

Princemark Holdings

Designated Activity Company

Solvency and Financial Condition Report
Abridged (Section D & E Only)

Reporting period ended 31 December 2022

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D. VALUATION FOR SOLVENCY PURPOSES

D.1 Assets

Princemark prepares its financial statements in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) as issued by the Financial Reporting Council, applicable accounting standards, the relevant provisions of the Companies Act 2014 and the European Union (Insurance Undertakings: Financial Statements) Regulations 2015.

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.

The Intercompany loan is measured in accordance with IFRS 9 'Financial Instruments' and included in the balance sheet at carrying value with accrued interest disclosed separately in the financial statements.

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 Quantitative Reporting Templates (QRT's) relate to:

- classification of accrued interest on the intercompany loan, which are shown separately in the Financial Statements; and
- the treatment of future cash flows relating to reinsurance debtors as part of the calculation of technical provisions (Section D2 below).

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

Asset in kGBP	Financial Statements	Solvency II	Reclass.	Fair Value Adj.
Investments – Intercompany Loan	44,988	45,073	85	-
Debtors	100	100	-	-
Cash at bank	34,494	34,494	-	-
Accrued interest	85	-	(85)	-
Other receivables	40	40	-	-
Total	79,707	79,707	-	-

D.2 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 reported ('IBNR').

Solvency II Technical Provisions

The Solvency II technical provisions are 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 inceptioned and any policies that have been bound but not inceptioned ('BBNI'). The PCO is derived from an actuarial estimate of Princemark's unpaid claim liabilities. The adjustment of the estimate of unpaid claim liabilities, between the financial statements reserving basis and the Solvency II valuation basis, requires that unpaid claim liabilities per the financial statements are discounted to a present value basis. The evaluation of the best estimate outstanding claims reserves ('OSCR') is used as the starting point to evaluate the Solvency II technical provisions. The actuary utilises the basic risk-free rate curves with no volatility adjustment as of 31 December 2022, as published by EIOPA, to discount the cash flows underlying the PCO. These interest rates are utilised to discount all cash flows underlying the calculation of the Solvency II technical provisions. 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 actuarial reserves 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 estimates. This estimation error can arise for a number of reasons, such as model specification error, parameter error and random error.

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 off the existing liabilities.

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The technical provisions at 31 December 2022 by line of business are as follows:

Line of Business (in kGBP)	SII BE OSCR + BE Premium (Discounted)	Risk Margin	SII Technical Provisions
General Liability	24,312	1,579	25,891
Fire & Other Damage to Property	6,656	447	7,103
Motor Vehicle Liability	118	6	124
Marine, Aviation & Transport	200	19	219
Miscellaneous Financial Loss	4,788	279	5,067
Total	36,074	2,330	38,404

The reconciliation between the value of technical provisions for solvency purposes and the financial statements at 31 December 2022 is shown below:

	Value (in kGBP)
Claims provisions per financial statement	41,484
Adjustment to best estimate	(3,244)
Undiscounted claims provisions	38,240
Premium inflow	(10,517)
Expected claims outflow from future events	11,727
Expected expenses from future claims	724
Undiscounted technical provisions (incl. expenses)	40,174
Discounting on claims provision	(2,936)
Discounting on premium provision	(1,164)
Discounted technical provisions	36,074
Risk margin	2,330
Solvency II technical Provisions	38,404

Information on how the Company manages risk in the area of underwriting and reserving is set out in Section C1 above. Operational risks relating to the Company's technical provisions and claims data are managed using the Control Framework described in Section B4 above.

The Company is satisfied that it has access to sufficient historical claims data on an annual basis for the calculation of its technical provisions and that this data is accurate and appropriate for the Company's needs. Claims management processes by the Company are appropriate and adequate given the nature of the underlying risks. Significant reporting delays are not experienced.

In calculating its technical provisions on a Solvency II basis, Princemark has not applied any of the following items:

- matching adjustment referred to in Article 77b of Directive 2009/138/EC;
- volatility adjustment referred to in Article 77d of Directive 2009/138/EC;
- transitional risk-free interest rate-term structure referred to Article 308c of Directive 2009/138/EC; and
- transitional deduction referred to in Article 308d of Directive 2009/138/EC.

D.3 Other liabilities

Aside from Technical Provisions, the valuation of which is detailed on the previous page, Princemark has three other principal classes of liabilities:

- Deferred taxation
- Other creditors
- Accruals

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

Other liability in kGBP	Financial Statements	Solvency II	Reclass.	Fair Value Adj.
Deferred tax liabilities	-	525	-	525
Other creditors	183	183	-	-
Accruals	366	366	-	-
Total	550	1,074	-	525

Deferred tax asset of £525k (2021: deferred tax liability £220k) arises due to the valuation difference on the technical provisions, debtors and creditors between the Financial Statement Balance Sheet and the Solvency II Balance Sheet, multiplied by the applicable tax rate (12.5%).

Other creditors of £183k (2021: £162k) in the Solvency II Balance Sheet is classified as payables (trade not insurance), consisting of Corporation Tax Payable of £86k and a prior year adjustment of £97k relating to a historic forex on corporation tax settlements in prior years and accrued expenses are classified as any other liabilities, not elsewhere shown £366k.

The balance differs from the financial statements due to the inclusion of future cash flows relating to reinsurance creditors as part of the calculation of technical provisions (Section D2 above).

D.4 Alternative methods for valuation

No alternative methods were used.

D.5 Any other information

There is no other information to report.

E. CAPITAL MANAGEMENT

E.1 Own funds

The Company has put in place a Capital Management policy to ensure that 'Own Fund' items, both at issue and subsequently, meet the requirements of the Solvency II capital regime. The objectives of the policy are to ensure that, on an on-going basis, the Company has:

- own fund items available to meet its capital requirements; and
- developed processes to ensure the appropriateness of its own fund items.

On an annual basis the Company reviews the level, composition and classification of own fund items to ensure they continue to meet its own solvency needs, and its regulatory obligations in respect of Solvency Capital Requirement (SCR) and Minimum Capital Requirement (MCR). A three year forward looking time horizon is used for business planning purposes and any anticipated changes to the Company's business and risk profile are factored into the ORSA process to assess the solvency and capital needs over this business planning period. It is intended that the Company's capital needs will be managed out of its existing pool of own funds and the efficient management of the Company's reinsurance business. Should additional funds be required outside of that, they will be advanced by the shareholder. There have been no material changes to this approach from the prior year.

The Company's own funds consist of the following items:

- Issued Share Capital; and
- Retained Earnings.

Any change to the share capital requires the approval of the Shareholder and the Board. Retained earnings are adjusted quarterly to take account of the profits/losses earned in the period together with any Solvency II valuation adjustments.

The payment of dividends is considered on an annual basis by the Board as part of its medium-term capital assessment. Potential dividends will be considered as part of the Company's ORSA process to ensure that the Company will continue to meet its solvency needs over the business planning period. No dividends were paid in 2022 (2021: nil).

Any other qualifying own fund item requires the review and approval of the Board. In such instances, the Board must ensure that the terms and conditions of any own fund item are clear and unambiguous in relation to the capital classification.

Own fund items at the end of reporting period and the prior year comparative period are as follows:

	2022	2021
	kGBP	kGBP
Ordinary paid-up share capital	500	500
Deferred Tax asset	-	-
Reconciliation reserve	39,728	36,908
Total basic own funds	40,228	37,408

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The movement in basic own funds reflects the increase in the reconciliation reserve which represents the Company's retained profits as adjusted for Solvency II valuation principles. The adjustments which arise in the application of these principles are shown in the equity reconciliation below.

At the end of the current reporting period eligible own funds available to meet the Company's SCR and MCR are £40.228m (2021: £37.408m), comprised solely of Tier 1 capital.

The equity position as shown in the Company's 2022 year-end financial statements can be reconciled to the basic own funds balance under Solvency II as follows:

	2022 kGBP
Equity per the Company's financial statements	36,556
Adjustments to technical provisions	3,080
Removal of reinsurance debtors	-
Removal of reinsurance creditors	1,117
Deferred tax liability	(525)
Own funds (excess of assets over liabilities for solvency purposes)	40,228

Adjustments are made to technical provisions in line with the valuation methodologies set out in section D.2 above. This results in the removal of reinsurance debtor and creditor balances as the future cash flows in relation to these items are dealt with as part of the calculation of technical provisions. Deferred tax is provided on these adjustments at the applicable tax rate. All adjustments are reflected in the Company's reconciliation reserve.

Princemark has no ancillary own funds and there are no transitional arrangements impacting its capital calculations.

E.2 Solvency capital requirement and minimum capital requirement

At the end of the current reporting year, Princemark's SCR and MCR have been calculated as £24.213m and £6.053m respectively (2021: £24.486m and £6.122m).

The SCR is intended to correspond to the capital the Company needs to hold in order to limit the probability of ruin, in the following 12 months, to 0.5%, i.e. ruin would occur less than once in every 200 years. The SCR calculated at the end of the current reporting period, relates to the capital required to support the business over the prospective 12 months; covering both existing liabilities and business written during 2022. Based on the Company's eligible own funds of £40.228m (2021: £37.408m) the Company has a solvency ratio on 31 December 2022 of 166% (2021: 153%).

The SCR has been calculated using the standard formula and without the application of any undertaking specific parameters. In the non-life risk module, the risk margin on technical provisions has been calculated using the second simplification provided in EIOPA's technical specifications. This is considered appropriate given the nature of the Company's business as a captive reinsurer.

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The split of SCR by risk modules is shown below, together with the prior year comparative:

In kGBP	31-Dec-22	31-Dec-21	Variation	
Market Risk	12,762	13,221	(459)	(3%)
Interest Rate	1,637	1,190	447	38%
Spread	4,016	5,423	(1,407)	(26%)
Currency	123	205	(82)	(40%)
Concentration	11,987	11,968	19	0%
Diversification benefit	(5,001)	(5,565)	(564)	10%
Default Risk	2,318	1,874	444	24%
Non-Life Risk	15,537	15,522	15	0%
Premium/Reserve	10,749	10,786	(37)	0%
Lapse	221	360	(139)	(39%)
CAT	8,847	8,781	66	1%
Diversification benefit	(4,280)	(4,405)	125	(3%)
Diversification	(6,962)	(6,882)	(80)	1%
BSCR	23,656	23,734	(78)	0%
Adjustment for deferred taxes	(525)	(221)	(304)	138%
Operational Risk	1,082	972	110	11%
SCR	24,213	24,486	(273)	(1%)
MCR	6,053	6,122	(69)	(1%)
Eligible Own Funds	40,228	37,408	2,820	8%
Solvency Ratio	166%	153%	13%	8%
MCR Ratio	655%	611%	44%	7%

Market Risk: The decrease in the capital charge of the market risk of 3% is mainly due to the decrease in the capital charge of the spread risk, given the shorter duration of the loan compared to the prior year.

Counterparty Default Risk: The increase in the capital charge of the default risk of 24% is mainly due to higher exposures to cash placed with Citibank. The funds held in Citibank increased from £27.9m in 2021 to £34.5m in 2022.

Non-Life Risk: The Non-Life Risk capital charge remained stable.

The MCR is calculated through a prescribed formula based on the net technical provisions (excluding the risk margin) and net written premium. It is also constrained to be between 25% and 45% of the SCR. Further to this, SI 485 sets out absolute minimum MCR values for non-life and life insurers, reinsurers and captives. In the case of Princemark, as a non-life captive reinsurer this absolute floor is the Sterling equivalent of a fixed amount of EUR 1.300m from 19 October 2022 following an increase to the absolute floor for the calculation of the Minimum Capital Requirement in 2022 (2021: EUR 1.200m). Having carried out the calculations and applied the relevant limits, the resultant MCR for the Company is £6.053m (2021: £6.122m).

E.3 Use of duration-based equity risk sub module in calculation of the solvency capital requirement

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

E.6 Any other information

When assessing the going concern of the Company, no events or conditions have been identified that may cast significant doubt on the Company's ability to continue as a going concern. In making this assessment the financial and solvency position and the surplus over its required solvency capital ratio and minimum capital ratio, the liquidity position, operational resilience, and legal and compliance risks have been considered.

<i>Note: Tables within this report contain minor rounding differences in certain instances due to amounts being displayed as whole numbers or in thousands while the source workings underlying the annual reporting templates are calculated to two decimal places. These differences are immaterial.</i>

ANNEX I – QUANTITATIVE REPORTING TEMPLATES

The following reporting templates are appended to this report:

S.02.01.02 – Balance sheet*

S.17.01.02 – Non-Life technical provisions*

S.19.01.21 – Claim development triangles*

S.23.01.01 – Own funds*

S.25.01.21 – SCR using standard formula*

S.28.01.01 – MCR*

*templates subject to external audit.

Amounts are in GBP'000 (kGBP).

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	45,073
R0240	Loans on policies	
R0250	Loans and mortgages to individuals	
R0260	Other loans and mortgages	45,073
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	34,494
R0420	Any other assets, not elsewhere shown	40
R0500	Total assets	79,707

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

		C0010 Solvency II value
Liabilities		
R0510	Technical provisions – non-life	38,404
R0520	Technical provisions – non-life (excluding health)	38,404
R0530	Technical provisions calculated as a whole	
R0540	Best Estimate	36,074
R0550	Risk margin	2,330
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	525
R0790	Derivatives	
R0800	Debts owed to credit institutions	
R0810	Financial liabilities other than debts owed to credit institutions	
R0820	Insurance & intermediaries payables	
R0830	Reinsurance payables	
R0840	Payables (trade, not insurance)	183
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	366
R0900	Total liabilities	39,479
R1000	Excess of assets over liabilities	40,228

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' compensatio n 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						21	781	74				-105
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	21	781	74	0	0	0	-105
Claims provisions													
Gross	R0160				118		179	5,875	24,238				4,893
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	118	0	179	5,875	24,238	0	0	0	4,893
Total Best estimate - gross	R0260	0	0	0	118	0	200	6,656	24,312	0	0	0	4,788
Total Best estimate - net	R0270	0	0	0	118	0	200	6,656	24,312	0	0	0	4,788
Risk margin	R0280				6		19	446	1,579				279
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	124	0	219	7,103	25,891	0	0	0	5,068
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	124	0	219	7,103	25,891	0	0	0	5,068

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	
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					771
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	771
Claims provisions						
Gross	R0160					35,304
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	35,304
Total Best estimate - gross	R0260	0	0	0	0	36,074
Total Best estimate - net	R0270	0	0	0	0	36,074
Risk margin	R0280					2,330
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	38,404
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	38,404

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		
Prior	R0100											342	342	342
N-9	R0160	66	510	626	499	540	600	222	278	224	55		55	3,621
N-8	R0170	215	916	467	256	337	1,037	163	88	30			30	3,509
N-7	R0180	500	1,861	1,367	1,209	362	463	230	324				324	6,317
N-6	R0190	46	663	2,096	887	293	266	1,065					1,065	5,316
N-5	R0200	437	2,680	1,439	1,464	335	715						715	7,069
N-4	R0210	46	9,416	1,241	386	31							31	11,120
N-3	R0220	69	2,979	439	412								412	3,900
N-2	R0230	55	2,887	267									267	3,208
N-1	R0240	2,213	1,721										1,721	3,933
N	R0250	75											75	75
Total													5,036	48,410

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	
Prior	R0100											4,666	
N-9	R0160										640		
N-8	R0170									899			
N-7	R0180								1,382				
N-6	R0190							1,131					
N-5	R0200						1,328						
N-4	R0210					671							
N-3	R0220				2,144								
N-2	R0230			1,111									
N-1	R0240		5,059										
N	R0250	19,210											
Total													

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	39,728	39,728			
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	40,228	40,228	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	40,228	40,228	0	0	0
Total available own funds to meet the MCR	R0510	40,228	40,228	0	0	
Total eligible own funds to meet the SCR	R0540	40,228	40,228	0	0	0
Total eligible own funds to meet the MCR	R0550	40,228	40,228	0	0	
SCR	R0580	24,213				
MCR	R0600	6,053				
Ratio of Eligible own funds to SCR	R0620	1.661443126				
Ratio of Eligible own funds to MCR	R0640	6.645772505				

Reconciliation reserve

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	40,228
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	39,728
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	12,762		
Counterparty default risk	R0020	2,318		
Life underwriting risk	R0030			
Health underwriting risk	R0040			
Non-life underwriting risk	R0050	15,537		
Diversification	R0060	-6,961		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	23,655		

Calculation of Solvency Capital Requirement		
		Value
		C0100
Operational risk	R0130	1,082
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	-525
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency Capital Requirement excluding capital add-on	R0200	24,213
Capital add-on already set	R0210	
Solvency capital requirement	R0220	24,213
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	5,263

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	118	
Other motor insurance and proportional reinsurance	R0060		
Marine, aviation and transport insurance and proportional reinsurance	R0070	200	199
Fire and other damage to property insurance and proportional reinsurance	R0080	6,656	2,902
General liability insurance and proportional reinsurance	R0090	24,312	6,817
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	4,788	600
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	5,263
SCR	R0310	24,213
MCR cap	R0320	10,896
MCR floor	R0330	6,053
Combined MCR	R0340	6,053
Absolute floor of the MCR	R0350	1,153
Minimum Capital Requirement	R0400	6,053