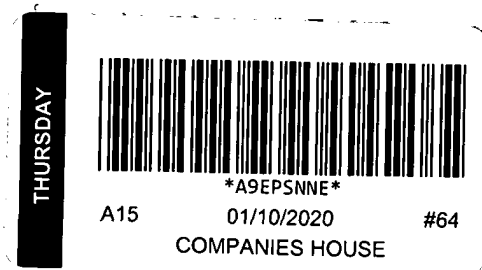


TRENWICK UNDERWRITING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31 DECEMBER 2019**



Directors and Professional Advisors

Directors	Laurie Davison Michael Duffy Nigel Meyer
Registered Office	Gallery 9 One Lime Street London EC3M 7HA
Company Number	02549227
Independent Auditors	Ernst & Young LLP ("EY") 25 Churchill Place Canary Wharf London E14 5EY

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Strategic Report

The directors present their Strategic Report on Trenwick Underwriting Limited ("the Company") for the year ended 31 December 2019.

Review of the business

The Company did not trade during the year under review and therefore no results are declared.

The Company continues to provide claims handling services to Syndicate 839 which is within Syndicate 4444.

Principal risks and uncertainties

The directors consider that the Company is exposed to credit risk on its financial assets. As detailed in note 9 there are no significant risks or uncertainties.

Key performance indicators (KPIs)

As the Company did not trade in the current or previous year, the directors do not feel it is appropriate to present KPIs.

Strategic Report (continued)

Stakeholder Engagement

Key stakeholders and how we engage are detailed below.

Shareholders

Our shareholders contribute to the long-term strategy of our parent, the Canopus Group, by providing financial security and support. Their support enables our business to grow, to continue its focus on underwriting excellence and to continue to enhance our capabilities in support of brokers and clients.

Canopus Group meets with its shareholders on a quarterly basis, engaging openly and collaboratively.

Principal Decisions 2019

Introduction

The Company defines a principal decision as any decision of the Board that is material to the Company and or is significant to any of its stakeholders. Thus, a key decision may include, but is not limited to:

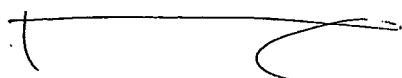
- New business strategy or significant changes to existing strategy.
- Capital allocation decisions, including payments of dividends.
- Material corporate activity including acquisitions and disposals.
- Large-scale restructuring.
- Appointments to the Board.
- Decisions relating to major regulatory and or legal matters.

The Company's governance framework, policies and procedures are designed to ensure that the Board takes into account the views of all the Company's stakeholders and the impact of its activities on the community, environment and the Company's reputation, to ensure that decision-making is collaborative and well informed. Discussed below are how the Directors considered the matters set out in section 172(1) (a)-(f) of the Companies Act 2006 when discharging their duties and the effect of that on principal decisions taken by the Board.

Principal Decisions

There were no principal decisions made by the Board during 2019.

The Strategic Report was approved by the board on 21 September 2020 and signed on their behalf by:



Nigel Meyer
Director
21 September 2020

Directors' Report

Directors' Report for the year ended 31 December 2019

The directors present their Report and the audited financial statements of the Company for the year ended 31 December 2019.

Dividends

The directors did not pay a dividend in the year ended 31 December 2019 (2018: £nil). The directors do not recommend the payment of a dividend at present.

Directors

The directors set out on page 1 have held office during the whole of the period from 1 January 2019 to the date of this report, unless otherwise indicated.

None of the directors held a direct interest in the shares of the Company.

Qualifying third party indemnity provision

The Company has put in place D&O Insurance and an indemnity in the Articles of Association to indemnify directors and officers of the Company against losses or liabilities sustained in the execution of the duties of office. The indemnity is a qualifying third party indemnity provision under s.232 and s.234 of the Companies Act 2006.

Going concern

Having assessed the principal risks on liquidity, credit risk and operational risk for the Company, including potential impact of COVID-19, the directors have concluded that there are no material uncertainties that may cast significant doubt about the Company's financial ability to continue as a going concern and they have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the next 12 months from the date of this report and that therefore it is appropriate to adopt a going concern basis for the preparation of the financial statements, and accordingly these financial statements have been prepared on a going concern basis.

Future developments

The Directors have made key assessments on liquidity risk, credit risk and operational risk for the company and have concluded there to be no material financial impact of COVID-19 upon these financial statements. The directors continue to monitor the fast-developing situation closely and take all appropriate steps to manage the impact on the company and other stakeholders.

Disclosure of information to auditors

Each director of the Company has confirmed at the date of this report that:

- in fulfilling their duties as a director they have taken appropriate steps in order to make themselves aware of any information relevant to the audit and to establish that the auditors are aware of that information;
- so far as they are aware, there is no relevant audit information of which the auditors have not been made aware.

Directors' Report (continued)

Independent Auditors

Ernst & Young LLP were the auditors for the year ended 31 December 2019.

Ernst & Young LLP have expressed their willingness to continue in office as auditor.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

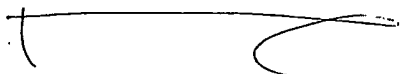
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the group's website.

Some information is not shown in the Directors' Report because it is shown in the Strategic Report instead under s414c (ii). This information is business review and principal activities.

The Directors' Report was approved by the board on 21 September 2020 and signed on their behalf by:



Nigel Meyer
Director
21 September 2020

Independent Auditors' Report to the members of Trenwick Underwriting Limited

Opinion

We have audited the financial statements of Trenwick Underwriting Limited for the year ended 31 December 2019 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 12, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2019 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Neil Treadgold (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
22 September 2020

Income statement

There are no results to report for the year and the comparative year, accordingly no income statement or statement of comprehensive income is presented.

Statement of financial position

		As at 31 December	
	Note	2019 £'000	2018 £'000
Current assets			
Debtors: amounts falling due within one year	5	33	28
Cash and cash equivalents		67	72
		100	100
Creditors: amounts falling due within one year	6	(100)	(100)
Net current assets		-	-
Equity			
Called up share capital	7	50	50
Retained earnings		(50)	(50)
Total shareholders' funds		-	-

The notes on pages 11 to 15 are an integral part of these financial statements.

The financial statements on pages 9 to 15 were authorised for issue by the board of directors 21 September 2020 and were signed on its behalf.



Nigel Meyer
Director
21 September 2020
Trenwick Underwriting Limited
Registered no. 02549227

Statement of changes in equity

	Called up share capital (note 7) £'000	Retained earnings £'000	Total Share holders' funds £'000
Balance as at 1 January 2018	50	(50)	-
Result for the financial year	-	-	-
Balance as at 31 December 2018	50	(50)	-
Balance as at 1 January 2019	50	(50)	-
Result for the financial year	-	-	-
Balance as at 31 December 2019	50	(50)	-

Notes to the financial statements

1. General information

The principal activity of the Company was to continue to provide claims handling services to Syndicate 839 which is within Syndicate 4444. The Company is generally not liable as principal for premiums due to underwriters or for claims payable to clients.

The Company is a subsidiary of Canopus Group Limited ("CGL"), formerly Canopus AG ("CAG") and is incorporated and domiciled in the UK. The address of its registered office is Gallery 9, One Lime Street, London EC3M 7HA. The company is limited by shares.

2. Summary of significant accounting policies

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

2.1 Authorisation of the financial statements and basis of preparation

The financial statements of the Company for the year ended 31 December 2019 were authorised for issue by the board of directors on 21 September 2020 and the balance sheet was signed on the board's behalf by Nigel Meyer.

The financial statements of the Company have been prepared in accordance with the Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historic cost convention, as modified by financial assets and financial liabilities measured at fair value through profit and loss, and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The Company meets the definition of a qualifying entity under FRS 100 issued by the FRC.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - o 10(d), (statement of cash flows);
 - o 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements);
 - o 16 (statement of compliance with all IFRS);
 - o 38A (requirement for minimum of two primary statements, including cash flow statements);
 - o 38B-D (additional comparative information);
 - o 40A-D (requirements for a third statement of financial position);
 - o 79(a)(iv) (outstanding shares at the beginning and end of the current period);
 - o 111 (cash flow statement information); and
 - o 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows';
- Paragraphs 30 and 31 of IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' (impact of IFRSs that have yet to be issued);
- Paragraph 17 and 18a of IAS 24, 'Related party disclosures' (key management compensation);
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group;
- IFRS 7, 'Financial Instruments: Disclosures';
- Paragraphs 91 to 99 of IFRS 13, 'Fair Value Measurement' (disclosure);

2. Summary of significant accounting policies (continued)

- Paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 'Revenue from contracts with customers'; and
- The company adopted the relevant presentation requirements of IAS 1 formats for the Statement of financial position and the Statement of profit or loss and other comprehensive income in accordance with Schedule 1 to the Regulations, as amended by Statutory Instrument 2015/980, which permits a company a choice of adapted or statutory formats. The company chose IAS 1 presentation format to be aligned with the Group financial statements.

2.1.1 Going concern

Having assessed the principal risks on liquidity, credit risk and operational risk for the Company, including potential impact of COVID-19, the directors have concluded that there are no material uncertainties that may cast significant doubt about the Company's financial ability to continue as a going concern and they have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the next 12 months from the date of this report and that therefore it is appropriate to adopt a going concern basis for the preparation of the financial statements, and accordingly these financial statements have been prepared on a going concern basis.

2.2 Foreign currency translation

(a) Functional and presentational currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the Company's functional currency.

(b) Transactions and balances

Monetary assets and liabilities are translated into Pounds Sterling at the exchange rates prevailing at the balance sheet date.

Non-monetary assets and liabilities carried at historical cost are translated in the balance sheet at the exchange rate prevailing on the original transaction date except where there has been a change in the functional currency.

2.3 Financial instruments

2.3.1 Classification

On initial recognition, financial assets are measured at fair value. Subsequently, they can be measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The classification depends on two criteria:

- I. the business model within which financial assets are managed; and
- II. their contractual cash flow characteristics (whether the cash flows represent 'solely payments of principal and interest' (SPPI)).

The Company acts as an appointed representative of Canopius Managing Agents Limited. The Company provides claims handling services and generally is not liable as principal for premiums due to underwriters or for claims payable to clients. Notwithstanding the legal relationship with clients and underwriters and since in practice premium and claims monies are usually accounted for by insurance intermediaries, the Company has followed generally accepted accounting practice by showing cash, debtors and creditors relating to insurance business as assets and liabilities of the Company itself.

2. Summary of significant accounting policies (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, are not intended to be sold in the short term and do not fall into the other categories of financial assets as described above. On initial recognition loans and receivables are measured at fair value. Subsequently they are measured at amortised cost.

2.4 Debtors

Debtors are amounts due from trade debtors that relate to insurance business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Debtors are measured at amortised cost using the effective interest method.

2.5 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

2.6 Called up share capital

Ordinary shares are classified as equity.

2.7 Creditors

Creditors are amounts due to the syndicate. Creditors are measured at amortised cost using the effective interest method.

2.8 Impairment

The impairment model assesses financial assets not held at FVTPL. As a result, the company must determine forward looking expected credit losses (ECL) for all its financial assets held at amortised cost.

The company has applied the simplified approach to establishing an ECL in relation to debtors. Debtors represent amounts due from managed syndicates and associated group companies.

3. Critical accounting estimates and judgements

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

4. Audit fees

	2019 £	2018 £
Audit of the company's financial statements	500	439

Audit fees have been borne by another group company.

5. Debtors amounts falling due within one year

	2019 £'000	2018 £'000
Trade debtors	23	28
Amounts due from Syndicate 4444	10	-
	33	28

6. Creditors amounts falling due within one year

	2019 £'000	2018 £'000
Amounts owed to Syndicate 4444	100	100
	100	100

7. Called up share capital

Ordinary shares of £1 each

	Number	£'000
Allotted, called up and fully paid		
At 1 January 2018	50,002	50
At 31 December 2018	50,002	50
At 31 December 2019	50,002	50

8. Employees and directors

No persons were employed by the Company during the year ended 31 December 2019 (2018: nil).

The Company's directors are employed by Canopus Services Limited ("CSL"). Staff and directors' costs were borne by a fellow group undertaking and no recharges were made by CSL to the Company for the year ended 31 December 2019 (2018: £nil).

The directors did not receive any emoluments from the Company for their qualifying services during the year ended 31 December 2019 (2018: £nil).

9. Credit risk

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

The company uses quantitative and qualitative information in order to reach a conclusion whether there has been any significant increase in credit risk from recognition.

Trade debtors – The amounts include balances with various counterparties. The company assesses each counterparty including historic loss experiences and current market conditions. The company reviews external ratings, if they are available and financial statements. The company has assessed the risk and does not consider there to be any significant risk of default given the credit rating and no history of default.

Amounts owed by syndicates - The amount includes a balance with Syndicate 4444. The company assesses the risk by reviewing the going concern assessment, the long-term forecasts of the Syndicate and whether there have been any historic defaults.

Cash and cash equivalents – the company's cash and cash equivalents are held with bank and financial institution counterparties. The company has assessed the risk and does not consider there to be any significant risk of default given the credit rating and no history of default.

In 2019 the company has made a loss allowance of £nil (2018: £nil) given the factors above.

10. Capital and other commitments

There were no capital commitments contracted for but not provided at 31 December 2019 (2018: £nil).

11. Controlling parties

The Company's immediate UK parent is Canopus Holdings UK Limited ("CHUKL"), which is registered in England and Wales. CHUKL's registered office is Gallery 9, One Lime Street, London, EC3M 7HA.

Canopus Holdings UK Limited is part of CGL (formerly CAG). CGL is now registered in Jersey following a redomiciliation in August 2019.

CGL is the largest and smallest group of undertakings for which group accounts are drawn up and that are publicly available and of which the company is a member. The group accounts can be obtained from the Canopus website.

The ultimate controlling parties of CGL are CCP GP Investors Holdings (Cayman) LP, CCP III Cayman GP Limited and CCP III SBS Cayman GP Limited (acting in concert) along with Centerbridge Associates III, L.P.

12. Future events

The Directors have made key assessments on liquidity risk, credit risk and operational risk for the company and have concluded there to be no material financial impact of COVID-19 upon these financial statements. The directors continue to monitor the fast-developing situation closely and take all appropriate steps to manage the impact on the company and other stakeholders.