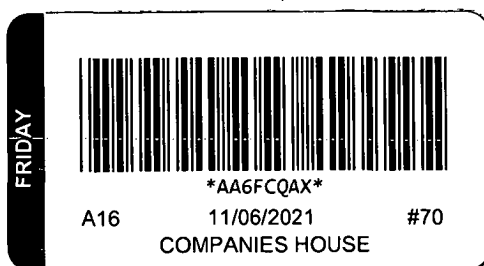


ADVENT UNDERWRITING LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020



ADVENT UNDERWRITING LIMITED

CONTENTS

	Page
Directors and Advisors	2
Strategic Report	3
Report of the Directors	5
Independent Auditors' Report to the Members of Advent Underwriting Limited	6
Profit and Loss Account	9
Balance Sheet	10
Notes to the Financial Statements	11

ADVENT UNDERWRITING LIMITED

DIRECTORS AND ADVISORS

Directors	T J Ambridge A R Creed I M Hewitt FCII L R Tanzer	Chief Financial Officer Director (Appointed 12 March 2021) Director (Resigned 31 March 2021) Director (Appointed 12 March 2021)
Company Secretary	N M Ewing ACII N P Johnson	(Resigned 11 th December 2020) (Appointed 11 th December 2020)
Registered Office	2nd Floor 2 Minster Court London United Kingdom EC3R 7BB	
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London SE1 2RT	
Company Registration Number	1227004	

ADVENT UNDERWRITING LIMITED

STRATEGIC REPORT

The directors present their strategic report for the company for the year ended 31 December 2020.

Principal Activities and Review of the Business

The company historically acted as the Managing Agency of Syndicate 780's capacity until 1 January 2019, when the Managing Agency contract for Syndicate 780 ("Managing Agency Contract") novated to RiverStone Managing Agency Limited (RSMA).

On 31st March 2020, Fairfax Financial Holdings Limited ("Fairfax") sold a 40% equity interest in its wholly owned European Run-off group to Ontario Municipal Employees Retirement System ("OMERs"), the pension plan manager for government employees in the province of Ontario. The European Run-off group includes RiverStone Corporate Capital Limited (RCCL) and its immediate parent company RiverStone Holdings Limited (RHL). Upon completion of the transaction, OMERs and Fairfax have joint control of the European Run-off group. Accordingly, Fairfax have deconsolidated the European Run-off group and have applied the equity method of accounting for its remaining equity interest.

Results and Financial Position

The result for the financial year ended 31 December 2020, before taxation, amounted to a result of £nil (2019: £nil).

As at 31 December 2020, the total shareholders' funds amounted to £0.5 million (2019: £0.5 million).

Strategy and Future Development

The Company is no longer registered as a Lloyds Managing Agency and will no longer be able to manage any Lloyds Syndicate in the future. The company cannot be liquidated at this time due to certain covenants associated with the long-term debt raised by Advent Capital (Holdings) LTD.

On 20th December 2020, Fairfax entered into a binding agreement with CVC Capital Partners to sell all of its equity interest in the European Run-off group to CVC Strategic Opportunities Fund II. OMERs has also agreed to sell all its interests the European Run-off group as part of the transaction. The transaction is subject to regulatory approval.

Principal Risks and Uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of Advent Capital (Holdings) LTD, the ultimate parent company, which include those of the Company, are disclosed within the risk management section of the Advent Capital (Holdings) LTD's annual report which does not form part of this report.

Section 172(1) of the Companies Act 2006

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

Consequences of any decision in the long term – until the successful reinsurance to close of the 2018 & Prior underwriting years of Syndicate 780, the Board was focussed on ensuring that sufficient capital was available to support Syndicate 780, the management of which is performed by RiverStone Managing Agency with effect from 1 January 2019, the managing agency contract having novated from Advent Underwriting Limited. The Board considered that the novation was in the long-term best interest of the company given RiverStone Management's expertise in managing run-off liabilities. Equally, the Board considered that the decision to make the excess capital available to RiverStone Corporate under an inter-available FAL agreement was an appropriate decision while the run-off proceeds. The Board is considering the future strategy of the company now that Syndicate 780 has ceased underwriting.

Business relationships – the Board recognises that relationships with our stakeholders are key to the delivery of our strategy. During 2020, several members of the Board have had the opportunity to meet with representatives of Lloyd's, which continues to refresh and facilitate an understanding of their needs and expectations. The Board regularly engages with the Managing Director of RiverStone Management Limited (RSML), the services provider to RiverStone Managing Agency.

Community and environment – the Board engages via RiverStone Managing Agency actively with RiverStone Management, the key services provider overseeing the run-off of Syndicate 780, to encourage, support and foster a positive relationship with the community and the environment. In the current year, through this engagement, the Board has supported charitable giving, infrastructure improvements to leased offices to support a reduction in our carbon footprint and the establishment of a diversity and inclusion forum. The Board note that while it has no employees that it supports RiverStone Management's policy of matching employee charitable donations and of allowing time to be available to support others in our communities.

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

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

ADVENT UNDERWRITING LIMITED

STRATEGIC REPORT (continued)

Employees – the Board acknowledges people are essential to the delivery of our strategy. While the Company has no immediate employees, the Board ensures that the interests of the employees of RiverStone Management, the services provided to RiverStone Managing Agency, are appropriately considered when taking decisions. The Board is aware through its engagement with RiverStone Managing Agency, that there exists a well-established structure at RiverStone Management through which it supports engagement regularly with its employees. During 2020 this included quarterly staff presentations including a full day off-site at which relevant business speakers presented to our employees. Other activity in 2020 included technology surveys, the initiation of a diversity and inclusion forum and regular training for our employees.

Approved by the Board and signed on its behalf by:



Luke Tanzer
Director
26 May 2021

ADVENT UNDERWRITING LIMITED

REPORT OF THE DIRECTORS

The Directors present their report and audited financial statements for the year ended 31 December 2020.

Dividends

No dividend was paid during the year (2019: £1.2 million).

Future Developments

The Company novated the Managing Agency Contract to RSMA as of 1 January 2019 and ceased on-going operations. There is no intention to dissolve the company in the near future and as such it is the intention to retain this company within the Advent Group, however it would be as a non-trading company.

Political and charitable donations

The company did not donate to any political party or charities in the year to 31 December 2020.

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements are listed on page two.

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

Directors' confirmations

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

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

Independent auditors

The auditors, PricewaterhouseCoopers LLP, will not be re-appointed and will be replaced by Deloitte LLP for the 2021 audit.

Approved by the Board and signed on its behalf by:



Luke Tanzer
Director
26 May 2021

Independent auditors' report to the members of Advent Underwriting Limited

Report on the audit of the financial statements

Opinion

In our opinion, Advent Underwriting Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (The "Annual Report"), which comprise: the Balance Sheet as at 31 December 2020; the Profit and Loss Account for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 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.

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

ADVENT UNDERWRITING LIMITED

With respect to the Strategic report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Report of the Directors for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Report of the Directors.

Responsibilities for the financial statements and the audit

Responsibilities of the members for the financial statements

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

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

Auditors' 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 auditors' 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.

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of regulations such as those issued by the Prudential Regulation Authority, the Financial Conduct Authority and the Council of Lloyd's for the 14 day period at the start of the year the company was subject to those regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risk was related to the recoverability of the intercompany receivables. Audit procedures performed by the engagement team included:

- Reading key correspondence with key regulators such as, the Prudential Regulation Authority, the Financial Conduct Authority and the Council of Lloyd's in relation to compliance with laws and regulations;
- Discussions with management and those involved in the risk and compliance functions, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud; and
- Audit of the recoverability of intercompany receivables balances.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Stewart Paterson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
27 May 2021

ADVENT UNDERWRITING LIMITED

Profit and Loss Account Year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Turnover	4	-	-
Administrative expenses		-	-
Result before taxation		-	-
Tax on result	6	-	-
Result for the year		-	-
Other comprehensive income		-	-
Total comprehensive income for the year		-	-
Retained Earnings at 1 January		-	1,167
Dividend paid		-	(1,167)
Retained Earnings at 31 December		-	-

The result above is from continuing operations.

There is no material difference between the result on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalents.

The Notes to the Financial Statements on pages 11 to 13 form part of these financial statements.

ADVENT UNDERWRITING LIMITED

Balance Sheet
As at 31 December 2020

	Note	2020 £'000s	2019 £'000s
Current Assets			
Debtors	7	508	508
Current Liabilities			
Creditors – amounts falling due within one year		-	-
Net Current Assets			
		508	508
Creditors – amounts falling due after more than one year		-	-
Total Assets Less Current Liabilities			
		508	508
Called up share capital			
Share premium account	8	446	446
Profit and loss account		62	62
		-	-
Total Shareholders' Funds			
		508	508

The financial statements on pages 9 to 13 were approved by the Board of Directors on 26 May 2021 and signed on its behalf by:


 Andrew Creed)

 Luke Tanzer) Directors

Company Registration Number: 1227004

The Notes to the Financial Statements on pages 11 to 13 form part of these financial statements.

ADVENT UNDERWRITING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. General Information

The Company acted as Lloyd's Managing Agent for Syndicate 780 until 31 December 2018. As of 1 January 2019, the Company novated the Managing Agency contract for Syndicate 780 (Managing Agency Contract) to RSMA and ceased on-going operations. The Company was formally deregistered as a Lloyd's Managing Agency on 14 January 2020. The Company is a private company limited by shares and is incorporated in England. The Company registration number is 1227004. The address of its registered office is 2nd Floor, 2 Minster Court, London, EC3R 7BB.

2. Statement of compliance

The individual financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006, under the provision of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI2008/410).

3. Summary of significant accounting policies

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

(a) Basis of Preparation

The Financial Statements are prepared on a going concern basis under the historical cost basis of accounting.

The prior year financial statements have been restated from millions to thousands to align the financial statements with the other companies in the Riverstone (Barbados) Ltd Limited group of companies.

(b) Going Concern

After making enquiries and following novation of the Managing Agency Contract as of 1 January 2019, the directors have a reasonable expectation that the company has adequate resources to discharge its liabilities. The company therefore continues to use the going concern basis in preparing its financial statements.

(c) Exemptions for qualifying entities under FRS 102

The company has taken advantage of the exemption, under FRS 102 paragraph 1.12 (b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its parent company, Advent Capital (Holdings) LTD, includes the company's cash flows in its own consolidated financial statements.

(d) Foreign currency

i) Functional and presentation currency

The company's functional and presentational currency is the pound sterling.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using average exchange rates applicable for the period of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

(e) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period.

Current or deferred tax liabilities are not discounted.

i) Current tax

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

ADVENT UNDERWRITING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. Summary of significant accounting policies (continued)

ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences 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.

(e) Taxation (continued)

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

(f) Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair-value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable as a result of the asset's continued use. The pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

(g) Share capital

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

(h) Distributions to equity holders

Dividends and other distributions to the company's shareholder are recognised as a liability in the period in which the dividends are approved by the members.

ADVENT UNDERWRITING LIMITED
NOTES TO THE FINANCIAL STATEMENTS

4. Result before taxation

The Company's audit fee has been borne by Advent Capital (Holdings) LTD. The audit fee for 2020 is £3,511 (2019: £3,511).

5. Directors and Employees

The Company does not have any employees (2019: Nil).

The Company no longer manages Syndicate 780 and therefore is no longer charged costs relating to directors' emoluments

6. Taxation

The company is not subject to any current or deferred tax charge or recovery for the year ended 31 December 2020 (2019: £nil). The company has no unrecognised deferred tax assets or liabilities at 31 December 2020 (2019: £nil).

7. Debtors

	2020 £'000s	2019 £'000s
Amounts falling due within one year:		
Amounts owed by group undertakings	508	508
	<hr/>	<hr/>
	508	508
	<hr/>	<hr/>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

8. Called up share capital

	2020 £'000s	2019 £'000s
Allotted and fully paid:		
446,520 (2019: 446,520) Ordinary share of £1 each	446	446
	<hr/>	<hr/>

9. Related Party Transactions

Advent Underwriting Limited is a wholly owned subsidiary of Advent Capital (Holdings) LTD which is registered in England and Wales. The ultimate parent company and controlling party is RiverStone (Barbados) Ltd which is registered in Barbados.

Advantage has been taken of the exemption from the requirement to disclose transactions with related parties within the same group as provided by FRS102, Section 33.1A. This exemption is available for Advent Underwriting Limited as consolidated financial statements are publicly available for Advent Capital (Holdings) LTD.

Advent Capital (Holdings) LTD is the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of Advent can be obtained from 2nd Floor, 2 Minster Court, Mincing Lane, London EC3R 7BB.