	(15,263)

The negative goodwill is being amortised over 10 years following a management review of the expected incurred development pattern.

The fair value adjustment is being amortised in line with the future cashflows estimated in the actuarial report of 42 years.

13 TANGIBLE ASSETS

	Computer Equipment
	$'000
Cost	
At 28 August 2020	26

Additions			-
Disposals			-
At 31 December 2020			26
Depreciation			
At 28 August 2020			-
Charge for the period			4
At 31 December 2020			4
Carrying value			
At 31 December 2020			22
At 22 July 2019	26	-	#REF!

14 ACQUISTIONS DURING THE PERIOD

With effect from 28 August 2020 the Group acquired the whole of the issued share capital of BD Cooke Investments Ltd and it's subsidiaries. The acquisition has been accounted for using acquisition accounting and has been consolidated into the Group accounts:

	$'000
Land and Buildings	2,385
Other financial investments	111,468
Cash at bank and in hand	6,286
Debtors	1,778
Creditors	(1,251)
Fair Value Adjustment at Acquisition	7,884
Technical provisions Undiscounted	(99,287)
Net assets acquired	29,263
Consideration	4,750
Negative goodwill	(24,513)

15 SUBSIDIARY UNDERTAKINGS

The principal subsidiary undertakings at 31 December 2020 are set out below :

Group Services :-	BD Cooke Investments Limited, registered office 2 Knoll Rise, Orpington, Kent, BR6 0NX, United Kingdom. Registered number : 04322456
	Landel Insurance Holdings Limited, registered office 2 Knoll Rise, Orpington, Kent, BR6 0NX, United Kingdom. Registered number: 00279985
Insurance companies:-	The Dominion Insurance Company Limited (Registered in Scotland), registered office c/o DLA Piper (Scotland) LLP, Collins House, Rutland Square, Edinburgh, EH1 2AA, United Kingdom. Registered number: SC006851

	Trent Insurance Company Limited (indirectly held), registered office 2 Knoll Rise, Orpington, Kent, BR6 0NX, United Kingdom. Registered number: 00361687
Insurance underwriting and management companies:-	B.D.Cooke & Partners Limited, registered office 2 Knoll Rise, Orpington, Kent, BR6 0NX, United Kingdom. Registered number: 00451793
	C.F. & A.U. Limited, registered office 2 Knoll Rise, Orpington, Kent, BR6 0NX, United Kingdom. Registered number: 00479439
	Underwriting Management Agency Limited, registered office 2 Knoll Rise, Orpington, Kent, BR6 0NX, United Kingdom. Registered number: 00540219

All the above are wholly owned. Each company has issued shares of one class only.

The parent company has given a statutory guarantee of all outstanding liabilities to which subsidiary companies B.D. Cooke & Partners Limited and Underwriting Management Agency Limited are subject to at the end of the financial year.

The subsidiary companies B.D. Cooke & Partners Limited and Underwriting Management Agency Limited have made use of the audit exemption for subsidiary companies provided in section 479a of the Companies Act 2006. BD Cooke Investments Limited, Landel Insurance Holdings Limited and C.F. & A.U. Limited are all dormant companies.

16 AUTHORISED AND ALLOTTED SHARE CAPITAL

	2020
	$'000
Authorised:	
1 ordinary shares of £1	-
Allotted, called up and fully paid:	
1 ordinary shares of £1	-

1 ordinary shared of £1 was issued on 23 July 2019. No further shares have been issued in this period.

17 CLAIMS OUTSTANDING

	Gross	Reinsurance
	$'000	$'000
2020		
Provision before discounting	135,971	125,396
Discounting Adjustment	(14,216)	(13,559)
Distribution Adjustment	-	(5,960)
Claims handling expenses (note 21)	8,157	-
	129,912	105,877

Included in the provisions above for gross claims outstanding and net claims outstanding after discounting but before claims handling expenses are the following in respect of potential claims arising from environmental pollution and asbestos related claims:

	2020
	$m

Gross Claims	115
Net Claims	4

There is significant estimation uncertainty as to the amounts at which these claims will be ultimately settled and the amounts which may be recoverable from reinsurers because of the long-tail nature of the claims and the absence of clarity in the legal position. See note 1.4 for further details.

An adjustment has been made to reflect the distribution to the reinsurer arising from the difference between the fair value and the book value of the net claims position of the Quota Share Reinsurance contract.

Additionally included in the technical provisions are provisions for irrecoverable reinsurance on unpaid liabilities.

18 CREDITORS

	2020
	$'000
Creditors arising out of direct insurance operations	-
Creditors arising out of reinsurance operations	58
Other creditor	8,371
	8,429

The other creditor represents a loan from the ultimate parent company Premia Holdings Limited. This will be payable on demand.

19 PARENT COMPANY

At the balance sheet date the immediate parent company is Premia Intermediate Holdings 2 Limited, incorporated in the UK, which is a part of a larger group. The controlling party and ultimate parent company, which is also the holding company for the largest group of companies for which consolidated financial statements are drawn up and of which the Group is a member, Premia Holdings Ltd, is incorporated in Bermuda.

Copies of the group financial statements for Premia Holdings Ltd (Waterloo House, 100 Pitts Bay Road, First Floor Pembroke, Bermuda) can be obtained from the Company's registered office.

20 PENSION COMMITMENTS

Defined Contribution Scheme

Defined contribution expenses of £62k of which £nil was outstanding at the year end, have been charged in the income statement.

21 RUN-OFF PROVISION

The Directors reassess the adequacy of the run-off provision annually. In arriving at the net cost, it has been necessary to make assumptions as to the length of the run-off period, the return on investments and the quantum of future expenses incurred. The ultimate cost of the run-off is dependent on future events and could be materially different from the amount provided.

The run-off provision comprises:

	2020
	$'000
Expenses	8,300
Income	(143)

Provision	8,157

The run-off provision is included in the balance sheet:

Claims outstanding (note 17)	8,157

(a) Governance

The primary objective of the Group’s risk and financial management framework is to protect the Group’s policyholders from events that hinder the payment of valid claims when they fall due.

With a small number of staff, the Directors are heavily involved in the running of the business.

(b) Capital management objectives, policies and approach

The Group ceased issuing policies in December 1994 and entered into solvent run-off.

The Group’s approach to managing capital involves managing assets, liabilities and risks in a coordinated way with investments held with a maturity profile which matches the estimated claims settlement pattern by currency in order to minimise exchange and reinvestment risk. The Group discounts its claims liabilities relating to “long-tail” North American liability business, including the run-off provision. Future investment income is expected to at least equal the discount provided.

The Group's subsidiaries are subject to capital requirements imposed by the Prudential Regulation Authority (PRA). Throughout the year the BD Cooke Investment Group has been Companies Act compliant and has met Solvency II, which is used to calculate the Group’s capital requirement.

At 31 December 2020 the Group had a regulatory surplus against its minimum consolidated SCR of approximately $7m(unaudited).

(c) Insurance risk

The principal risk the Group faces under insurance contracts is that actual claims payments or the timing thereof differ from expectation. This is influenced by frequency of claims, severity of claims, actual benefits paid and subsequent development of claims.

There are considerable uncertainties in the provision for claims outstanding. This is in part due to the long term nature of the claims and in part the vagaries of the American legal system. The Group constantly assesses the exposures and wherever possible seeks to make favourable settlements.

On 1 September 2020 the subsidiaries, The Dominion Insurance Company Limited and Trent Insurance Company Limited entered into a Quota Share Reinsurance agreement with Premia Reinsurance Limited. Premia Reinsurance Limited agreed to reinsure 100% of the two Subsidiaries USD denominated APH claims.

Prior to this, the Group purchased reinsurance as part of its risks mitigation programme. Reinsurance ceded was placed on both a proportional and non–proportional basis. The majority of proportional reinsurance was quota–share reinsurance which was taken out to reduce the overall exposure to certain classes of business. Non–proportional reinsurance is primarily excess–of–loss reinsurance designed to mitigate the Group's net exposure to catastrophe losses. Retention limits for the excess–of–loss reinsurance vary by product line and territory.

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Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. Although the Group has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. The Group’s placement of reinsurance was diversified such that it is neither dependent on a single reinsurer nor are the operations substantially dependent upon any single reinsurance contract.

The Group's remaining liabilities principally relate to general liability policies issued to US corporations.

The most significant remaining risks arise from claims caused by latent diseases which by their nature take many years to manifest themselves. There is also a significant risk to environmental pollution claims. These are long tail claims that take some years to settle, there is also litigation risk.

22 RISK MANAGEMENT - continued

The table below confirms that all remaining claim liabilities relate to General Liability contracts.

	2020			2018	
	Gross liabilities	Reinsurance of liabilities	Net liabilities	Gross liabilities	Reinsurance of liabilities
	$'000	$'000	$'000	$'000	$'000
General Liability	118,092	103,073	15,019	99,217	27,187
Total	118,092	103,073	15,019	99,217	27,187

The geographical concentration of the outstanding claim liabilities is noted below. The disclosure is based on the location of the claimants.

	2020			2018	
	Gross liabilities	Reinsurance of liabilities	Net liabilities	Gross liabilities	Reinsurance of liabilities
	$'000	$'000	$'000	$'000	$'000
United Kingdom	6,502	-	6,502	3,669	-
USA	110,926	103,073	7,853	95,000	27,187
EEA	664	-	664	548	-
Total	118,092	103,073	15,019	99,217	27,187

Sensitivities

The outstanding claim liabilities represent a best estimate of a range of possible outcomes. As disclosed elsewhere these are long tail claims subject to a significant range of possible outcomes. As a guide other possible outcomes could be 25% less than the best estimate or 70% more and a 1% increase or decrease in the discount rate would lead to a 7% increase or 6% decrease in net liabilities.

Claims development table

The Group ceased issuing all new and renewal insurance contracts in 1994 more than 20 years ago. An analysis of claims development by underwriting year or accident year is not therefore meaningful and has not been prepared. Notes 3 and 17 give an analysis of claims movements during the year including the effects of exchange.

d) Financial risk

(1) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation.

The following policies and procedures are in place to mitigate the exposure to credit risk:

- The Group sets the maximum amounts and limits that may be advanced to corporate counterparties by reference to their long term credit ratings.
- As the Group is in claims run-off no reinsurance policies have been written for more than 20 years.
- Reinsurance debtors are subject to regular reviews by the credit committee, chaired by the Managing Director, with reviews for creditworthiness and the provision for impairment is revised annually as necessary. The credit committee minutes are circulated to the Board of Directors who provide appropriate feedback.

22 RISK MANAGEMENT - continued

d) Financial risk - continued

The tables below show the maximum exposure to credit risk (including an analysis of financial assets exposed to credit risk) for the components of the statement of financial position. The maximum exposure is shown gross, before the effect of mitigation through collateral agreements.

2020	Neither past due nor impaired $'000	Past due $'000	Impaired $'000
Other financial investments – debt securities	21,280	-	-
Deposits with credit institutions	2,736	-	-
Reinsurers’ share of claims outstanding	111,837	-	-
Debtors arising out of direct insurance operations	267	-	-
Other debtors	535	-	-
Cash at bank and in hand	12,466	-	-
	149,121	-	-

The table below provides information regarding the credit risk exposure of the Group at 31 December 2020 by classifying assets according to Moody’s credit ratings of the counterparties. AAA is the highest possible rating. Assets that fall outside the range of AAA to BBB are classified as speculative grade and have not been rated. Debtors, other than amounts due from reinsurers, have been excluded from the table as these are not rated.

2020	AAA $'000	AA $'000	A $'000	BBB $'000	Not rated $'000
Other financial investments – debt securities	8,992	1,532	3,624	7,132	-
Deposits with credit institutions	-	2,365	371	-	-
Reinsurers’ share of claims outstanding	-	4,278	96,362	5,611	5,586
Debtors arising out of reinsurance operations	-	-	-	-	267
Cash at bank and in hand	-	5,108	7,358	-	-
	8,992	13,283	107,715	12,743	5,853

(2) Liquidity risk

Liquidity risk is the risk that an insurance company will encounter difficulty in meeting obligations associated with financial instruments.

The following policies and procedures are in place to mitigate the Group’s exposure to liquidity risk:

● Guidelines on asset allocation, portfolio limit structures and maturity profiles of assets are set, in order to ensure that sufficient funding is available to meet its obligations under insurance and investment contracts.

22 RISK MANAGEMENT - continued

Maturity profiles

The table below summarises the maturity profile of the Group’s financial liabilities based on remaining undiscounted contractual obligations, including interest payable, and outstanding claim liabilities based on the estimated timing of claim payments resulting from recognised insurance liabilities. Repayments which are subject to notice are treated as if notice were to be given immediately.

At 31 December 2020	Up to a year $'000	1–2 years $'000	2–5 years $'000	5–10 years $'000	Over 10 years $'000
Outstanding claim liabilities	14,181	9,569	23,066	28,336	60,820
Creditors	61	-	-	-	-

(3) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk:

(a) currency risk;

(b) interest rate risk; and

(c) equity price risk.

The following policies and procedures are in place to mitigate the exposure to market risk:

● The Directors have approved a range of investment holdings which they have assessed as being appropriate to meet the Group's requirements of a prudent liability driven investment policy. Compliance with this policy is monitored and exposures and breaches are reported to the Board quarterly. The policy is reviewed regularly for pertinence and for changes in the risk environment.

● For assets backing outstanding claims provisions, market risk is managed by matching the duration and profile of assets to the technical provisions they are backing. This helps manage market risk to the extent that changes in the values of assets are matched by a corresponding movement in the values of the technical provisions.

(a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to currency risk (Sterling) in respect of certain liabilities under policies of insurance in the USA. The Group seeks to mitigate the risk by matching the estimated foreign currency denominated liabilities with assets denominated in the same currency.

The table below summarises the exposure of the financial assets and liabilities to foreign currency exchange risk at the reporting date, as follows:

	2020 USD exposure $'000
Other financial investments	11,750
Debtors	42
Cash at bank	2,625
	14,417
Creditors including Technical Provisions	16,277

22 RISK MANAGEMENT - continued

(b) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Floating rate instruments expose the Group to cash flow interest risk, whereas fixed rate instruments expose the Group to fair value interest risk.

The Group’s interest risk policy requires it to manage the interest rate risk by maintaining a portfolio of predominantly fixed rate instruments the profile and maturity of which matches that of the insurance liabilities. As the insurance liabilities are fully discounted at a rate reflecting the recent historical returns of the portfolio an increase or decrease in interest rates is unlikely to have a material impact on either profit before tax or equity.

The Group has no significant concentration of interest rate risk.

(c) Equity price risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group’s equity price risk exposure relates to financial assets and financial liabilities whose values will fluctuate as a result of changes in market prices, principally investment securities.

The equity price risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investments.

There is no significant concentration of equity price risk.

The analysis below is performed for reasonably possible movements in market indices on financial instruments, showing the impact on profit before tax due to changes in fair value of financial assets and liabilities (whose fair values are recorded in the income statement) and equity (that reflects adjustments to profit before tax and changes in fair value of available for sale financial assets that are equity instruments).

		31 December 2020		31 December 2018
	Change in variables	Impact on profit before tax	Impact on equity*	Impact on profit before tax
Changes in variables - market indices	$'000	$'000	$'000	$'000
FTSE 100 / S&P 500	+10%	-	-	1,522
FTSE 100 / S&P 500	-10%	-	-	(1,522)

*There is no difference on the impact on profit before tax and equity as the Group has significant brought forward tax losses.

The method used for deriving sensitivity information and significant variable did not change from the previous period.

23 CONTINGENT LIABILITIES

$4 million of US Government Bonds are held by a bank as collateral for letter of credit facilities which the Group has with the bank.

24 RELATED PARTIES

Companies treated as related parties of the Group for disclosure purposes under FRS 102, together with the nature of the relationship, are listed below :

Companies within the wider group who have entered into agreements with the Group:
Premia Reinsurance Limited

25 RELATED PARTY TRANSACTIONS

On 1 September 2020 the subsidiaries The Dominion Insurance Company Limited and Trent Insurance Company Limited entered into a Quota Share Reinsurance agreement with Premia Reinsurance Limited. Premia Reinsurance Limited agreed to reinsure 100% of the Subsidiaries USD denominated APH claims.
The undiscounted reserves ceded to Premia Reinsurance Limited by the Group totalled US$85.2m at 31 December 2020 (US$87.1m on agreement date).

On 21 October 2020 a premium was transferred to the value of US$82.9m by the Group to Premia Reinsurance Limited. These assets were collateralised to fund future bordereau payments from Premia Reinsurance Limited to the Group. A realised loss was recognised on the transfer of assets to Premia Reinsurance Limited of $0.4m which was included within the investment income (note 9) on the income statement of the Group.

The reinsurance premium was based upon the book value of the claims position as opposed to the fair value. This has resulted in a distribution being recognised in the shareholder's equity and a reinsurance creditor on the statement of financial position. This has not affected the income statement of the Group.

During the year the Group has received US$1.7m in bordereau payments from Premia Reinsurance Limited , of which US$Nil was outstanding at 31 December 2020.

The other creditor balance in the consolidated statement of financial position of $8.3m represents a loan from the ultimate parent company Premia Holdings Ltd. This loan was used to fund the acquisition of 100% of the share capital of BD Cooke Investments Limited and its subsidiaries and to provide a $2.8m capital contribution to Trent Insurance Company Limited.

Key management personnel

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Group are considered to be key management personnel. Total remuneration is respect of these individuals is $212,699.
This includes remuneration of the directors of the subsidiaries which were paid by The Dominion Insurance Company Limited.

26 NOTES TO THE STATEMENT OF CASH FLOWS

Cash and cash equivalents comprise the following :

	2020
	$'000
Cash at bank and in hand	12,466
Short-term deposits with credit institutions	-
	12,466

27 OBLIGATIONS UNDER LEASES AND HIRE PURCHASE CONTRACTS

Operating lease agreements where the Group is lessor

The Group owns one building which is a mixed use property, as disclosed in Note 10, part of which is let to third parties. These non-cancellable leases have remaining terms of between 1 and 3 years. No contingent rentals have been recognised as income.

Future minimum rentals receivable under non-cancellable operating leases for future periods are as follows:

	2020
	$'000
Not later than one year	116
Later than one year and not later than five years	-

28 EVENTS SINCE THE REPORTING DATE

On 24 March 2021, the Company agreed in principle to purchase Reliance National Insurance Company of Europe Limited. This sale is subject to various completion steps including approval by the Prudential Regulation Authority and completion is expected later in 2021.