

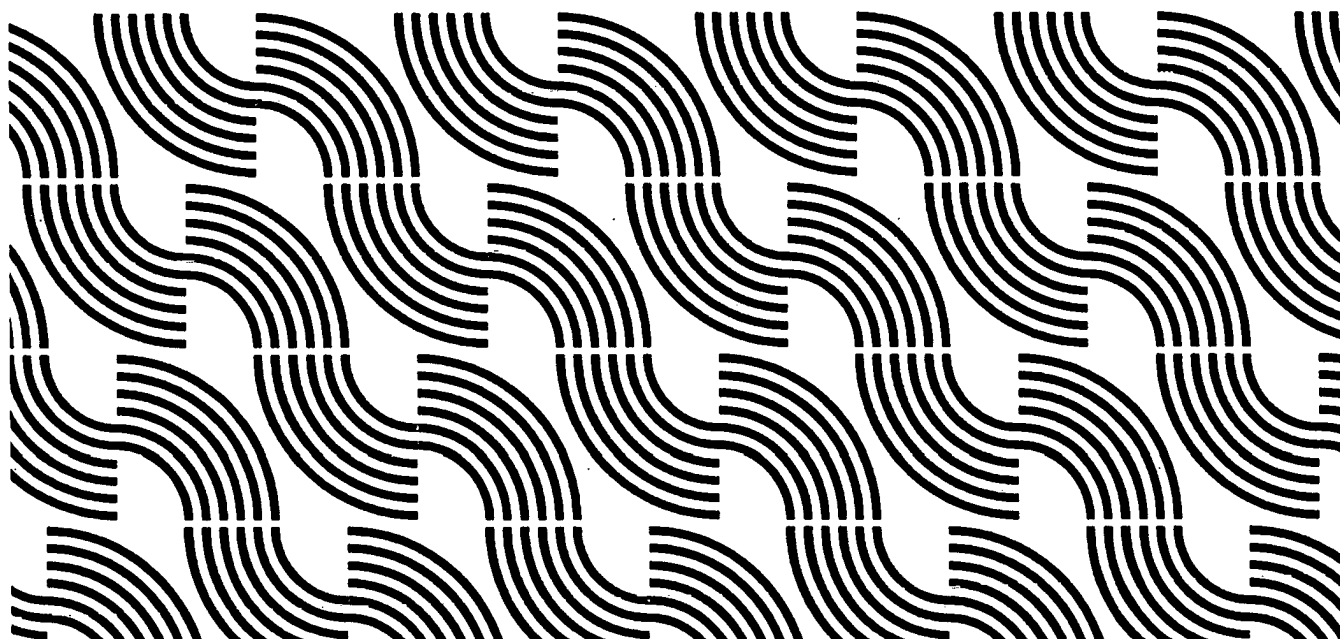


COMPANY NO. 03584320

REGISTERED OFFICE: Park Gate, 161-163 Preston Road,
Brighton, East Sussex, United Kingdom, BN1 6AU

Neon Underwriting Limited

2022 Annual Report



Neon Underwriting Limited (Company No. 03584320)
For the year ended 31st December 2022

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Neon Underwriting Limited (Company No. 03584320)
Directors and Administration
For the year ended 31st December 2022

Directors

A. R. Creed
L. R. Tanzer

Company Secretaries

F. Henry

Registered Office

Park Gate
161-163 Preston Road
Brighton
East Sussex
United Kingdom
BN1 6AU

Independent Auditor

Deloitte LLP
2 New Street Square
London
EC4A 3BZ

Website

<https://www.rsml.co.uk>

Neon Underwriting Limited (Company No. 03584320)

Directors' Report

For the year ended 31st December 2022

The Directors have pleasure in presenting their report and the audited financial statements for Neon Underwriting Limited ("the Company") (Company No. 03584320) for the year ended 31st December 2022.

Ownership

Neon Underwriting Limited is a wholly owned subsidiary of Neon Holdings UK Limited, which is registered in England and Wales. The company's ultimate holding company is Riverstone International Holdings Limited ("Riverstone International") which is registered in Jersey and for which group accounts are prepared.

Principal activities and review of the business

Until 30th June 2021 the principal activity of the Company was to act as the Managing Agent of Lloyd's Syndicate 2468 ("the Syndicate"). On 1st July 2021 the responsibility for the management, conduct of the underwriting and all aspects of administration of the Syndicate novated to RiverStone Managing Agency Limited ("RSMA").

The directors consider that the Company is entitled to an exemption from the requirement to prepare a strategic report under section 414B of the companies act 2006. This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Results

The profit for the year before taxation amounted to £Nil (2021: £5k). The taxation credit was £Nil (2021: £Nil), and the retained profit for the year is £nil (2021: £5k).

Dividends

A dividend of £2.1 million (2021: £2.5 million) was paid during the year.

Future Developments

The Company was a Managing Agent at Lloyd's and was authorised and regulated by the Prudential Regulation Authority and regulated by the Financial Conduct Authority. The process of de-authorisation and de-regulation was completed on 1st February 2022. The Company expects to seek appropriate approvals to be wound up by way of members voluntary liquidation within 12 months of the date of these accounts being signed.

Neon Underwriting Limited (Company No. 03584320)
Directors' Report
For the year ended 31st December 2022

Directors

Directors holding office during the period from 1st January 2022 to the date of this report were as follows:

A. R. Creed
L. R. Tanzer

The directors consider that the Company is entitled to prepare a directors' report using the small companies exemptions under section 415A of the companies act 2006.

Independent Auditor

During 2022, Deloitte LLP ("Deloitte") the Company's registered auditor have indicated their willingness to continue in office.

Statement of Directors' Responsibilities in Respect of the Financial Statements

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

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

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

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

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

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' Confirmations

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

Neon Underwriting Limited (Company No. 03584320)
Directors' Report
For the year ended 31st December 2022

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

Approved by Order of the Board



Park Gate
161-163 Preston Road
Brighton, East Sussex
United Kingdom, BN1 6AU

F Henry
Company Secretary
15th September 2023

Neon Underwriting Limited (Company No. 03584320)
Independent Auditors' Report to the Members of Neon Underwriting Limited
For the year ended 31st December 2022

Independent auditor's report to the members of Neon Underwriting Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Neon Underwriting Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of income and retained earnings;
- the balance sheet;
- the related notes 1 to 9.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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.

Emphasis of matter - Financial statements prepared other than on a going concern basis

We draw attention to note 3(b) in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

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

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

Neon Underwriting Limited (Company No. 03584320)
Independent Auditors' Report to the Members of Neon Underwriting Limited
For the year ended 31st December 2022

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as actuarial, valuations and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

Neon Underwriting Limited (Company No. 03584320)
Independent Auditors' Report to the Members of Neon Underwriting Limited
For the year ended 31st December 2022

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

Report on other legal and regulatory requirements

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

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 any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 explanation we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report

We have nothing to report in respect of these matters.

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.



Max Jarvis, ACA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
15 September 2023

Neon Underwriting Limited (Company No. 03584320)
Statement of Income and Retained Earnings
For the year ended 31st December 2022

	Notes	2022 £000	2021 £000
Administration expenses		1	(4,717)
Other operating income		-	4,722
<i>Profit on ordinary activities before taxation</i>		<u>1</u>	<u>5</u>
Taxation	5	-	-
<i>Profit for the financial year</i>		<u>1</u>	<u>5</u>
Retained earnings at 1 st January		1,593	4,088
Transfer from Share Capital		500	-
Profit for the year		1	5
Dividends Paid		<u>(2,090)</u>	<u>(2,500)</u>
Retained earnings at 31st December		£ 4	£ 1,593

The Company has no continuing operations. The notes on pages 12 to 16 form part of the financial statements.

Other than the items reported in the Statement of Income the Company has no items of other comprehensive income in any of the periods for which the financial statements are presented. In accordance with FRS 102.3.19 and FRS 102.3.18, the Company presents a statement of income and retained earnings and does not present a statement of comprehensive income or a statement of changes in equity.

Neon Underwriting Limited (Company No. 03584320)**Balance Sheet****For the year ended 31st December 2022**

	Notes	2022 £000	2021 £000
<i>Current assets</i>			
Debtors	6	-	4,722
Cash at bank and in hand		10	2,153
<i>Total assets</i>		10	6,875
 Creditor falling due within one year	7	(6)	(4,782)
 <i>Net current assets</i>		4	2,093
 <i>Net assets</i>		4	2,093
 <i>Shareholders' equity</i>			
Called up share capital	8	-	500
Retained Earnings		4	1,593
 <i>Total capital and reserves</i>		4	2,093

The financial statements on pages 10 to 16 were approved by the Board of Neon Underwriting Limited on 13th September 2023 and were signed on its behalf by the Directors on 15th September 2023:



A. R. Creed
Chief Financial Officer

Neon Underwriting Limited (Company No. 03584320)
Notes to the Financial Statements
For the year ended 31st December 2022

1 Accounting Policies

Statement of compliance

Neon Underwriting Limited ("the Company") is a private company limited by shares and is incorporated and domiciled in England & Wales, United Kingdom.

The financial statements have been prepared in compliance with United Kingdom Accounting Standards including Financial Reporting Standard 102, The Financial Reporting Standard Applicable in the UK and the Republic of Ireland (FRS 102) and in accordance with the provisions of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations. The financial statements are prepared on a basis other than going concern under the historical cost convention modified for the revaluation of financial assets and liabilities measured at fair value through profit and loss.

Basis of preparation

The financial statements are prepared in Sterling which is the functional and presentational currency of the Company.

The assets and liabilities at the balance sheet date have been recognised under the historical cost convention except for certain financial assets which are measured at fair value.

These financial statements have been prepared on the basis that the Company is entitled to an exemption from the requirement to prepare a strategic report under section 414B of the companies act 2006.

Going Concern

These financial statements have been prepared on the basis that the Syndicate 2468 ceased to write new business on the 6th January 2020. Its final year of account is 2020 which has a 100% whole account reinsurance into Syndicate 3500. The 2020 underwriting year has reinsured into Syndicate 3500 as of 1st January 2023. For this reason, these accounts have been prepared on a basis other than going concern. No adjustments arose as a result of ceasing to apply the going concern basis.

There are no other assets or liabilities recognisable as a consequence of not preparing these financial statements on a going concern basis. Therefore, no adjustments are necessary to the amounts at which the net assets are included in these financial statements. FRS 102 and 103 have been consistently applied to all years presented. There have been no material changes in accounting policies compared to the 2021 financial statements.

Exemptions

FRS102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to the use of exemptions by Neon Underwriting Limited's shareholder.

Neon Underwriting Limited has taken advantage of the following exemptions:

- i) from preparing a statement of cash flows, on the basis that it is a qualifying entity a consolidated statement of cash flows is included in the financial statements of Riverstone International Holdings Limited which can found on the RiverStone International group website.
- ii) from disclosing key management personnel compensation, as required by FRS102 paragraph 33.7.

Neon Underwriting Limited (Company No. 03584320)
Notes to the Financial Statements
For the year ended 31st December 2022

- iii) from the requirement to disclose transactions with related parties within the same group, wholly owned subsidiaries of RiverStone International, as provided by FRS102, Section 33.1A.

Other operating Income

On 4th January 2021 an agreement between Riverstone Management Services Limited and the Company was entered into to allow certain services connected with the run-off of Syndicate 2468 to be administered. Other operating income represents recharges of all costs incurred under this arrangement with RiverStone Management Limited to Syndicate 2468.

Administrative expenses

All expenses are charged to the Company on an incurred basis by the service company of the Group. Any expenses incurred directly in relation to running the Company, for example its audit fees and taxation fees, will be charged directly to the Company.

Taxation

Tax expense represents the sum of the current tax payable and deferred tax.

The current tax is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of income and retained earnings as it excludes items of income and expense that are taxable or deductible in other years or that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the substantively enacted tax rates that are expected to apply in the year when the liability is settled or the asset is realised. Deferred tax is charged or credited to the statement of income and retained earnings.

Dividend Recognition

Dividends are recognised in the period in which they are paid.

Key judgements

Critical accounting judgements and estimation uncertainty

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. No such judgements or estimation uncertainty has been identified for the year ending 31st December 2022.

Neon Underwriting Limited (Company No. 03584320)
Notes to the Financial Statements
For the year ended 31st December 2022

2. Auditor's Remuneration

	2022 £'000	2021 £'000
Auditor's remuneration	£ 10	£ 12

3. Staff costs

The number of people employed by the Company is nil (2021: nil).

4. Directors' emoluments

The directors of the Company are not remunerated for their services to this entity and their remuneration is based upon their services to all group entities that they are directors of. None of the directors received any remuneration during the year in respect of their services as a director of the company (2021: £nil).

The details below represent total remuneration to directors of the Company charged across the Group:

	2022 £'000	2021 £'000
Remuneration in respect of qualifying services		
Aggregate emoluments	-	1,006
Loss of office	-	1,241
Pension contributions	-	38
	£ -	£ 2,285

	2022 £'000	2021 £'000
Highest paid director		
Aggregate emoluments	-	596
Pension contributions	-	3
	£ -	£ 1,006

5. Taxation

	2022 £'000	2021 £'000
Current tax:		
UK corporation tax charge/(credit)	-	-
Group relief payable (receivable)	-	-
Prior year charge/(credit)	-	-
Total current tax charge/(credit)	-	-

Neon Underwriting Limited (Company No. 03584320)
Notes to the Financial Statements
For the year ended 31st December 2022

Deferred tax:

Current year charge/(credit)	-	-
Prior year charge/(credit)	-	-
Effect of change in tax rate	-	-

Total deferred tax charge/(credit) - -

Total tax charge/(credit) £ - £ -

Factors affecting the tax charge/ (credit) for the year

The tax assessed for the year differs from the standard rate of Corporate Tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £'000	2021 £'000
Profit on ordinary activities before tax	1	5
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	-	1
Effects of Group relief	-	(1)
Deferred tax not recognised arising in year	-	-
Total tax charge for the year	£ -	£ -

On 23rd September 2022, the Chancellor of the Exchequer announced that the UK corporation tax rate would remain at 19% from 1st April 2023 - reversing a previously enacted measure to increase the main headline rate to 25%. The announcement of the reversal in the tax rate from 1st April 2023 was not enacted or substantively enacted at the balance sheet date.

6. Debtors

	2022 £'000	2021 £'000
Amounts due from group undertakings	£ -	£ 4,722

7. Creditors due within one year

	2022 £'000	2021 £'000
Amounts due to group undertakings	6	4,722
Cash in transit	-	60
	£ 6	£ 4,782

Neon Underwriting Limited (Company No. 03584320)
Notes to the Financial Statements
For the year ended 31st December 2022

8. Share capital

	2022 £	2021 £
<i>Authorised share capital</i>		
Ordinary shares of £1	1	500,000
<i>Allotted, called up, and fully paid</i>		
Ordinary shares of £1	1	500,000

During 2023 a share capital reduction took place reducing the share capital of the Company to £1.

9. Related parties and ultimate parent company

The company's ultimate holding company is Riverstone International Holdings Limited ("Riverstone International") which is registered in Jersey and for which group accounts are prepared. The majority of the shares in Riverstone International are held by the controlling party CVC Capital Partners Strategic Opportunities II LP.

Exemption has been taken under FRS102 section 33.1A to not disclose group related balances with wholly owned subsidiaries.