



Financial Statements

Global Indemnity Holdings (U.K.) Limited

For the 15 month period ended 31 December 2020



Registered number: 12234782

Global Indemnity Holdings (U.K.) Limited

Company Information

Directors	Stephen Ries Thomas McGeehan Andrew Matczak
Company secretary	Stephen Ries
Registered number	12234782
Registered office	c/o Skadden, Arps, Slate, Meagher & Flom (UK) LLP 40 Bank Street Canary Wharf London United Kingdom E14 5DS
Independent auditor	Grant Thornton Chartered Accountants & Statutory Auditors 13-18 City Quay Dublin 2
Solicitors	Skadden, Arps, Slate, Meagher & Flom (UK) LLP 40 Bank Street Canary Wharf London United Kingdom E14 5DS

Global Indemnity Holdings (U.K.) Limited

Contents

	Page
Directors' report	1 - 2
Directors' responsibilities statement	3
Independent auditor's report	4 - 7
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Notes to the financial statements	11 - 16

Global Indemnity Holdings (U.K.) Limited

Directors' report

For the period ended 31 December 2020

The directors present their report and the audited financial statements for the period ending 31 December 2020.

Principal activity

The principal activity of Global Indemnity Holdings (U.K.) Limited (the "Company") was the investment holding.

The Company is expected to be dissolved within the next 12 months.

Results and dividends

The loss for the period, after taxation, amounted to \$12,847,026 (2019 - profit \$NIL).

The directors have recommended a dividend \$982,116.

Directors

The directors who served during the period were:

Thomas McGeehan
Stephen Ries
Andrew Matczak

Basis other than going concern

The directors have made a decision to place the Company into voluntary strike off within the next 12-months. Therefore, the financial statements have been prepared on a basis other than going concern, which is described as the break-up basis. The break-up basis requires the carrying value of the assets to be at the amounts they are expected to realise and liabilities include any amounts which have crystallised as a result of the decision to wind up the Company. The application of the break-up basis has no effect on the results of these financial statements.

Post balance sheet events

Since the end of the period, the Company is in the process of being dissolved.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Global Indemnity Holdings (U.K.) Limited

Directors' report (continued)

For the period ended 31 December 2020

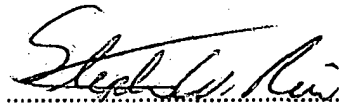
Auditor

The auditor, Grant Thornton, was appointed as auditor to the Company during the period in accordance with section 485 of the Companies Act 2006.

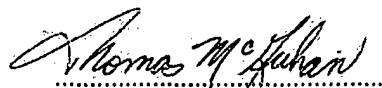
Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



Stephen Ries
Director



Thomas McGeehan
Director

Date: 25 June 2021

Directors' responsibilities statement

For the period ended 31 December 2020

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

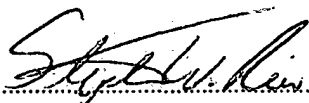
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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:

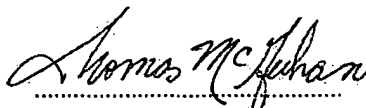
- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



Stephen Ries
Director



Thomas McGeehan
Director

Date: 25 June 2021



Independent auditor's report to the members of Global Indemnity Holdings (U.K.) Limited

Opinion

We have audited the financial statements of Global Indemnity Holdings (U.K.) Limited (the "Company"), which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity for the period ended 31 December 2020, and the related notes to the financial statements, including a summary of significant accounting policies.

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

In our opinion, Global Indemnity Holdings (U.K.) Limited's financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the financial position of the Company as at 31 December 2020 and of its financial performance for the period then ended; 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 'Responsibilities of the auditor 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 United Kingdom, namely the FRC's Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances of the Company. 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 departure from the going concern basis of accounting

In forming our opinion on the financial statements, which is not modified, we have considered the presentation of the financial statements on the break-up basis, the adjustments arising from this presentation, and the adequacy of the disclosures made in the Directors' report and Note 2 to the financial statements. The break-up basis has been adopted because the directors made the decision during the year to recommend to the shareholders that the Company be placed in dissolution. The winding down of the Company was approved by the board of directors on 21 December 2020. It is therefore appropriate to prepare these financial statements on the break-up basis of accounting. The break-up basis involves reducing assets to their realisable values and providing for liabilities arising from the decision.



Independent auditor's report to the members of Global Indemnity Holdings (U.K.) Limited (continued)

Other information

Other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon, including the Directors' report. The directors are responsible for the other information. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' report for the period 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.

Matters on which we are required to report by exception

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

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

- 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; or
- the directors were not entitled to take advantage of the small companies' exemptions from the requirement to prepare a strategic report or in preparing the Directors' report.



Independent auditor's report to the members of Global Indemnity Holdings (U.K.) Limited (continued)

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS102 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, management is 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 management either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Responsibilities of the auditor for the audit of the financial statements

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

Explanation as to what extent 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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

The extent to which our procedures are capable of detecting irregularities including fraud is detailed below.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with Data Privacy law and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and local tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions. We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statements may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.



Independent auditor's report to the members of Global Indemnity Holdings (U.K.) Limited (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

In response to these principal risks, our audit procedures included but were not limited to:

- inquiries of management on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- inspection and review of minutes of directors' meetings during the year to corroborate inquiries made;
- gaining an understanding of the internal controls established to mitigate risk related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- challenging assumptions and judgements made by management in their significant accounting estimate on provision for impairment of financial assets; and
- review of the financial statement disclosures to underlying supporting documentation and inquiries of management.

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

The purpose of our audit work and to whom we owe our responsibilities

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.

A handwritten signature in black ink, appearing to read "Michael Shelley".

Michael Shelley (Senior statutory auditor)
for and on behalf of

Grant Thornton
Chartered Accountants &
Statutory Auditors
Dublin 2

Date: 25 June 2021

Global Indemnity Holdings (U.K.) Limited

Statement of comprehensive income

For the period ended 31 December 2020

		15 month period ended 31 December 2020	\$
	Note		
Interest payable and expenses	5	(12,847,026)	
Loss before tax		(12,847,026)	
Tax on loss	6	-	
Loss for the period		(12,847,026)	

All amounts relate to discontinued operations.

There was no other comprehensive income for the 15 month period ending 31 December 2020.

The notes on pages 11 to 16 form part of the financial statements.


Global Indemnity Holdings (U.K.) Limited
Registered number:12234782

Statement of financial position
As at 31 December 2020

	Note	31 December 2020 \$
Current assets		
Debtors: amounts falling due within one year	7	1
Net assets		1
Capital and reserves		
Called up share capital	8	1
Shareholders' funds		1

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


.....
Stephen Ries
Director


.....
Thomas McGeehan
Director

Date: 25 June 2021

The notes on pages 11 to 16 form part of these financial statements.

Global Indemnity Holdings (U.K.) Limited

Statement of changes in equity

For the period ended 31 December 2020

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
30 September 2019				
Total comprehensive loss for the period				
Loss for the period	-	-	(12,847,026)	(12,847,026)
Transactions with shareholders	-	-	(12,847,026)	(12,847,026)
Shares issued during the period	1,001	13,828,142	-	13,829,143
Reduction in share capital and premium	(1,000)	(13,828,142)	-	(13,829,142)
Distributable reserves from reduction in share capital and premium	-	-	13,829,142	13,829,142
Dividends: Equity capital	-	-	(982,116)	(982,116)
At 31 December 2020	1	-	-	1

The notes on pages 11 to 16 form part of these financial statements.

Notes to the financial statements

For the period ended 31 December 2020

1. General information

The Company is a private company limited by shares incorporated in the United Kingdom on 30 September 2019. Its registered address is c/o Skadden, Arps, Slate, Meagher & Flom (UK) LLP, 40 Bank Street, Canary Wharf, London, E14 5DS, United Kingdom.

The principal activity of the Company was the investment holding.

The Company ceased operation in December 2020 and accordingly the activity of the company are classed as discontinued.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The financial statements are presented in USD (\$), which is also the Company's functional currency.

The board of directors have made a decision to place the Company into voluntary strike-off within the next 12 months. Therefore, these financial statements have been prepared on a basis other than going concern, which is described as the break-up basis. The preparation of financial statements on a break-up basis is a departure from the requirement of FRS 102 and company law to prepare financial statements on a going concern basis. This departure is made in order to comply with the overriding requirement in the Companies Act 2006 for the financial statements to give a true and fair view. The break-up basis requires the carrying value of the assets to be at the amounts they are expected to realise and liabilities include any amounts which have crystallised as a result of the decision to wind up the Company. The application of the break-up basis has no effect on the results for the period covered by these financial statements. In all other respects the financial statements have been prepared in accordance with the accounting framework.

The following principal accounting policies have been applied:

2.2 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is USD.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the average monthly spot exchange rates at the dates of the transactions.

Notes to the financial statements

For the period ended 31 December 2020

2. Accounting policies (continued)

2.2 Foreign currency translation (continued)

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in Statement of comprehensive income within 'other operating income'.

2.3 Valuation of investments

Investments in subsidiaries and associated undertakings are measured at cost less accumulated impairment.

2.4 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.5 Taxation

Tax is recognised in the Statement of comprehensive income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Notes to the financial statements

For the period ended 31 December 2020

2. Accounting policies (continued)

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, including transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments that affect the reported amounts of assets and liabilities at the date of financial statements and the reported amount of income and expenses during the reporting period. Management evaluates its judgments on an ongoing basis.

Management bases its judgments on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumption conditions.

The following are significant management judgments in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Provision for impairment of financial assets

Determining whether the carrying value of financial assets has been impaired requires an estimation of the value in use of the investment in subsidiaries. After reviewing these estimations, the directors are satisfied that no impairment should be recognised in the financial statements.

4. Employees

The Company has no employees other than the directors, who did not receive any remuneration.

Global Indemnity Holdings (U.K.) Limited

Notes to the financial statements

For the period ended 31 December 2020

5. Interest payable and similar expenses

	15 month period ended 31 December 2020 \$
Loans to group undertakings	12,847,026

On 15 November 2019, the Company acquired all the outstanding shares of GBLI Holdings, LLC (previously known as Global Indemnity Group, LLC) which amounted to \$416,131,323 and issued notes payable (UK Notes) and shares which amounted to \$402,302,181 and \$13,829,142, respectively, as consideration. These UK Notes bear annual interest at 3.22% and are payable between 2028 and 2038. On 25 August 2020, the Company was assigned a notes receivable from Global Indemnity Limited in the amount of \$75,000,000 and the related interest receivable of \$3,632,935. This transaction partially repaid the UK Notes Payable by \$78,632,935. On 01 December 2020, the company sold its ownership in GBLI Holdings, LLC to Global Indemnity Group Holdings, LLC in exchange for transferring the UK Notes Payable in the amount of \$323,669,245, the related accrued interest payable of \$12,847,026, and an intercompany receivable of \$982,116. This resulted in the UK Notes being settled. The Company recognised interest expense of \$12,847,026 in relation to these UK Notes for the 15 month period ending 31 December 2020.

6. Taxation

	15 month period ended 31 December 2020 \$
Current tax on profits for the period	-
Taxation on loss on ordinary activities	-

Global Indemnity Holdings (U.K.) Limited

Notes to the financial statements

For the period ended 31 December 2020

6. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is higher than the loss for the period multiplied by the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	15 month period ended 31 December 2020 \$
Loss on ordinary activities before tax	(12,847,026)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	(2,440,935)
Effects of:	
Group reliefs	2,440,935
Total tax charge for the period	-

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

7. Debtors: Amounts falling due within one year

	31 December 2020 \$
Amounts owed by group undertakings	1
Amounts owed by group undertakings are unsecured, interest free and repayable on demand.	

8. Share capital

	31 December 2020 \$
Allotted, called up and fully paid	
1 Ordinary share of \$1.00	1

Notes to the financial statements

For the period ended 31 December 2020

8. Share capital (continued)

On the date of incorporation, the Company issued one ordinary share at the par value of \$1.

On 15 November 2019, the Company issued additional 1,000 Ordinary shares at the par value of \$1 for the share premium of \$13,828,142.

On 30 July 2020, the Board approved to reduce the share capital to \$1 and the share premium to \$Nil.

9. Reserves

Share capital

Represents the nominal value of shares that have been issued.

Share premium account

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account

Includes all current and prior period retained profits and losses.

On 21 December 2020, the Board approved the dividend declaration of \$982,116.

10. Related party transactions

The Company has availed of the exemption provided in FRS 102 section 33, "Related Party Disclosures" not to disclose transactions entered into with fellow group companies that are wholly owned within the group of companies of which the Company is wholly owned under.

11. Post balance sheet events

Since the end of the period, the Company is in the process of being dissolved.

12. Controlling party

The directors and secretary have no beneficial interest in the share capital of the Company. The Company is a wholly owned subsidiary of GBLI Holding, LLC, a company formed in the United States. The ultimate parent company is Global Indemnity Group, LLC, a United States domiciled company.

The Company is included in the consolidated accounts of GBLI Holdings, LLC, forming the smallest body of undertakings which the company forms as part of a subsidiary undertaking. The registered office of GBLI Holdings, LLC is 251 Little Falls Drive, Wilmington, DE 19808. The consolidated financial statements of GBLI Holdings, LLC are publicly available at Three Bala Plaza East, Suite 300, Bala Cynwyd, PA 19004.

The Company is also included in the consolidated accounts of Global Indemnity Group, LLC, the ultimate parent undertaking and controlling party formed in the United States, forming the largest body of undertakings of which the Company forms a part of a subsidiary undertaking. The registered office of Global Indemnity Group, LLC is 251 Little Falls Drive, Wilmington, DE 19808. The consolidated financial statements of Global Indemnity Group, LLC are publicly available at Three Bala Plaza East, Suite 300, Bala Cynwyd, PA 19004.