Compre Holdings Limited

Annual Report and Financial Statements

31 December 2020

Company Registration Number 02579785

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Compre Holdings Limited

Company Information

Directors

H.Labes
W.A. Bridger
R.Williams
N.J. Steer
S.Hawkins
M.Lawson

Auditors

Mazars LLP
Tower Bridge House
St Katharine's Way
London
E1W 1DD

Registered number

02579785

Registered office

5th Floor
2 Seething Lane
London
EC3N 4AT

Registered number 02579785
Strategic Report

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

Principal activities

The principal activity of the Company is that of an investment holding company whose subsidiaries are registered in the UK and Europe and which are either insurance and reinsurance companies in run-off and service companies.

Review of business and future developments

The key financial and other performance indicators during the year were as follows:

	2020 £'000	2019 £'000	Change %
Administrative expenses	(155)	(1,326)	-88%
Operating profit/(loss)	25	(1,326)	N/a
(Loss)/profit on ordinary activities before taxation	(1,094)	4,724	N/a
(Loss)/profit for the year	(1,074)	4,461	N/a
Shareholder's funds	26,242	27,316	-4%

Administrative expenses decreased by 88.3% due to amendments to Group billing and recharge methodology. The company reported a pre-tax loss in 2020 of £1.1m (2019: £4.7m profit), with shareholder's funds decreasing to £26.2 million (2019: £27.3 million) at the year end.

In May 2017 the Company secured a multicurrency Revolving Credit Facility (RCF) with Royal Bank of Scotland of £20m, plus an additional facility of £5m, if required. As at 31 December 2020 the Company had completed 2 drawdowns, £4.5m and €5.5m (£4.9m); £9.4m in total. The loan term is 5 years, with the loan to be repaid in full by that date.

In November 2017, the Company issued €2,500,000 floating rate subordinated notes, due for repayment on 5 January 2028. The notes were initially in the form of a temporary global note in bearer form, which was exchangeable for interests in a permanent global note, on or after 40 days after the issue date, upon certification as to non-U.S. beneficial ownership. The notes bear interest on their principal amount and are payable quarterly in arrears on 5 January, 5 April, 5 July and 5 October each year. The notes are listed on The International Stock Exchange, which is registered in Guernsey and classed as Tier 2 capital. No additional funding was sought during the year.

In 2020, Finnex Holdings Limited was put into voluntary liquidation and subsequently struck off the register in October 2020. In March 2020, Hamburger Internationale Rückversicherung AG changed its name to HIR Pensionsgesellschaft mbH after the transfer of its risk portfolio at the end of 2019.

Section 172 statement

The directors of the Company, as those of all UK companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006. The following paragraphs summarise how the directors have fulfilled their duties:

Employees

The Company is committed to being a responsible business. Our behaviour is aligned with the expectations of our people, clients, investors, communities and society as a whole. People are at the heart of our services. For our business to succeed we need to manage our people's performance and develop and bring through talent while ensuring we operate as efficiently as possible. We must also ensure we share common values that inform and guide our behaviour so we achieve our goals in the right way. The Directors are committed to embedding of Diversity, Inclusion and Values Strategy and delivery against key priorities as well as development of Learning & Development Strategy that is included in 2021 Business Plan. Ongoing support is provided in regards to homeworking and employee wellbeing during COVID-19 pandemic. All employees are informed of the Group results on a quarterly basis.

Business relationships

We value all our suppliers and business partners and have multi-year contracts with them. We also aim to pay all our suppliers within agreed terms.

Community and environment

The Company's approach is to create positive change for the people and communities within which we and our employees work in. In 2020, this included a donation of office furniture, equipment and stationery to Business2Schools Limited charity, with appropriate sustainability and environmental measures in place.

Shareholders

The Board is committed to openly engaging with its shareholders, as we recognise the importance of a continuing effective dialogue. It is important to us that shareholders understand our strategy and objectives, so these must be explained clearly, with feedback heard and any issues or questions raised properly considered. Shareholders' meetings are held periodically to ensure appropriate communication.

Principal Risks and Uncertainties

Identification of new business

The principal risks and uncertainties affecting the Company are considered to be the level of new business available in the Company's traditional markets. Management regularly review this risk by tendering and successfully acquiring new business.

Covid-19

The Directors have continued to consider the implications of COVID-19 on the Company and the Group and are continuing to observe the situation in light of the latest developments. Compre Holdings Limited is not seen to be directly impacted. While new business generation activity for the Group is not seen to be impacted, COVID-19 has created economic uncertainties and market volatility which is resulting in disruption to the financial markets affecting the liquidity of financial instruments, interest rates and credit spreads. These will have a bearing on the financial investments of the Group which are measured on a fair value basis. The Directors continue to assess the Group's policies and related internal controls, together with its current and forecast cash and liquidity levels, and are comfortable that these are adequate to support the continued operations of the business.

Brexit

Prior to Brexit, Bothnia International Insurance Company Limited availed itself of the EU right to passport in the UK under Freedom of Services. This meant it could write risks situated in the UK. Post Brexit, the UK entered the transition period during which EU law will continue to apply, including passporting. The transition period ended on 31st December 2020 after which the Temporary Permissions Regime (TPR) will come into force. Both Bothnia & London & Leith Insurance PCC SE applied and were accepted by the PRA & FCA for this regime. The TPR will come into force at the end of the transition period and will be in place for a maximum of 3 years during which time Bothnia & LLSE will be required to obtain 4A permission in the UK. Both LLSE & Bothnia intend to submit the application to the PRA to establish branches in the UK in Q1 2022.

The Directors continue to monitor the potential impact of Brexit and do not consider it a significant risk at present given the available information.

Another area being monitored in relation to Brexit is around the Data Protection post Brexit. During the transition period nothing will change however we understand that the EU is doing an assessment as to whether the UK data protection standards can be recognised as providing adequate level of protection as the GDPR. We expect the conclusion to be positive however we are currently monitoring the situation.

Developments after the reporting date

In February 2021, Lloyd's provided their approval for the creation of the new Compre Legacy Syndicate 1994. This was followed by two new deals with reserves totalling £123.7m signed into syndicate 1994 in February 2021: the reinsurance to close of Apollo syndicate 1969's 2017 and prior years of account and the reinsurance to close of the Axa Syndicate 3330's 2018 year of account.

It was announced on 30 November 2020 that international private equity firm Cinven and British Columbia Investment Management Corporation had agreed to acquire the Group from existing shareholders CBPE Capital LLP, Hudson Structured Capital Management Limited and Compre's management. On 28 April 2021, following receipt of regulatory approvals the sale was completed.

During Q1 2021, Cambridge Holdco, the intermediate Group parent company, increased its senior facilities with Natwest to £55m to provide for funding Syndicate 1994.

By order of the Board,

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S.Hawkins
Director
23rd June 2021

Registered number 02579785
Directors' Report

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

Results and dividends

The results for the year under review are summarised in the Statement of Comprehensive Income account on page 10.

Dividends of £Nilm were declared and paid in the year under review (2019: £12.9m).

Financial instruments

The financial instruments of Compre Holdings Limited are cash, trade payables, other payables, subordinated loan notes, intra-group loans and the RCF.

Going concern

The Company is an integral part of the Group headed up by Cambridge Topco Limited and accordingly the directors of the ultimate shareholder have pledged financial support for the entity for a minimum of twelve months from the date of the signing of these financial statements. Therefore the directors of the Company consider that the Company has adequate resources to continue in business for the foreseeable future and they have continued to adopt the going concern basis for accounting in preparing the annual financial statements.

Directors

The directors of the Company who served during the year are as follows:

W A Bridger	R Williams
H Labes	S Hawkins
N J Steer	M Lawson

Directors' indemnities

A qualifying third-party indemnity provision as defined in Section 234 of the Companies Act 2006 is in force for the benefit of each of the Directors and the Company Secretary in respect of liabilities incurred as a result of their office, to the extent permitted by law.

Climate change

The Directors have given consideration to the Company's obligation to include Streamlined Energy and Carbon Reporting in these financial statements and concluded that the Company is not required to make the detailed disclosures of energy and carbon information under The Companies (Directors' Report) and Limited Liability Partnership (Energy and Carbon Report) Regulations 2018. This is because the Company is classed as a low energy user with the total energy consumption in the UK of less than 40MWh during 2020.

Registered number 02579785

Directors' Report (continued)

Directors' responsibilities statement

The directors are responsible for preparing the directors' 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 Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 Company will continue in business.

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

Statement as to disclosure of information to the auditor

Each director confirms that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware. Furthermore, each director confirms that they have taken all of the steps that he ought to have taken as a director in order to make himself aware of any such information and to establish whether the auditor is aware of that information.

Auditor

Mazars LLP will continue in office in accordance with Companies Act 2006, s487 (2).

Approved on behalf of the board on 23rd June 2021.

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S.Hawkins
Director

Independent auditor's report to the members of Compre Holdings Limited

Opinion

We have audited the financial statements of Compre Holdings Limited (the 'company') for the year ended 31 December 2020 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Our audit procedures to evaluate the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the company's ability to continue as a going concern;
- Obtaining an understanding of the relevant controls relating to the directors' going concern assessment;
- Evaluating the directors' method to assess the company's ability to continue as a going concern;
- Reviewing the directors' going concern assessment, which incorporated severe but plausible scenarios;
- Evaluating the key assumptions used and judgements applied by the directors in forming their conclusions on going concern; and
- Reviewing the appropriateness of the directors' disclosures in the financial statements.

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.

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

We have not identified any Key Audit Matters during our audit of the company for the year ended 31 December 2020.

Our application of materiality and an overview of the scope of our audit

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Our application of materiality and an overview of the scope of audit (continued)

Overall materiality	£787,000
How we determined it	3% of net assets at the planning stage of the audit.
Rationale for benchmark applied	The principal activity of the Company is that of an investment holding company whose subsidiaries are registered in the UK and Europe and which are either holding companies, insurance and reinsurance companies in run-off, service companies or dormant companies. Thus, the focus of the users of the financial statements is the balance sheet given the value in the company is ultimately seen as increase in its net assets driven by effective management of run-off of the claims/reserves of Company's subsidiaries. As a result, Net Assets was considered as an appropriate benchmark.
Performance materiality	Performance materiality of £630,000 was applied in the audit. Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole.
Reporting threshold	Reporting threshold of £24,000 was applied to the audit. We agreed with the directors that we would report to them misstatements identified during our audit above 3% of overall materiality as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

As part of designing our audit, we assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the directors made subjective judgements, such as making assumptions on significant accounting estimates.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of a risk assessment, our understanding of the company, its environment, controls, and critical business processes, to consider qualitative factors in order to ensure that we obtained sufficient coverage across all financial statement line items.

Other information

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

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 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 there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:
• the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
• the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

Matters on which we are required to report by exception (continued)

- 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
- the 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.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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 its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, 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 preparation of the financial statements such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:
- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to the applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:
- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected, or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

The primary responsibility for the prevention and detection of irregularities including fraud rests with both those charged with governance and management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

As a result of our procedures, we did not identify any key audit matters relating to irregularities. The risks of material misstatement that had the greatest effect on our audit, including fraud, are discussed under "Key audit matters" within this report.

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

Use of the audit 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.

Lionel Cazali
Lionel Cazali (Jun 24, 2021 15:01 GMT+1)

Lionel Cazali (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House,
St Katharine's Way,
E1W 1DD

Jun 24, 2021

23 June 2021

Statement of comprehensive income
For the year ended 31 December 2020

Continuing operations	Note	2020 £	2019 £
Revenue	2.	**179,957**	-
Operating expenses		**(155,447)**	(1,326,376)
Operating profit/(loss)	3.	**24,510**	(1,326,376)
Income from shares in group undertaking	4.	**480,896**	6,064,829
Interest receivable and fx gains	7.	**-**	909,917
Interest payable and fx losses	8.	**(1,598,995)**	(924,573)
(Loss)/profit on ordinary activities before taxation		**(1,093,589)**	4,723,797
Taxation	9.	**19,500**	(263,086)
(Loss)/profit for the year		**(1,074,089)**	4,460,711
Total comprehensive (loss)/income for the year		**(1,074,089)**	4,460,711

The notes on pages 13 to 21 form part of these financial statements.

Registered number 02579785
Statement of financial position
As at 31 December 2020

	Notes	2020 £	2019 £
ASSETS			
Investments			
Investments in subsidiaries	10.	**40,348,743**	50,461,638
		40,348,743	50,461,638
Current assets			
Debtors	11.	**3,494,417**	941,312
Cash at bank and in hand	12.	**394,353**	192,592
		3,888,770	1,133,904
Creditors: amounts falling due within one year	13.	**(6,303,124)**	(12,957,704)
Net current liabilities		**(2,414,354)**	(11,823,800)
Total assets less current liabilities		**37,934,389**	38,637,838
Creditors: amounts due after more than one year	14.	**(11,692,240)**	(11,321,600)
Net assets		**26,242,149**	**27,316,238**
Capital and reserves			
Called up share capital	15.	**1,001**	1,001
Share Premium		**7,999,999**	7,999,999
Profit and loss account		**18,241,149**	19,315,238
Equity shareholder's funds		**26,242,149**	**27,316,238**

The notes on pages 13 to 21 form part of these financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on 23rd June 2021.

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S.Hawkins
Director

Statement of changes in equity
For the year ended 31 December 2020

	Called up share capital £	Share Premium £	Profit and loss account £	Total £
At 1 January 2019	1,001	7,999,999	27,716,663	35,717,663
Profit for the year	-	-	4,460,711	4,460,711
Total comprehensive income for year	-	-	4,460,711	4,460,711
Dividends paid during the year	-	-	(12,862,136)	(12,862,136)
At 31 December 2019	**1,001**	**7,999,999**	**19,315,238**	**27,316,238**
At 1 January 2020	1,001	7,999,999	19,315,238	27,316,238
Loss for the year	-	-	(1,074,089)	(1,074,089)
Total comprehensive loss for year	-	-	(1,074,089)	(1,074,089)
Dividends paid during the year	-	-	-	-
At 31 December 2020	**1,001**	**7,999,999**	**18,241,149**	**26,242,149**

The notes on pages 13 to 21 form part of these financial statements.

1. Accounting policies

(a) **Statement of compliance**

Compre Holdings Limited ('the Company') is a limited liability company incorporated in England. The registered office is 5th Floor, 2 Seething Lane, London, EC3N 4AT. The financial statements are prepared for the year ended 31 December 2020.

These financial statements have been prepared in accordance with Financial Reporting Standard 101 “Reduced Disclosure Framework” (“FRS 101”) and in accordance with the applicable provisions of the Companies Act 2006. Except for certain disclosure exemptions detailed below, the financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

(b) **Basis of preparation**

The financial statements for the year ended 31 December 2020 were approved for issue by the Board of directors on 23rd June 2021.

The financial statements are prepared in pounds sterling which is the presentation and functional currency of the Company. The financial statements have been prepared on the historical cost basis.

(c) **Disclosure exemptions applied**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS101 paragraph 8:

(i) The requirement of IFRS 7 ‘Financial Instruments: Disclosures’ relating to the disclosure of financial instruments and the nature and extent of risks arising from such instruments;

(ii) The requirement of IFRS 13 ‘Fair Value Measurement’ paragraphs 91 to 99 relating to the fair value measurement disclosures of financial assets and financial liabilities that are measured at fair value

(iii) The applicable requirements of IAS 36 ‘Impairment of Assets’ relating to the disclosures of estimates used to measure recoverable amounts;

(iv) The applicable requirements of IAS 1 ‘Presentation of Financial Statements’ relating to the disclosure of comparative information in respect of the number of shares outstanding at the beginning and end of the year (IAS 1.79(a)(iv)) and the reconciliation of the carrying amount of intangible assets (IAS 38(118)(e));

(v) The requirement of IAS 1 ‘Presentation of Financial Statements’ paragraphs 134 to 136 relating to the disclosure of capital management policies and objectives;

(vi) The requirements of IAS 7 ‘Statement of Cash Flows’ and IAS 1 ‘Presentation of Financial Statements’ paragraph 10(d), relating to the presentation of a Cash Flow Statement;

(vii) The requirements of IAS 8 ‘Accounting Policies, Changes in Accounting Estimates and Errors’ paragraphs 30 and 31 relating to the disclosure of standards, amendments and interpretations in issue but not yet effective; and

(viii) The requirements of IAS 24 ‘Related Party Disclosures’ relating to the disclosure of key management personnel compensation and relating to the disclosure of related party transactions entered into between the Company and other wholly-owned subsidiaries of the group.

For the disclosure exemptions listed in points (i) to (iii), the equivalent disclosures are included in the consolidated financial statements of the group, Cambridge Topco Limited, which the Company is consolidated into. These are available on the Registry of Companies in Malta.

(d) **Going concern**

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis of accounting in preparing the financial statements. The Company is an integral part of the Group headed up by Cambridge Topco Limited and accordingly the directors of the ultimate shareholder have pledged financial support for the entity for a minimum of twelve months from the date of the signing of these financial statements.

The directors have assessed the impact of COVID-19 and are comfortable that there is adequate support to continue the operations of the business.

1. Accounting policies (continued)

(e) **Foreign currency**

Transactions in foreign currencies are translated into the functional currency at the prior month's closing exchange rates of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at each reporting date are translated into the functional currency at the closing exchange rates as at that date.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the prior month's closing exchange rates of the date of the transaction.

Foreign currency differences arising on translation of foreign currency are recognised in profit or loss.

(f) **Interest income**

Interest income is recognised in the Statement of comprehensive income as it accrues and is calculated by using the effective interest rate method.

(g) **Income tax**

Current income tax assets and/or liabilities comprise obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid/due at the reporting date. Current tax is payable on taxable profits, which may differ from profit or loss in the financial statements. Calculation of current tax is based on the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). However, for deductible temporary differences associated with investments in subsidiaries a deferred tax asset is recognised when the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

(h) **Financial instruments**

Financial assets

Financial assets are recognised when the company becomes a party to the contractual provisions of the instrument. Financial assets are initially recognised at their fair value plus directly attributable transaction costs for all financial assets not classified at fair value through profit or loss.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or when the entity transfers the financial asset and the transfer qualifies for derecognition.

After initial recognition, debtors are measured at amortised cost.

Impairment of financial assets

A loss allowance is recognized for expected credit losses on financial assets at amortized cost and debt financial assets. At each fiscal period-end, the Company assesses whether the credit risk on financial assets has increased significantly since initial recognition. If the credit risk on financial assets has not increased significantly since initial recognition, the Company measures the loss allowance for financial assets at an amount equal to the 12-month expected credit losses. If the credit risk on financial assets has increased significantly since initial recognition or for credit impaired financial assets, the Company measures the allowance account for the financial assets at an amount equal to the lifetime expected credit losses. However, the Company always measures the loss allowance at an amount equal to the lifetime expected credit losses for trade receivables and contract assets.

Expected credit losses are estimated in a way that reflects the following:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions, and forecasts of future economic conditions.

Provision of the loss allowance relating to the measurement is recognized in profit or loss. Reversal of the loss allowance is also recognized in profit or loss when events that reduce the loss allowance occur in subsequent periods.

The carrying amount of financial assets is directly reduced against the loss allowance when the Company has no reasonable expectations of recovering financial assets in their entirety, or a portion thereof.

1. Accounting policies (continued)

(h) **Financial instruments (continued)**

Financial liabilities

These financial liabilities include subordinated debt, revolving credit facility, shareholder loans and other creditors. Financial liabilities are initially recognised on the trade date which is the date the Company becomes a party to the contractual provisions of the instruments.

Financial liabilities are initially recognised at fair value plus directly attributable transaction costs.

After initial recognition, financial liabilities are measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in the finance costs. Discounting is omitted where the effect of discounting is immaterial.

A financial liability is derecognised only when the contractual obligation is extinguished, this is when the obligation is discharged, cancelled or expires.

(i) **Investments**

Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment.

(j) **Cost of borrowings**

Fees paid on the establishment of loan and other debt facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. The fees are capitalised and amortised over the period of the facility to which it relates. The amortisation is recognised in the Statement of Comprehensive Income Statement.

(k) **Significant management judgements in applying accounting policies and estimation uncertainty**

When preparing the financial statements in conformity with FRS 101 it requires management to exercise judgements in making estimates and assumptions that affects the application of the Company’s accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Estimation uncertainty

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

The directors of the Company use these estimation techniques to assess possible impairment of non-financial assets and the recoverability of outstanding debtors.

Impairment assessment of investment in subsidiaries

Investment in subsidiaries are tested for impairment on an annual basis or if events or changes in circumstance indicate the historical values may be impaired. On an annual basis, the Company compares the net asset values of it's subsidiaries against the value it holds for investment in subsidiaries. Where the net assets are lower than the amounts held, the difference is written off as an impairment. Management apply judgements in determining recoverable amount of investments in subsidiaries. The judgement is that underlying net assets of the subsidiaries is a fair approximation of the recoverable amount.

(l) **Application of new and revised International Financial Reporting Standards (IFRSs)**

New and revised standards and interpretations applied

The following new and revised Standards and Interpretations have been issued and are effective for the current financial period of the company.

- Amendments to References to the Conceptual Framework in IFRS Standards – effective 1 January 2020

The revised Conceptual Framework includes: a new chapter on measurement; guidance on reporting financial performance; improved definitions and guidance—in particular the definition of an asset and a liability; and clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.

The application of these amendments did not have a material effect on the company’s financial statements.

- Amendments to IAS 1 and IAS 8 Definition of Material - effective 1 January 2020

In October 2018, the IASB issued amendments to IAS 1 Financial Statement Presentation and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to clarify the definition of ‘material’ in the context of applying IFRS. As the concept of what is and is not material is crucial in preparing financial statements in accordance with IFRS, a change in the definition may fundamentally affect how preparers make judgments in preparing financial statements.

These amendments are a component of the IASB’s ‘Disclosure Initiative’ project, which is intended to simplify financial statements and increase their usability.

1. Accounting policies (continued)

(l) **Application of new and revised International Financial Reporting Standards (IFRSs) (continued)**

The new definition changes the "bar" at which the definition is applied. The previous definition used the term "could" in the context of whether users are potentially affected, which has been interpreted broadly. The revised definition adjusts this to use the terminology "could reasonably be expected", which adds the element of reasonability, rather than any potential effect on users.

The revised definition also narrows the definition of those who may be affected from the previous term of "users" to "primary users", which further narrows the view of what may be material in a given circumstance.

Finally, the revised definition adds the concept that obscuring information may also be relevant in determining whether an element is material to primary users. For example, disclosure of a significant subsequent event would generally receive more prominence in the order in which it is presented in financial statements than insignificant disclosures.

The application of these amendments did not have a material effect on the financial statements of the Company.

Standards, interpretations and amendments issued by the International Accounting Standards Board (IASB) but not yet adopted by the European Union:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date
- Amendments to:
    - IFRS 3 Business Combinations;
    - IAS 16 Property, Plant and Equipment;
    - IAS 37 Provisions, Contingent Liabilities and Contingent Assets
    - Annual Improvements 2018-2020
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2

The Directors are assessing the impact that the adoption of these Financial Reporting Standards will have in the financial statements of the Company in the period of initial application.

(m) **Segmental reporting**

Revenue is recharged expenses to the risk carriers. All revenue of the Company arises in Europe, which is managed as a single operating segment. The Company only recharges internally and does not have external customers. Segmental reporting by external customer is therefore not applicable.

2. Revenue

An analysis of the Company's revenue by category of business is as follows:

	2020 £	2019 £
Procurement fees from group undertakings	**179,957**	-
	179,957	-

The Company's subsidiaries trade within the EEA and Bermuda.

3. Operating profit/(loss)

Operating profit in the year (2019: £1.3m loss) was as a result of amended Group billing and recharge methodology.

Operating profit/(loss) is stated after charging:	2020 £	2019 £
Amortisation of loan acquisition costs	**86,281**	86,547
Audit services:		
Fees payable for the audit of the Company's annual financial statements	**19,000**	13,200
Fees payable to the Company's auditors for other services		
The audit of the Company's subsidiaries	**21,000**	24,900
Total Audit Fees	**40,000**	38,100
Non-audit services		
Audit related assurance services	**183,500**	156,900
Other assurance services	**-**	2,060
Total non-audit services	**183,500**	158,960
Total fees	**223,500**	197,060

Audit related assurance services include the review of reporting to the group's parent company. Auditors' remuneration is borne by Compre Services UK Limited, a subsidiary undertaking.

4. Income from shares in group undertakings

The following dividends were received during the year:	2020 £	2019 £
Bothnia International Insurance Company Limited	-	6,047,240
Claremin1 Limited	-	17,589
Finnex Holdings Limited*	**202,181**	-
Compre Services (Finland) Limited	**91,235**	-
Compre Services (Switzerland) Limited	**187,480**	-
	480,896	**6,064,829**

*- dividend received due to company being put into voluntary liquidation.

5. Directors' remuneration and other benefits

Directors' remuneration needs to be allocated to the entities to which the services have been provided and each entity's portion should be disclosed in the financial statement of that entity. Messrs. N.J. Steer, R.Williams, S.Hawkins, M.Lawson and R.Williams were remunerated for their services as directors within the Cambridge Topco Limited group by Compre Services (UK) Limited. Mr. H.Labes was remunerated for his services as a director within the Cambridge Topco Limited group by Compre Services (Germany) GmbH. The respective remuneration is disclosed in the financial statements of those companies.

6. Employees

The Company has no employees and accordingly the financial statements do not include any amounts for wages, social security costs or other pension costs. All UK employees are employed by Compre Services UK Limited and remunerated by that entity.

7. Interest receivable and fx gains

	2020 £	2019 £
Interest receivable	-	2,250
Exchange gain	-	907,667
	-	909,917

8. Interest payable and fx losses

	2020 £	2019 £
Exchange loss	**804,344**	-
Interest payable	**794,651**	924,573
	1,598,995	924,573

9. Tax on (loss)/profit on ordinary activities

	2020 £	2019 £
Current tax		
Tax for current year	-	19,500
Adjustment in respect of prior years	**(19,500)**	-
Total current tax expense	**(19,500)**	19,500
Deferred tax		
Deferred tax for current year	-	-
Deferred tax in respect of prior year	-	243,586
Total deferred tax expense	-	243,586
Total tax for the year	**(19,500)**	**263,086**

The tax rate used for the reconciliation is the corporate tax rate of 19% (2019: 19%) payable by the Company in the UK on taxable profits under UK tax law.

The (credit)/charge for the year can be reconciled to the (loss)/profit for the year as follows:

	2020 £	2019 £
(Loss)/profit before taxation	**(1,093,589)**	4,723,797
Income tax calculated at 19% (2019: 19%)	**(207,782)**	897,521
Exempt income	**(91,370)**	(1,152,317)
Expenses not deductible	**11,752**	-
Creation of losses not recognised	**176,807**	73,987
Group relief for no payment	**110,593**	200,309
Adjustment in respect of prior years	**(19,500)**	243,586
Total tax expense	**(19,500)**	263,086

Deferred tax asset in relation to tax losses of £4.3m (2019: £3.5m) have not been recognised due to the uncertainty of future recovery.

The corporation tax rate for the year ended 31 December 2020 was 19%. The Corporation Tax rate of 19% was enacted with effect from 1 April 2017 and the Finance Act 2016 legislated the UK Corporation Tax rate to decrease to 17% from 1 April 2020. However, on the 17th March 2020, using the Provisional Collection of Taxes Act 1968, the UK Government cancelled the proposed drop in Corporation Tax rate to 17%.

9. Tax on (loss)/profit on ordinary activities (continued)

Subsequent to the balance sheet date, it was announced in the Budget on 3 March 2021 the rate of corporation tax would be increased to 25% with effect from 1 April 2023. Legislation have been included in the Finance Bill 2021 to effect this change. This will not have a meterial impact on the Company.

10. Investments

	2020 £	2019 £
Investments in subsidiary undertakings	40,348,743	50,461,638

During the year, investments in subsidiaries decreased by £10.1m, which was the result of:

Investments	2020 £	2019 £
Investments in subsidiary undertakings 1 January	**50,461,638**	50,940,543
Liquidation of investment in Compre Broker Services Limited	-	(601)
Liquidation of investment in Dublimont DAC	-	(468,302)
Liquidation of investment in Compre Limited	-	(10,002)
Liquidation of investment in Compre Services (Sweden) AB	**(8,622)**	-
Liquidation of investment in Finnex Holdings Limited	**(9,910,432)**	-
Impairment of investment in Bothnia International Insurance Company Limited	**(133,841)**	-
Impairment of investment in Compre Services (Finland) Limited	**(60,000)**	-
Investments in subsidiary undertakings 31 December	**40,348,743**	50,461,638

The following undertakings are included in the consolidated financial statements of ultimate parent undertaking Cambridge Topco Limited.

Company	Country of incorporation	Principal activity	Percentage shareholding
Compre Services (UK) Limited	UK	Service company	100
Compre Services (Finland) Limited	Finland	Service company	100
Compre Services (Switzerland) Limited	Switzerland	Service company	100
Compre Services (Germany) GmbH	Germany	Service company	100
Aurora Versicherungs AG	Switzerland	Insurance company	100
Bothnia International Insurance Company Limited	Finland	Reinsurance company	100
HIR Pensionsgesellschaft mbH	Germany	Pension company	100

All the entities above are directly owned by Compre Holdings Limited. In 2020, Finnex Holdings Limited was put into voluntary liquidation and subsequently struck off the register in October 2020.

Addresses:
UK Companies – 5th Floor, Seething Lane, London, EC3N 4AT, United Kingdom
Germany Companies – Borsteler Chaussee 51, 22453 Hamburg, Germany
Finland Companies – Eerikinkatu 27, 00180 Helsinki, Finland
Switzerland Companies - Lindenstrasse 14, CH-6340 Baar, Switzerland

11. Debtors

	2020 £	2019 £
Capitalised sub-ordinated debt costs	**207,162**	289,662
Amounts owed from group undertakings	**985,395**	589,400
Other debtors	**-**	60,000
Prepayments and accrued income	**-**	2,250
Expected credit losses	**(6,342)**	-
Intragroup loans	**2,308,202**	-
	3,494,417	941,312

12. Cash at bank and in hand

	2020 £	2019 £
Current accounts and cash in hand	**394,353**	192,592
	394,353	192,592

13. Creditors: amount falling due within one year

	2020 £	2019 £
Trade creditors	**42,181**	38,709
Amounts owed to group undertakings	**3,696,782**	1,882,982
Accrued expenses	**42,692**	136,294
Other creditors	**50,129**	(482)
Shareholder loans	**2,471,340**	10,900,201
	6,303,124	12,957,704

14. Creditors: amounts falling due after one year

	2020 £	2019 £
Subordinated debt	**2,247,575**	2,131,750
Revolving credit facility	**9,444,665**	9,189,850
	11,692,240	11,321,600

Shareholder loans are unsecured, repayable on demand and accrue interest at 3% per annum.

In May 2017, the Company secured a multicurrency Revolving Credit Facility (RCF) with Royal Bank of Scotland for £20m plus an incremental facility of £5m, if required. The term of the RCF is 5 years, with the loan to be repaid in full by that date. The funds were invested in Bothnia.

At the year end, the Company had the following drawdowns:
- £4.5m on the 9 October 2017
- €5.5m on the 1 December 2017

The Company pays a commitment fee based on the unutilised amount of the loan. This is based on 35% of the margin. The arrangement fee of £0.5m has been capitalised.

In November 2017 the Company issued €2,500,000 floating rate subordinated notes, due for repayment on 5 January 2028. The notes were initially in the form of a temporary global note in bearer form, without coupons attached, which were deposited with a common safe keeper for Euroclear and Clearstream, Luxembourg. Interests in the temporary global note were exchangeable for interests in a permanent global note, without coupons attached, on or after the date falling 40 days after the issue date, upon certification as to non-U.S. beneficial ownership.

The notes bear interest on their principal amount, plus any arrears of interest from the date of issue, to the date of their redemption, payable quarterly in arrears on 5 January, 5 April, 5 July and 5 October in each year.

The obligations of the Company under the notes in respect of principal, interest and other amounts are direct, unconditional, unsecured and subordinated obligations of the Company and rank: (i) subordinated to all direct, unconditional, secured or unsecured and unsubordinated obligations of the Company, (ii) pari passu without any preference among themselves and with all other dated subordinated obligations of the Company, and (iii) in priority to holders of any undated subordinated obligations issued by the Company and to any class of share capital issued by the Company.

The notes are freely transferrable in minimum denominations of €100,000 in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg.

The notes are listed on The International Stock Exchange, which is registered in Guernsey and are classed as Tier 2 capital. The arrangement fee has been capitalised.

15. Share capital

	2020	2019
	£	£
Authorised, allocated, called up and fully paid 1,001 shares of £1 each	**1,001**	1,001

On 8 December 2017, 1 ordinary £1 share was issued for a cash contribution of £8,000,000, resulting in a share premium of £7,999,999. The proceeds were invested in Bothnia.

There is only one class of share. They all have the same rights as each other with no restrictions placed on them. Any repayment of capital can only be done by way of special resolution. There are no restrictions on the distribution of dividends.

16. Related party relationships and transactions

The Company did not enter into any related party transactions other than with group undertakings that are wholly owned members of the same group (2019: None).

17. Events after the reporting period

In February 2021, Lloyd's provided their approval for the creation of the new Compre Legacy Syndicate 1994. This was followed by two new deals with reserves totalling £123.7m signed into syndicate 1994 in February 2021: the reinsurance to close of Apollo syndicate 1969's 2017 and prior years of account and the reinsurance to close of the Axa Syndicate 3330's 2018 year of account.

It was announced on 30 November 2020 that international private equity firm Cinven and British Columbia Investment Management Corporation had agreed to acquire the Group from existing shareholders CBPE Capital LLP, Hudson Structured Capital Management Limited and Compre's management. On 28 April 2021, following receipt of regulatory approvals the sale was completed.

During Q1 2021, Cambridge Holdco increased its senior facilities with Natwest to £55m to provide for funding Syndicate 1994.

On 3 March 2021, it was announced that the UK corporation tax rate would increase from 19% to 25% on 1 April 2023. This change was substantively enacted on 24 May 2021. However, the Company has assessed the expected impact on its deferred position as at the balance sheet date and believes there would be no impact following this change.

18. Contingencies and commitments

There were no outstanding capital commitments, contingent assets, or contingent liabilities at 31 December 2020 (2019: None).

19. Ultimate controlling party

At the year end the Group's ultimate controlling party is CBPE Capital LLP. CBPE Capital LLP is controlled by a discretionary trust and consequently there is no contolling individual in terms of IAS 24.

CBPE Capital holds an 84-percentage share of the Group with the balance of shares being held by executive and non-executive directors of the business.

Cambridge Topco Limited is the parent undertaking of the largest and smallest group of which the Company is a member and which prepares group accounts incorporating the financial information of the Company. Copies of group accounts are available from The Registry of Companies Malta.