Princemark Holdings Designated Activity Company

Solvency & Financial Condition Report (SFCR)

31 December, 2017

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INTRODUCTION

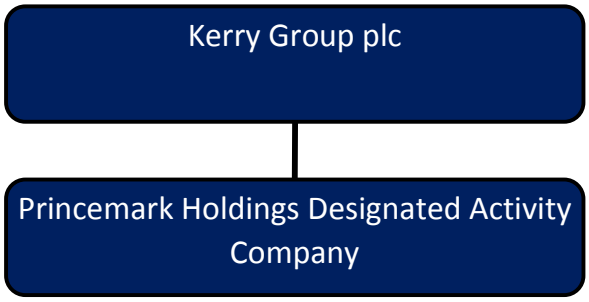
Princemark Holdings Designated Activity Company ("Princemark" and "The Company") has prepared the Solvency & Financial Condition Report in accordance with the relevant articles of the Commission Delegated Regulation (EU) 2015/35, together with the Guidelines on reporting and public disclosure issued by European Insurance and Occupational Pensions Authority ("EIOPA").

A. BUSINESS & PERFORMANCE

A1. Business

Princemark is domiciled in Co. Kerry, Ireland and has the license as a reinsurance undertaking, subject to supervision by the Central Bank of Ireland. The Company is a wholly owned subsidiary of its parent company, Kerry Group plc, headquartered at Prince's Street, Tralee, Co. Kerry, Ireland, (thereafter "the Group") and reinsures solely the risks of the group and is therefore considered to be a Captive. The Group is listed on the Irish and London Stock Exchanges and is a global leader in taste/nutrition serving the food, beverage and pharmaceutical industries, whilst being a leading supplier of added value brands and customer branded foods to both the Irish and international markets. The Group employs 24,000 people, with revenues of circa €6 billion and a global customer base in over 140 countries.

The position of the Company within the Group is set out below:



The operation of the Company is subject to the local regulatory requirements in Ireland within which it operates. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions, for example capital adequacy to minimize the risk of default and insolvency on the part of the Company to meet unforeseen liabilities as they arise.

Princemark conducts all significant business activities, including underwriting, premium invoicing & collection, claims reserving & payments, and investing from its offices in Ireland. As such Princemark strives to ensure compliance with all relevant Irish laws and regulations.

The Company's independent auditor PricewaterhouseCoopers ("PwC") is located at North Wall Quay, Dublin 1.

A2. Underwriting Performance

The principal risks and uncertainties that the Company faces are, by the very nature of the business, those for which it provides or has provided reinsurance cover. The Company seeks to ensure that it collects sufficient premium income to meet the cost of potential claims over time, but the uncertainty surrounding the severity and frequency of claims can lead to significant variation in the Company's performance in the short term. Whilst considerable judgment is involved, the Directors adopt an appropriately prudent approach to the provision and valuation of adequate reinsurance reserves, with annual support and certification being provided by an external actuary.

The Group strategy is to maintain a level of risk within the Company that provides the Group with the optimal reinsurance structure. It is therefore accepted that, in accordance with its business plan, the best strategic operating options available is for the Company to write a number of lines of reinsurance business, reinsuring Kerry Group plc:

- Employer Liability and Public Liability (Casualty)
- Property Damage/Business Interruption
- Marine
- Financial Risks

All policies are subject to original policy deductibles, sub-limits and individual aggregates.

Premiums written relate to business incepted during the financial year. Provision is made for notified losses on all underwriting years. Provisions are calculated on a gross basis.

Profit after tax for the financial year ended 31 December 2017 amounted to £5.6m (2016: £6.6m), with a dividend of £NIL paid to the parent during 2017 (2016: £15m).

Gross premiums written relate to employer liability and public liability, property damage/business interruption, marine and financial risks located worldwide. Princemark did not accept motor reinsurance business in 2017. All premiums resulted from contracts of reinsurance concluded in the Republic Of Ireland and are summarised by line of business below:

Line of Business	2017 (£k)	2016 (£k)	Variance
Casualty (EL/PL)	4,314	3,947	+367
Property	1,895	1,700	+195
Motor	-	277	-277
Marine	83	71	+12
Financial Risks	500	628	-128
Total	**6,792**	**6,623**	**+169**

Gross claims paid during the financial year ended 31 December 2017 totalled £4.4m (2016: £4.7m). As at 31 December 2017, the Company maintained gross claims provision of £42.9m (2016: £45.6m).

Line of Business	Claims Paid			Claims Provision (OSLR + IBNR)		
Line of Business	**2017 (£k)**	**2016 (£k)**	**Variance**	**2017 (£k)**	**2016 (£k)**	**Variance**
Casualty (EL/PL)	2,766	3,121	-355	30,634	31,263	-629
Property	1,200	1,455	-255	3,784	5,260	-1,476
Motor	251	102	+149	1,236	1,680	-444
Marine	225	42	+183	350	440	-90
Financial Risks	-	-	-	6,920	7,000	-80
Total	**4,442**	**4,720**	**-278**	**42,924**	**45,643**	**-2,719**

Net operating expenses for the year amounted to £313k (2016: £191k).

The Company has no employees, other than the directors, who did not receive any remuneration during the year (2016: Nil).

A3. Investment Performance

The investment position of the Company is monitored by Kerry Group Treasury and the Board of Directors on a regular basis, to ensure the investment guidelines of the Company are adhered to.

The Company allocates its investments portfolio in cash and intercompany loans, as described below;

Cash: The Company maintains one preapproved financial institution and group relationship bank with Citibank. The investment income earned for the financial year ended is £70k (2016: £376k).

Intercompany Loan: Available funds are invested, as deemed prudent by the Board of Directors, in two intercompany loans with two wholly owned subsidiary of Kerry Group Plc. The interest income earned for the financial year ended 31 December 2017 amounted to £1,579k (2016: £1,659k).

A4. Other Information

There are related party transactions; all Directors are employees of Kerry Group Plc and the Company has two intercompany loans with Group Subsidiaries.

In respect of relevant quantitative information for this report please see the Annual QRT extract in Appendix 1.

B. SYSTEM OF GOVERNANCE

B1. System of Governance

In aiming to meet the requirements for sound corporate governance, ensuring efficient conduct of business and to protect the interests of the Company's stakeholders, the Company has a comprehensive Governance and Risk Management system in place.

The Board of Directors (thereafter "the Board") has reviewed and approved the governance manual on the 20th October 2017 subject to a review of the System of Governance (in particular the governance manual and the Risk Management Policy).

The Board reviewed and continues to review the risk appetite framework setting out tolerance limits and operational limits for all risk categories, the risk management policies for all risk categories, the generic policies, the internal control system, and the Risk register framework.

The overriding goal of the Company's risk management strategy is to control and to achieve, as much as possible, a reduction in the Company's risk exposure as a means of minimizing the impact of undesired and/or unexpected events.

In order to meet the requirements for sound corporate governance, ensure efficient conduct of business and to protect the interests of the Company's stakeholders, the Company has a comprehensive Governance and Risk Management system in place. The Board of the Company acknowledges its responsibility to ensure that risks are fully understood and appropriately managed and has taken appropriate steps to ensure that risk management, reporting and control processes have been put in place in a manner which reflects the nature and scale of the captive's activities.

The governance and Risk Management System of the Company may be described as relying on four cornerstones:

A Governance Framework aligned with the Company's strategic objectives, providing top level oversight by the Board, clear ownership and accountability for risks, as well as clear escalating and reporting channels.

A Risk Management System which details the Company's strategic objectives in documented Risk Policies. For each risk, limits and operational checkpoints as well as functional identification mitigation and monitoring processes are documented.

A series of Internal Controls, defining the architecture of processes required to manage the Company in accordance with its Governance and risk management framework.

A Risk Register combining operational and risk management processes to deliver a descriptive analysis of material risks threatening at least one of the Company's global strategic objectives

There have been no material changes to this structure since the prior reporting period. Given the limited

scale and complexity of the Company, and having reviewed the risks facing the Company thoroughly, the Board is satisfied that the system of governance in place is adequate.

The key functions of Risk Management, Internal Audit, Actuarial, Compliance and Operations have clear and defined lines of reporting directly to the Board. Any violation of relevant law by the Company, is investigated fully and reported to the Board, and in certain circumstances to outside bodies such as the Central Bank of Ireland.

B2. Fit & Proper

The 'Fit and proper' requirement is the standard required by the Central Bank of Ireland when appointing pre-approved controlled function holders. Princemark is satisfied that appointed individuals performing controlled functions meet all relevant regulatory requirements and have a suitable level of training and qualification in order to enable them to carry out their respective duties.

The Compliance function adopts appropriate controls in the registration of individuals across the Group ensuring that identified individuals meet the regulators' fit and proper criteria at the point of registration.

Roles and Responsibilities Detail

Key Roles	Outsourcing	Responsible
Board of Directors	No	Declan Crowley (Chairman) Brian Mehigan Ronan Deasy
Risk Management Function	No	Terry McDonnell (Chief Risk Officer) – Kerry Group plc
Compliance Function	Yes (External)	John McNamara (Compliance Officer) – Aon Corporate Services Limited
Operations - Underwriting/Claims Management	Yes (External)	Aon Insurance Managers (Dublin) Limited
Operations - Finance and Accounting	Yes (External)	Aon Insurance Managers (Dublin) Limited
Operations - Investment	Yes (External)	Kerry Group plc Treasury in conjunction with Aon Insurance Managers (Dublin) Limited
Operations - Administration	Yes (External)	Aon Insurance Managers (Dublin) Limited
Internal Audit Function	No	Catherina Leahy (Head of Internal Audit) - Kerry Group plc
Actuarial Function	Yes (External)	Jean-Michel Briot (Head of Actuarial Function) – Aon Global Risk Consulting

B3. Risk Management System

The overriding goal of the Company's risk management strategy is to reduce, as much as possible, the Company's risk exposure as a means of minimizing the impact of unexpected events, in order to increase the likelihood of achieving the Company's strategic and business objectives.

The key risk categories for which the Company has set up specific control and monitoring mechanisms are:

- Underwriting/Reserving
- Asset Liability Management ("ALM")
- Investment
- Liquidity and concentration
- Operational
- Reinsurance and other risk mitigation techniques
- Strategic Risk

In order to achieve these objectives, the Risk Management System of the Company has been clearly documented in risk management policies for each key risk category.

In addition to these policies, an outsourcing policy defining the key rules and criteria to be followed by each service provider has been documented.

Each year, Princemark produces an Own Risk and Solvency Assessment ("ORSA") report. The approach may be summarized as follows:

Define the Stress Scenarios

Stress testing and scenario analysis are used to assess whether the available and future capital are sufficient in expected and stressed situations.

As part of the Own Risk Solvency Assessment process the Company selected the appropriate stress and scenario tests as determined by the Board to be appropriate for the Company.

Stress the Financial Plan

Stress test scenarios are embedded into the projected financial plan under Solvency II. Related SCR/MCR and solvency ratios are then calculated for each year, resulting in the Stressed Financial Plan and the solvency impact of adverse loss scenarios. This exercise is conducted by the Actuarial Function and validated by the Risk Management Function.

Assess prospective solvency needs on the basis of the Stressed Financial Plan

The Risk Management Function identifies potential additional mitigation actions to reduce the potential impact of the Stress Scenarios. Any remaining solvency gap will be covered through a relevant capital plan, i.e. defining the measures to restore the Company's solvency margin should the assumed scenarios occur.

Produce the ORSA Report

The ORSA report brings clarity over projected risk assessments and solvency needs to 3 different stakeholders:

Stakeholder	Expectation	ORSA Report
Board of Directors	Matching between risks to which the Company is or can be exposed and the Risk Appetite framework.	Provides a clear and prospective understanding of critical risk exposures and their relationship with Risk Appetite boundaries.
Shareholders	Detailed and prospective understanding about the risk of bankruptcy and potential need for future additional capital.	Provides a plan for capital needs on the time horizon of the financial planning.
Supervisory Authority	Detailed and prospective understanding of potential ORSA deviations compared to the SCR under Pillar I.	Gather information about: - calculation of Pillar I SCR for each year included within the financial planning; - related projected Solvency ratios; - explanations about deviations due to specific critical risks exposures.

The ORSA process described above ensures that ORSA is integrated in the decision-making and business planning process. Furthermore, monitoring procedures as set out in the risk management policies ensures that risk exposures are measured on a regular basis triggering exception reports for the Board.

In line with CBI requirements, the Head of Actuarial Function provides an actuarial Opinion to the Board of Directors in respect of the ORSA at the same time that the results of the ORSA process are presented to the Board.

The capital risk appetite for Princemark is to sustain its capital at a level sufficient to meet the Regulatory Solvency Capital Requirement at all times. It is not the intent to maintain a significant capital buffer in the Princemark's balance sheet.

Kerry Group plc would always seek to be in a position to take prompt corrective action to replenish capital to an appropriate level in Princemark so that SCR compliance can be demonstrated. The Kerry Group plc is expected to continue to have ample capacity to provide this support to Princemark.

B4. Internal Control System

The Internal Control System embedded in the Company's operations is a mix of processes undertaken by all stakeholders within the Company to provide reasonable assurance that the strategic objectives will be achieved.

In order to achieve the aforementioned objectives, the Internal Control framework of the Company is structured around five complementary components.

Component	Contents
Control Environment	A strong "risk and control" culture is embedded within the Company's operations through the continuous oversight of the Board of Directors and the communication to all internal stakeholders of all governance and risk principles through the present manual.
Risk Assessment	Procedures and policies are detailed and formalized in order to disclose the way of identifying, managing, controlling, mitigating and reporting issues relating to each risk category.
Reporting Channels	Clear and structured reporting processes are in place enabling the Board of Directors to have access to relevant, complete, reliable, correct and timely communication related to internal as well as external events.
Monitoring Process	The appropriate escalation of significant issues to the Board of Directors, the ongoing involvement of all internal stakeholders as well as the Internal Audit process enables the Company to continuously monitor and adapt when necessary its Internal Control System.
Control Activities	The Company has developed a comprehensive set of preventive, detective or corrective control actions embedded in its daily operations.

Detailed Processes and Embedded Control Activities

In order to set out how the Internal Control System is implemented, the Company's processes and related control activities are documented, monitored and reviewed on a regular basis.

These items are approved by the Board of Directors and evaluated by the Internal Audit Function. They are reviewed as often as necessary but at least once a year.

Tasks and actions are shared between the key functions of the Company. This serves to clarify related roles, responsibilities and embedded control activities.

B5. Internal Audit Function

Purpose & Objectives

The purpose of the Internal Audit Function is to serve as an independent function that objectively evaluates and recommends improvements to the Company's internal control system by facilitating an objective and independent assessment.

It assists the Company achieve its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of the risk management, control, and governance processes of the Company.

The Board is keen to develop effective policies and practices and take appropriate corrective action in response to weaknesses identified by internal and external auditors.

Independence and Impartiality

The Company's Internal Audit Function is independent of the activities audited and is also independent from the operational Functions and the Board of Directors.

The Internal Audit Function is free to report its findings and appraisals and to disclose them to the Board as required. This principle of independence of the Internal Audit Function entails that the Internal Audit Function operates under the direct control of the Board of the Company.

B6. Actuarial Function

The Actuarial Function is carried out by Aon Global Risk Consulting, with Mr. Jean Michael Briot as Head of Actuarial Function. Role and responsibility of the Actuarial Function include:

- coordinate the calculation of technical provisions;
- identify any inconsistency with the requirements set out in Articles 76 to 85 of the Solvency II Directive for the calculation of technical provisions and propose corrections as appropriate;
- explain any material effect of change of data, methodologies or assumptions between valuation dates on the amount of technical provisions if already calculated on a Solvency II basis;
- assess the consistency of the internal and external data used in the calculation of technical provisions against the data quality standards as set out in Article 82 of the Solvency II Directive. Where relevant, the Actuarial Function should provide recommendations on internal procedures to improve data quality so as to ensure that the undertaking is in a position to comply with the related Solvency II requirements when implemented;
- take into consideration the interrelations between the Underwriting Policy, reinsurance arrangements and technical provisions, when providing its opinion;
- report in writing at least annually to the Board of Directors. The reporting should document all material tasks that have been undertaken by the Actuarial Function, and include:
    i. details of the technical provisions
    ii. methodologies & assumptions
    iii. data sufficiency & quality
    iv. experience analysis
    v. report to the Board on reliability & adequacy
    vi. opinion on Underwriting Policy
    vii. opinion on reinsurance arrangements.

  Their report should include any deficiencies identified and give recommendations as to how such deficiencies could be remedied
- contribute to the effective implementation of the risk management system in particular:
    i. with regard to risk modelling underlying the calculation of the Solvency Capital Requirement (SCR) and MCR; and,
    ii. the ORSA process.
- think critically and organize the execution of actuarial approaches
- provide an Actuarial Opinion to the Board of Directors in respect of the ORSA

Responsibility

The person in charge of the Actuarial Function meets all the following criteria:

- Be a duly qualified actuary;
- have experience of more than five years in the field of insurance and / or reinsurance.

The Head of Actuarial Function is a pre-approval controlled function (PCF) under the Central Bank Reform Act 2010 (Sections 20 and 22) Regulations 2011.

The Head of Actuarial Function reports to the Board at least on an annual basis.

B7. Compliance Function

The Company has a dedicated Head of Compliance reporting directly into the Board of Directors. The mission of the Compliance Function is:

Assisting in ensuring the long term sustainability of the Company through the effective identification, qualification and management of compliance risks faced by the business.

- The Compliance Function is an integral component part of the internal control system of the Company and is responsible for compliance with the internal control system. The elements of the internal control system are laid out in the Corporate Governance Framework document.
- The Compliance Function identifies and communicate throughout the Company the laws, regulations and codes of conduct to which the Company is subject. The Compliance Function seeks to embed compliance with these laws, regulations and codes of conduct into the Company's way of working.
- The Compliance Function maintains a comprehensive compliance risk management control and reporting system in conjunction with the Risk Management Function to assist in managing the Compliance Risk faced by the Company.
- The Compliance Function investigates any violation of relevant law by the Company and reports to the Board, and in certain circumstances to outside bodies such as the Central Bank of Ireland.
- The Compliance Function considers possible future changes in the legal environment and their potential effect on the Company.
- The Compliance Function presents an annual Compliance Plan, outlining specific areas which it will focus on during a particular year.
- The Compliance Function promotes a culture of compliance throughout the Company.

The Company has a Compliance Charter and Compliance Plan in place for the year 2017 which was reviewed and approved during the year.

B8. Outsourcing

The objectives of Princemark's Outsourcing Policy are to ensure that the outsourcing of critical or important operational functions or activities does not lead to:

- Reduction in the Board's, and where applicable a relevant sub committee's responsibility for, or influence over key Functions of the Company;
- Material impairment of the quality of the Company's System of Governance;
- Any impairment of the Company's ability to meet its regulatory requirements;
- Non adherence to the Company's approved policies and procedures;
- Undue increases in operational risk or cost;
- Material impairment of the Company's ability to fulfil its obligations to stakeholders, nor impede effective supervision by regulators;
- Conflicts of Interest;
- Breach of the Company's data protection obligations.

All Functions and activities of the Company are eligible to be outsourced provided that each of the criteria detailed above are satisfied in each instance. Sub-outsourcing is allowable only in exceptional circumstances, on the condition that the sub-outsourced service provider satisfies the above criteria and subject to approval from the Board of Directors.

The Board is responsible for the approval of and termination of all outsourcing arrangements of critical or important Functions or activities. Critical or important Functions or activities include key Functions of the Company's System of Governance and all Functions within the Company that are fundamental to carry out its core business.

The Board must decide whether arrangements with third parties are deemed to fall within the scope of this outsourcing policy. The provision of services which do not form part of the Company's core activities need not be included within the scope of this policy.

The Board is responsible for ensuring notification to the supervisory authorities is made in a timely manner prior to the outsourcing of critical or important Functions or activities, and thereafter where there have been material developments in relation to the service provider.

The Board is responsible for reviewing the performance of outsourced service providers against agreed Service Level Agreements (SLA).

The Board is responsible for assessing the risks associated with the outsourcing of critical or important Functions or activities.

All outsourced services are located in the following jurisdictions being:

- Dublin
- Luxembourg

In respect of relevant quantitative information for this report please see Annual QRT extract in Appendix 1.

C. RISK PROFILE

C1. Underwriting Risk

The Company underwrites contracts that transfer insurance risk i.e. only reinsurance is purchased by the Company. The risk under any reinsurance contract is the possibility that the insured event occurs and the uncertainty that the Company will have sufficient assets to satisfy the amounts payable under the contract. The Company seeks to ensure that it collects sufficient premium income to meet the cost of potential claims over time, but the uncertainty surrounding the severity and frequency of claims can lead to significant variation in the Company's performance in the short term.

When calculating the technical provisions, reliable, sufficient and adequate statistical and accounting data is considered in the loss reserve estimation and recording process. Whilst considerable judgment is involved, the directors have put in place suitable processes to ensure this is achieved.

Annual support and certification is provided by the Actuarial Function.

C2. Market Risk

The risk of future changes in market prices, which would result in devaluation of investable assets, may result from several factors, including, but not limited to value, liquidity, duration, composition, interest rates, foreign exchange rates and market fluctuations. Management diversifies its portfolio to reduce the exposure to market fluctuations by applying asset matching.

C3. Credit Risk

Credit risk is the risk that one party to a financial instrument or financial arrangement will fail to discharge an obligation and cause the other party to incur a financial loss. The assets that are exposed to credit risk are:

- Cash and cash equivalents
- Intercompany loans within Kerry Group plc and its subsidiaries
- Amounts due from fronters

The Company utilises custodians deemed to be of high credit quality to hold its cash and cash equivalents and deposits with credit institutions.

There are Letters of Credit issued by three financial institutions in favour of the fronting insurers.

C4. Liquidity Risk

The Company is exposed, if proceeds from financial assets are not sufficient to fund obligations arising from its insurance contracts. The Company has the potential to be exposed to calls on its available investment assets, principally from insurance claims. Liquidity risk is the risk that cash may not be available to pay obligations when they are due without incurring an unreasonable cost.

Liquidity risk is managed by investing primarily in highly rated deposits which the Company deems to be very liquid.

C5. Operational Risk

Operational risk entails the potential exposure of the company to incidences of fraud, material error or delay in the processes of the Company, regulatory sanction and compliance breaches.

Operational risk is managed by a strong governance structure being put in place, which includes the extensive oversight of the shareholder, Board of Directors and executive management.

Princemark maintains a regulatory dialogue with Central Bank of Ireland to mitigate the risk of any potential sanction or compliance breach as well as using expert, industry leading, service providers, to provide its outsourced functions which helps avoid any material error or delay. In order to ensure the quality of the outsourced functions is as high as possible. Princemark has put in place service level agreements and regularly reviews the outsourced service providers.

C6. Other Material Risk

Strategic Risk

Strategic risk is the risk of loss arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes i.e. the risk associated with implementing the wrong strategy or failing to correctly implement the chosen strategy.

The control and monitoring actions/principles underlying the strategic risk management of the Company are:

- Review at least annually the appropriateness of the high level overall objectives for the Company, the major risks facing the Company and the Risk Appetite for each of these major risks identified.

- Ensure the Company Strategy is implemented correctly including approval, review and, monitoring of agreed Key Performance Indicators for the Company.

- Ensure all plans are regularly reviewed to ensure that Risk Tolerances are not exceeded individually or in total.

Sensitivity Risk

Actuarial function assesses the impact of varying the underlying assumptions with respect to initial average severity and expected reported loss development on their Best Estimate of Princemark's unpaid claim liabilities and vary severity of $\pm$20% around the selected average severity as well as varying the paid and reported loss development patterns.

No other material risks have been identified.

Further quantitative detail on the risk is assessed and outlined in the Annual QRT's as set out in Appendix 1.

D. VALUATION FOR SOLVENCY II PURPOSES

D1. Assets

Princemark prepares its financial statements on a going concern basis in compliance with Financial Reporting Standard 100 issued by the Financial Reporting Council and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council and those parts of the Companies Act 2014, and in accordance with the European Union (Insurance and Reinsurance) Regulations 2015. Please see Appendix 1 for Solvency II Balance Sheet.

Princemark uses the historical cost convention.

Princemark has 4 classes of assets.

- Cash at bank and in hand
- Intercompany loan
- Accrued Interest
- Other Debtors

Cash at bank and in hand are current accounts with daily liquidity. The Company utilises custodians deemed to be of high credit quality to hold its cash. Carrying amounts approximate fair value due to the high liquidity of the instruments.

Intercompany loans are included in the balance sheet at carrying value and accrued interest.

Amounts due from fronting insurers are held at the lower of cost or market value.

The only differences in the valuation of these assets between the Financial Statements and the Solvency II annual Quantitative Reporting Templates ("QRT's") relate to accrued interest on the intercompany loans, which are shown separately in the Financial Statements. Prudent person principle has been applied in assessing investment in the Company's assets.

A reconciliation of the valuation for Solvency II purposes is as follows:

Asset in kGBP	Current Accounting	Solvency II	Reclass.	Fair Value Adj.
Investments – Intercompany Loans	39,200	39,661	461	-
Debtors	100	100	-	-
Cash at bank	28,352	28,352	-	-
Prepayments and Accrued Income	461	-	-461	-
Total	**68,113**	**68,113**	**-**	**-**

The Board have prepared an ORSA Report outlining the ORSA process which supports the Board in achieving its strategic objectives by taking a structured and combined approach of strategy, Risk Management and capital management

D2. Technical Provisions

Provision is made for notified losses on all underwriting years. The Company has regard to the gross and net loss positions as indicated by the claim circumstances reported to date and loss projections carried out under the direction of the Head of Actuarial Function using actuarial techniques.

Reserves for reinsurance contract liabilities are based upon management's best estimate of the ultimate liabilities and are determined with the assistance of, and based on, the results of the analysis performed by the Actuarial Function. The reserves include estimates for both case reserves and losses incurred but not enough reported ("IBNER").

Solvency II Technical Provisions

The Solvency II Technical Provision is comprised of a Best Estimate of Liabilities ("BEL") and a Risk Margin ("RM").

The Solvency II BEL is comprised of a provision for claims outstanding ("PCO") and a premium provision ("PP"). The PCO represents the provision for the unpaid liabilities on claims that have been incurred as of the valuation date. The PP represents the expected profit underlying the unearned portion of policies that have already incepted and any policies that have been bound but not incepted ("BBNI"). The PCO is derived from actuarial estimate of Princemark's unpaid claim liabilities. The adjustment of estimate of unpaid claim liabilities as calculated for the financial statements reserving basis to a Solvency II basis requires that unpaid claim liabilities per the financial statements are discounted to a present value basis. The actuary utilizes the basic RFR (risk-free rate) curves with no volatility adjustment as of 31 December 2017 as published by EIOPA to discount the cash flows underlying the PCO. These interest rates are utilized to discount all cash flows underlying the calculation of the Solvency II TPs. A provision for expenses related to the runoff of these liabilities is then added, as required by Solvency II, as the financial statements estimate of unpaid claim liabilities does not include a provision for the expenses that will be incurred in running off the liabilities.

The methodology adopted implicitly assumes that Princemark will continue to write business into the future and that a portion of the expenses in future years will be attributable to new business, consistent with the required derivation of the expense reserve as per the current Solvency II regulations. The BEL is calculated as the sum of the PCO and the PP. Actuarial methods used include Loss Ratio, Chain Ladder, Bornhuetter-Ferguson and Benktander-Hovinen. The actuaries are "best estimates" in the sense that they represent the average of all possible outcomes. The actual amounts required to meet future claim payments may differ, even significantly, from our estimates. This estimation error can arise for a number of reasons, such as model specification error, parameter error and random error.

Line of Business (in kGBP)	Actuarial BE OSCR (Undiscounted)	SII BE OSCR + BE Premium (Discounted)	Risk Margin	SII Technical Provisions
Casualty (EL and PL)	25,836,301	26,294,796	1,786,032	28,080,828
Property	4,019,107	3,429,520	348,606	3,778,126
Motor	1,014,652	1,006,357	59,583	1,065,940
Marine	468,227	535,955	36,769	572,724
Financial Risks	4,633,555	4,357,418	299,492	4,656,910
Aggregate	**35,971,841**	35,624,047	**2,530,482**	38,154,528

Risk Margin

The Solvency II risk margin is intended to represent an amount that Princemark would be required to pay, in excess of the Best Estimate of the Liabilities, for a third party to assume the risk of running of the existing liabilities.

D3. Other Liabilities

Aside from Technical provisions, the valuation of which are detailed on the previous page, Princemark has 2 other principal classes of liabilities;

- Deferred taxation
- Other Creditors

Deferred taxation is provided on all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date, except to the extent that deferred tax assets are recognised only when it is more probable than not that there will be future taxable income streams against which such assets can be offset.

In GBPk	Solvency II Value	Financial Statements Value
Deferred Tax Liability	596	0

Please see Appendix 1 for further details.

Timing differences are temporary differences between profits as computed for tax purposes and profits as stated in the financial statements, which arise because certain items of income and expenditure in the financial statements are dealt with in different years for tax purposes.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not discounted. Deferred tax is not discounted. Deferred tax only arises due to a difference on the technical provisions between the Financial Statement Balance Sheet and the Solvency II Balance Sheet, multiplied by the tax rate (12.5%).

Other creditors consist of Corporation Tax payable, Claims Payable and Sundry Accruals are held at the lower of cost or market value/realisable value.

D4. Alternative Methods of Valuation

No alternative methods were used.

D5. Any Other Information

There is no other information to report.

In respect of relevant quantitate information for this report please see Annual QRT extract in Appendix 1.

E. CAPITAL MANAGEMENT

E1. Own Funds

The Solvency II Directive and the Delegated Acts identify the criteria own funds items must possess in order to be classified in one of the three Tiers (Tier 1, Tier 2 and Tier 3) of eligible capital. The Delegated Acts provide lists of items that fall into each of the three Tiers.

The company assess material risks that may threaten the accomplishment of the Company's strategic objectives or might have a substantial impact on the available qualifying own funds. These risks could result from either internal or external events.

Management has identified the risks listed on page 7 of this report as the material risks to which Princemark is exposed. Management has investigated the magnitude of each of these risks as well as sought to determine any potential correlations that may exist within, or between, these risk categories based on review of historical experience.

In relation to Investment Risk, a clear strategy has been developed to manage risk in a manner which limits exposure to investment volatility for those assets matching insured liabilities. These assets are primarily invested in current accounts of matching currency and duration.

All other risks are managed through a framework of internal controls supported by monitoring by management, internal audit, governance groups and the various functions of the board.

Princemark's capital structure is composed of ordinary share capital and retained earnings, as overleaf.

Called-up share capital presented as equity	**2017**	**2016**
	Number	**Number**
Authorised		
5,000,000 ordinary shares of GBP 1 each (2016: GBP 1 each)	5,000,000	5,000,000
100,000 ordinary shares of EUR 1.25 each (2016: EUR 1.25 each)	100,000	100,000
	5,100,000	**5,100,000**
Allotted, called up and fully paid	**£**	**£**
500,000 ordinary shares of GBP 1 each (2016: GBP 1 each)	500,000	500,000
12 ordinary shares of EUR 1.25 each (2016: EUR 1.25 each)	10	10
	500,010	**500,010**
Retained Earnings		
Opening and Closing Balance	23,689,912	18,062,277

The Company paid a dividend to the parent Kerry Group plc of £15.0m in 2016, no dividends were paid in 2017. Profit before tax for the year ended 31 December 2017 amounted to £6.4m (2016: £7.7m).

Solvency II own funds

Under Solvency II valuation principals, the eligible own funds available to meet the SCR and MCR is £28.4m (2016: £26.8m).

This is comprised solely of Tier 1 capital and is consistent with prior years.

Princemark has no ancillary funds.

There is no restriction on the transfer of own funds.

Capital management

The total capital of the Company as at 31 December 2017 consists of shareholder's equity of £24.2m (2016: £18.6m). Management reviews capital on an ongoing basis with a view to maintaining a level of capital sufficient to cover significant statement of financial position risks and regulatory requirements. As at 31 December 2017 the Company has adequate capital to meet these objectives.

A reconciliation of the Own Funds to Shareholders Equity is as follows:

Asset in kGBP	Current Accounting	Solvency II	Reclass.	Fair Value Adj.
Investments – Intercompany Loans	39,200	39,661	461	-
Debtors	100	100	-	-
Cash at bank	28,352	28,352	-	-
Prepayments and Accrued Income	461	-	-461	-
Total	**68,113**	**68,113**	**-**	**-**
Liability in kGBP	**Current Accounting**	**Solvency II**	**Reclass.**	**Fair Value Adj.**
Technical Provisions	**42,925**	**38,155**	**-**	**-4,770**
Premium provision	-	*272*	-	*272*
Claims provision	*42,925*	*35,352*	-	*-7,573*
Risk Margin	-	*2,531*	-	*2,531*
Provision for deferred taxes	-	596	-	596
Creditors	901	901	-	-
Accruals and Deferred Income	90	90	-	-
Total excl. Capital and Reserve	**43,916**	**39,742**	**-**	**-4,174**
Own Funds	24,197	28,371	-	4,174
Total	**68,113**	**68,113**	**-**	**-**

E2. Solvency Capital Requirement & Minimum Capital Requirement

Princemark's Solvency Capital Requirement ("SCR") as of 31 December 2017 totals £22.0m (2016: £20.0m). Princemark's Solvency II recognized own funds totalling £28.4m (2016: £26.8m) is sufficient to meets its SCR and results in a Solvency Ratio of 129% (2016: 134%. Princemark's Minimum Capital Requirement ("MCR") as of 31 December 2017 totals £5.5m (2016: £5.0m).

In kGBP	31-Dec-16	31-Dec-17	Variation	
Market Risk	**10,604**	**10,621**	**17**	**0.2%**
Interest Rate	186	345	159	86%
Spread	991	992	-	0%
Currency	75	134	59	80%
Concentration	10,545	10,548	3	0%
Default Risk	**1,720**	**1,906**	**185**	**11%**
Non-Life Risk	**13,659**	**15,101**	**1,442**	**11%**
Premium/Reserve	10,177	10,744	567	6%
Lapse	285	306	20	7%
CAT	6,910	8,256	1,346	19%
BSCR	**20,175**	**21,531**	**1,356**	**7%**
Adj.	-1,171	-596	575	49%
Op. Risk	1,027	1,069	41	4%
SCR	**20,031**	**22,003**	**1,972**	**10%**
MCR	**5,008**	**5,501**	**493**	**10%**
Eligible Capital	**26,759**	**28,364**	**1,746**	**7%**
Solvency Ratio	**134%**	**129%**	**-5%**	**-3%**

E3. Use of Duration Based Equity Risk Sub Model in calculation of the SCR

There was no use of duration based equity risk sub model in the calculation of the SCR.

E4. Differences between the Standard Model & Any Internal Model

Princemark used the Standard Model in determining the SCR and MCR and did not rely on any internal model.

E5. Non-Compliance with MCR and SCR

There are no issues with non-compliance with the MCR and SCR

E6. Any Other Information

There is no other information to report.

In respect of relevant quantitate information for this report please see Annual QRT extract in Appendix 1.

CONCLUSION

For Princemark's financial year end 31 December 2017 the following audited quantitative data has been added to Appendix 1.

S.02.01.02	Balance sheet (audited)
S.05.01.01	Premiums, claims and expenses (unaudited)
S.05.02.01	Premiums, claims and expenses by country (unaudited)
S.17.01.02	Non Life technical provisions (audited)
S.19.01.21	Claims Developments (audited)
S.23.01.01	Own Funds (audited)
S.25.01.21	SCR using standard formula (audited)
S.28.01.01	MCR (audited)

S.02.01.02 - Balance Sheet (In thousands of GBP)

		C0010
		Solvency II value
Assets		
R0030	Intangible assets	
R0040	Deferred tax assets	
R0050	Pension benefit surplus	
R0060	Property, plant & equipment held for own use	
R0070	Investments (other than assets held for index-linked and unit-linked contracts)	0
R0080	Property (other than for own use)	
R0090	Holdings in related undertakings, including participations	
R0100	Equities	0
R0110	Equities - listed	
R0120	Equities - unlisted	
R0130	Bonds	0
R0140	Government Bonds	
R0150	Corporate Bonds	
R0160	Structured notes	
R0170	Collateralised securities	
R0180	Collective Investments Undertakings	
R0190	Derivatives	
R0200	Deposits other than cash equivalents	
R0210	Other investments	
R0220	Assets held for index-linked and unit-linked contracts	
R0230	Loans and mortgages	39,661
R0240	Loans on policies	
R0250	Loans and mortgages to individuals	
R0260	Other loans and mortgages	39,661
R0270	Reinsurance recoverables from:	0
R0280	Non-life and health similar to non-life	0
R0290	Non-life excluding health	
R0300	Health similar to non-life	
R0310	Life and health similar to life, excluding health and index-linked and unit-linked	0
R0320	Health similar to life	
R0330	Life excluding health and index-linked and unit-linked	
R0340	Life index-linked and unit-linked	
R0350	Deposits to cedants	
R0360	Insurance and intermediaries receivables	100
R0370	Reinsurance receivables	
R0380	Receivables (trade, not insurance)	
R0390	Own shares (held directly)	
R0400	Amounts due in respect of own fund items or initial fund called up but not yet paid in	
R0410	Cash and cash equivalents	28,352
R0420	Any other assets, not elsewhere shown	
R0500	**Total assets**	68,113

S.02.01.02 - Balance Sheet (In thousands of GBP)

		C0010
		Solvency II value
Liabilities		
R0510	Technical provisions – non-life	38,154
R0520	Technical provisions – non-life (excluding health)	38,154
R0530	Technical provisions calculated as a whole	
R0540	Best Estimate	35,624
R0550	Risk margin	2,530
R0560	Technical provisions - health (similar to non-life)	0
R0570	Technical provisions calculated as a whole	
R0580	Best Estimate	
R0590	Risk margin	
R0600	Technical provisions - life (excluding index-linked and unit-linked)	0
R0610	Technical provisions - health (similar to life)	0
R0620	Technical provisions calculated as a whole	
R0630	Best Estimate	
R0640	Risk margin	
R0650	Technical provisions – life (excluding health and index-linked and unit-linked)	0
R0660	Technical provisions calculated as a whole	
R0670	Best Estimate	
R0680	Risk margin	
R0690	Technical provisions – index-linked and unit-linked	0
R0700	Technical provisions calculated as a whole	
R0710	Best Estimate	
R0720	Risk margin	
R0730	Other technical provisions	
R0740	Contingent liabilities	
R0750	Provisions other than technical provisions	
R0760	Pension benefit obligations	
R0770	Deposits from reinsurers	
R0780	Deferred tax liabilities	596
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	4
R0830	Reinsurance payables	
R0840	Payables (trade, not insurance)	897
R0850	Subordinated liabilities	0
R0860	Subordinated liabilities not in Basic Own Funds	
R0870	Subordinated liabilities in Basic Own Funds	
R0880	Any other liabilities, not elsewhere shown	90
R0900	Total liabilities	39,741
R1000	**Excess of assets over liabilities**	28,372

S.05.01.02 - Premiums, claims and expenses (In thousands of GBP)

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Premiums written										
Gross - Direct Business	R0110									
Gross - Prop reinsurance accepted	R0120						83	1,895	4,314	
Gross - Non-Prop reinsurance accepted	R0130									
Reinsurers' share	R0140									
Net	R0200	0	0	0	0	0	83	1,895	4,314	0
Premiums earned										
Gross - Direct Business	R0210									
Gross - Prop reinsurance accepted	R0220						83	1,895	4,314	
Gross - Non-Prop reinsurance accepted	R0230									
Reinsurers' share	R0240									
Net	R0300	0	0	0	0	0	83	1,895	4,314	0
Claims incurred										
Gross - Direct Business	R0310									
Gross - Prop reinsurance accepted	R0320				-193		135	-275	2,137	
Gross - Non-Prop reinsurance accepted	R0330									
Reinsurers' share	R0340									
Net	R0400	0	0	0	-193	0	135	-275	2,137	0
Changes in other technical provisions										
Gross - Direct Business	R0410									
Gross - Prop reinsurance accepted	R0420									
Gross - Non-Prop reinsurance accepted	R0430									
Reinsurers' share	R0440									
Net	R0500	0	0	0	0	0	0	0	0	0
Expenses incurred	R0550						4	85	195	
Other expenses	R1200									
Total expenses	R1300									

S.05.01.02 - Premiums, claims and expenses (In thousands of GBP)

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)			Line of business for: accepted non-proportional reinsurance				TOTAL
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written									
Gross - Direct Business	R0110								0
Gross - Prop reinsurance accepted	R0120			500					6,792
Gross - Non-Prop reinsurance accepted	R0130								0
Reinsurers' share	R0140								0
Net	R0200	0	0	500	0	0	0	0	6,792
Premiums earned									
Gross - Direct Business	R0210								0
Gross - Prop reinsurance accepted	R0220			500					6,792
Gross - Non-Prop reinsurance accepted	R0230								0
Reinsurers' share	R0240								0
Net	R0300	0	0	500	0	0	0	0	6,792
Claims incurred									
Gross - Direct Business	R0310								0
Gross - Prop reinsurance accepted	R0320			-80					1,724
Gross - Non-Prop reinsurance accepted	R0330								0
Reinsurers' share	R0340								0
Net	R0400	0	0	-80	0	0	0	0	1,724
Changes in other technical provisions									
Gross - Direct Business	R0410								0
Gross - Prop reinsurance accepted	R0420								0
Gross - Non-Prop reinsurance accepted	R0430								0
Reinsurers' share	R0440								0
Net	R0500	0	0	0	0	0	0	0	0
Expenses incurred	R0550			23					307
Other expenses	R1200								
Total expenses	R1300								307

S.05.01.02 - Premiums, claims and expenses (In thousands of GBP)

		Line of Business for: life insurance obligations						Life reinsurance obligations		TOTAL
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410									0
Reinsurers' share	R1420									0
Net	R1500	0	0	0	0	0	0	0	0	0
Premiums earned										
Gross	R1510									0
Reinsurers' share	R1520									0
Net	R1600	0	0	0	0	0	0	0	0	0
Claims incurred										
Gross	R1610									0
Reinsurers' share	R1620									0
Net	R1700	0	0	0	0	0	0	0	0	0
Changes in other technical provisions										
Gross	R1710									0
Reinsurers' share	R1720									0
Net	R1800	0	0	0	0	0	0	0	0	0
Expenses incurred	R1900									0
Other expenses	R2500									
Total expenses	R2600									0

S.05.02.01 - Premiums, claims and expenses by country (In thousands of GBP)

		Home country	Country (by amount of GWP)					Total for top 5 countries and home country
			GB	MT				
		C0080	C0090	C0090	C0090	C0090	C0090	C0140
Premiums written								
Gross - Direct Business	R0110							0
Gross - Proportional reinsurance accepted	R0120		6,292	500				6,792
Gross - Non-proportional reinsurance accepted	R0130							0
Reinsurers' share	R0140							0
Net	R0200	0	6,292	500	0	0	0	6,792
Premiums earned								
Gross - Direct Business	R0210							0
Gross - Proportional reinsurance accepted	R0220		6,292	500				6,792
Gross - Non-proportional reinsurance accepted	R0230							0
Reinsurers' share	R0240							0
Net	R0300	0	6,292	500	0	0	0	6,792
Claims incurred								
Gross - Direct Business	R0310							0
Gross - Proportional reinsurance accepted	R0320		1,804	-80				1,724
Gross - Non-proportional reinsurance accepted	R0330							0
Reinsurers' share	R0340							0
Net	R0400	0	1,804	-80	0	0	0	1,724
Changes in other technical provisions								
Gross - Direct Business	R0410							0
Gross - Proportional reinsurance accepted	R0420							0
Gross - Non-proportional reinsurance accepted	R0430							0
Reinsurers' share	R0440							0
Net	R0500	0	0	0	0	0	0	0
Expenses incurred	R0550		284	23				307
Other expenses	R1200							
Total expenses	R1300							307

S.17.01.02 - Non Life technical provisions (In thousands of GBP)

		Direct business and accepted proportional reinsurance											
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130
Technical provisions calculated as a whole	R0010												
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050												
Technical provisions calculated as a sum of BE and RM													
Best estimate													
Premium provisions													
Gross	R0060						67	-563	969				-201
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140												
Net Best Estimate of Premium Provisions	R0150	0	0	0	0	0	67	-563	969	0	0	0	-201
Claims provisions													
Gross	R0160				1,006		469	3,992	25,325				4,558
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240												
Net Best Estimate of Claims Provisions	R0250	0	0	0	1,006	0	469	3,992	25,325	0	0	0	4,558
Total Best estimate - gross	R0260	0	0	0	1,006	0	536	3,429	26,294	0	0	0	4,357
Total Best estimate - net	R0270	0	0	0	1,006	0	536	3,429	26,294	0	0	0	4,357
Risk margin	R0280				60		37	349	1,786				299
Amount of the transitional on Technical Provisions													
Technical Provisions calculated as a whole	R0290												
Best estimate	R0300												
Risk margin	R0310												
Technical provisions - total													
Technical provisions - total	R0320	0	0	0	1,066	0	573	3,778	28,080	0	0	0	4,656
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	0	0	0	0	0	0	0	0	0	0	0
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	0	0	0	1,066	0	573	3,778	28,080	0	0	0	4,656

S.17.01.02 - Non Life technical provisions (In thousands of GBP)

		Accepted non-proportional reinsurance				TOTAL
		Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010					0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050					0
Technical provisions calculated as a sum of BE and RM						
Best estimate						
Premium provisions						
Gross	R0060					272
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140					0
Net Best Estimate of Premium Provisions	R0150	0	0	0	0	272
Claims provisions						
Gross	R0160					35,350
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240					0
Net Best Estimate of Claims Provisions	R0250	0	0	0	0	35,350
Total Best estimate - gross	R0260	0	0	0	0	35,622
Total Best estimate - net	R0270	0	0	0	0	35,622
Risk margin	R0280					2,531
Amount of the transitional on Technical Provisions						
Technical Provisions calculated as a whole	R0290					0
Best estimate	R0300					0
Risk margin	R0310					0
Technical provisions - total						
Technical provisions - total	R0320	0	0	0	0	38,153
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0	0	0	0	0
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	0	0	0	0	38,153

S.19.01.21 - Claim development triangles (In thousands of GBP)

Gross Claims Paid (non cumulative absolute amount)

		0	1	2	3	4	5	6	7	8	9	10+	Current year	All years
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0170	C0180
Prior	R0100											33	33	0
N-9	R0160	90	3,468	750	425	817	160	136	39	95	71		71	6,051
N-8	R0170	582	1,611	896	753	702	945	312	608	185			185	6,594
N-7	R0180	2,715	3,495	1,269	583	503	484	112	52				52	9,213
N-6	R0190	1,445	3,452	1,551	400	565	175	163					163	7,751
N-5	R0200	1,275	2,529	490	824	645	675						675	6,438
N-4	R0210	66	510	626	499	540							540	2,241
N-3	R0220	215	916	467	256								256	1,854
N-2	R0230	500	1,861	1,367									1,367	3,728
N-1	R0240	46	663										663	709
N	R0250	437											437	437
												Total	4,442	45,016

Gross undiscounted Best Estimate Claims Provisions - Development year (non cumulative absolute amount)

		0	1	2	3	4	5	6	7	8	9	10	Year End (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
Prior	R0100											469	459
N-9	R0160									430	263		258
N-8	R0170								1,364	818			802
N-7	R0180							895	617				606
N-6	R0190						2,187	1,512					1,486
N-5	R0200					4,083	2,782						2,731
N-4	R0210				4,350	3,121							3,066
N-3	R0220			4,793	3,715								3,646
N-2	R0230		7,962	5,700									5,616
N-1	R0240	8,596	7,078										6,958
N	R0250	9,897											9,724
												Total	35,352

S.23.01.01 - Own funds (In thousands of GBP)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	500	500			
Share premium account related to ordinary share capital	R0030	0				
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0				
Subordinated mutual member accounts	R0050	0				
Surplus funds	R0070	0				
Preference shares	R0090	0				
Share premium account related to preference shares	R0110	0				
Reconciliation reserve	R0130	27,871	27,871			
Subordinated liabilities	R0140	0				
An amount equal to the value of net deferred tax assets	R0160	0				
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0				
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230	0				
Total basic own funds after deductions	R0290	28,371	28,371	0	0	0
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0				
Unpaid and uncalled preference shares callable on demand	R0320	0				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0				
Other ancillary own funds	R0390	0				
Total ancillary own funds	R0400	0			0	0

S.23.01.01 - Own funds (In thousands of GBP)

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	28,371	28,371	0	0	0
Total available own funds to meet the MCR	R0510	28,371	28,371	0	0	
Total eligible own funds to meet the SCR	R0540	28,371	28,371	0	0	0
Total eligible own funds to meet the MCR	R0550	28,371	28,371	0	0	
SCR	R0580	22,003				
MCR	R0600	5,501				
Ratio of Eligible own funds to SCR	R0620	1.2894151				
Ratio of Eligible own funds to MCR	R0640	5.1574259				

Reconciliation reserve

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	28,371
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	
Other basic own fund items	R0730	500
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	27,871
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	
Total Expected profits included in future premiums (EPIFP)	R0790	0

S.25.01.21 - SCR using standard formula (In thousands of GBP)

Basic Solvency Capital Requirement

		Gross solvency capital requirement	USP	Simplifications
		C0040	C0090	C0100
Market risk	R0010	10,621		
Counterparty default risk	R0020	1,906		
Life underwriting risk	R0030			
Health underwriting risk	R0040			
Non-life underwriting risk	R0050	15,101		
Diversification	R0060	-6,098		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	21,530		

Calculation of Solvency Capital Requirement

		Value
		C0100
Operational risk	R0130	1,069
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	-596
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency Capital Requirement excluding capital add-on	R0200	22,003
Capital add-on already set	R0210	
Solvency capital requirement	R0220	22,003
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

S.28.01.01 - MCR (In thousands of GBP)

Linear formula component for non-life insurance and reinsurance obligations		MCR components
		C0010
MCRNL Result	R0010	4,762

Background information		Background information	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020		
Income protection insurance and proportional reinsurance	R0030		
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050	1,006	
Other motor insurance and proportional reinsurance	R0060		
Marine, aviation and transport insurance and proportional reinsurance	R0070	536	83
Fire and other damage to property insurance and proportional reinsurance	R0080	3,430	1,895
General liability insurance and proportional reinsurance	R0090	26,295	4,314
Credit and suretyship insurance and proportional reinsurance	R0100		
Legal expenses insurance and proportional reinsurance	R0110		
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130	4,357	500
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		
Non-proportional marine, aviation and transport reinsurance	R0160		
Non-proportional property reinsurance	R0170		

Linear formula component for life insurance and reinsurance obligations		C0040
MCRL Result	R0200	0

Total capital at risk for all life (re)insurance obligations		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210		
Obligations with profit participation - future discretionary benefits	R0220		
Index-linked and unit-linked insurance obligations	R0230		
Other life (re)insurance and health (re)insurance obligations	R0240		
Total capital at risk for all life (re)insurance obligations	R0250		

Overall MCR calculation		C0070
Linear MCR	R0300	4,762
SCR	R0310	22,003
MCR cap	R0320	9,901
MCR floor	R0330	5,501
Combined MCR	R0340	5,501
Absolute floor of the MCR	R0350	1,064
Minimum Capital Requirement	R0400	5,501