Sussex Capital UK PCC Limited

Company number PC000002
Annual Report for the year ended December 31, 2020
(expressed in U.S. dollars)

Officers and Professional Advisors

Directors	Anthony Medniuk Jonathan Sullivan Christopher Denton Helena Whitaker Michael Baker (resigned 15 April 2021) Jean Bernard Crozet (appointed 11 August 2021)
Company Secretary	Intertrust Corporate Services Limited
Chairman of the Board	Anthony Medniuk
Auditor	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditor 7 More London Riverside London SE1 2RT
Registered Office	The Leadenhall Building 122 Leadenhall Street London EC3V 4AB
Company Registration Number	PC000002

Strategic Report

The Directors present their Strategic Report on the Company for the year ended December 31, 2020.

Review of the business

Sussex Capital UK PCC Limited (the "Company") was incorporated as an English private company and registered with the Financial Conduct Authority ("FCA") as a protected cell company ("PCC") (registered number PC000002), on November 14, 2018.

The Company is authorised by the Prudential Regulation Authority ("PRA") to carry out certain risk transformation activities in accordance with its Scope of Permission. The Company entered into two transactions during 2020.

The Company formed a protected cell (the "2020-1 Cell") to enter into a collateralised quota share agreement for the reinsurance of Lloyd's Syndicate 2987. A second cell (the "2020-2 Cell") was created for the purpose of issuing principal-at-risk notes linked to another reinsurance agreement with Syndicate 2987 (the "2021-Reinsurance Agreement"). The 2021-Reinsurance Agreement has a four-year risk period, commencing on January 1, 2021 and expiring on December 31, 2024, with an aggregate limit of $300m and covering Syndicate 2987's catastrophe exposure to certain US named storms and earthquakes. The aggregate limit is fully collateralised by the issuance of the principal-at-risk notes (the "Notes") to investors ("Noteholders"). The Notes are listed on the Bermuda Stock Exchange.

Summary of financial performance

The Company is intended to break even over the life of the transactions described above, with any profits arising in protected cells being attributable to the investors in the respective cells. The general operating costs of the core of the Company are borne within the protected cells.

For the year ended December 31, 2020, the 2020-1 Cell realised a profit of $8,743,931, comprised as follows:

Earned premium	$	18,769,910
Losses incurred		(8,346,545)
Acquisition costs		(1,805,959)
Administration costs		(100,000)
Interest income		226,525
Net profit	$	8,743,931

With respect to the 2020-2 Cell, the cell receives premiums under the terms of the 2021-Reinsurance Agreement that, together with investment income earned on the collateral funds, exactly match the cell's obligations to pay interest to Noteholders.

The 2020-2 Cell receives a Supplemental Expense Premium, the amount of which is based on the estimated costs of structuring the 2021-Reinsurance Agreement and associated Notes issued along with the estimated operating costs of the cell over the life of the agreement.

For the year ended December 31, 2020, the 2020-2 Cell realised a small profit of $63.

Financial position of the business at year end

As at the date the financial statements were approved, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

Principal risks and uncertainties

The Company delivers investor value by actively seeking and accepting risk within agreed limits. Risk management at the Company is a continuous process that links directly to the organisation's business and risk management strategies and the associated Board risk tolerances

Major risks are managed through Board implementation and monitoring of comprehensive policies and procedures including risk management, investments, underwriting, reserving and claims.

A principal risk to the Company is that it will be unable to meet its reinsurance obligations as they fall due. This risk is mitigated by the collateralisation process described above.

Another principal risk is that the Company will be unable to make interest payments on the Notes. In this regard the obligation to pay the interest is contingent on receipt of the premiums due from Syndicate 2987. Another risk in relation to Noteholders is that the Company is unable to repay the principal on the Notes. However, the obligations of the Company to repay the principal amounts of the Notes is subordinated to the Company's obligations to Syndicate 2987 under the 2021-Reinsurance Agreement.

The income expected to be received by the Company through each of its protected cells is expected to be sufficient to make payment of the projected expenses and liabilities of the Company and its protected cells.

Note 11 to the Financial Statements (Risk Management) provides additional information on risk management.

United Kingdom's exit from the European Union (Brexit)

Following the UK's exit from the EU on January 31, 2020, significant uncertainties remain surrounding the UK's future relationship with the EU, with potentially unknown economic and political implications for the UK. Developments continue to be monitored closely. The Company does not consider there will be a material impact to its business.

Coronavirus (COVID-19) outbreak

The Company has been closely monitoring the Coronavirus (COVID-19) outbreak as it continues to evolve, with outbreaks being reported across the globe. The main potential risk from the virus to the Company is operational risk. The Company has been able to operate without any material disruption and outsourced service providers have adapted well. The Board of the Company will continue to monitor the situation and will adapt the plans of the Company as necessary to ensure that it acts in the best interests of all its stakeholders.

Statement by the directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006

Introduction

The Directors key responsibility is to promote the success of the Company. Each Director is cognisant that in discharging this key responsibility, they must have regard to matters set out in s172(1)(a-f) of the Companies' Act. The Directors consider, both individually and collectively, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company.

The Board's approach to section 172(1) and decision making

The Board's terms of reference clearly articulate the Board's responsibilities, the role of the Chair and matters reserved for the Board. The Chair ensures that these terms of reference are adhered to and, by doing so, ensures that Directors have due regard for all appropriate factors during the decision-making process.

Our strategy

The Board is responsible for a number of key strategic decisions and on-going performance monitoring. The Directors' assessment of long-term value creation considers the Company's resilience. They determine and monitor risk appetites and tolerances, and they ensure the Company has an effective risk management framework in place.

Board information

The Board receives information on a range of relevant topics, and receives information on other areas as requested by the Directors from time to time.

Our policies and practices

All relevant factors are appropriately addressed by the Board when considering the matters of the Company. It ensures that all relevant considerations to assist it discharge its responsibilities are embedded in the key operations of the business, in order to help promote the long-term success of the Company.

Our stakeholders

The Board recognises the importance of engaging with its broader stakeholder base. The Company's primary stakeholders comprise its cedant, and its investors including the holders of the Notes. Management actively engages with the cedant and investor base.

Key decisions made by the Directors during the financial year

The Board of the Company consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. This report sets out how we have applied and complied with, the referenced section.

Purpose and consideration of the consequences of decisions for the long term

As already laid out in the strategic report, the Company is a limited purpose vehicle that will, enter into approved reinsurance transactions. In entering current and future transactions, the Board will ensure that the terms will provide for the ability of the Company to meet its current and future obligations.

The COVID-19 pandemic was declared in early 2020 has continued to have an impact. Management continues to assess the impact on the Company, and has concluded that the ability of the Company to continue to maintain its operational functionality will not be significantly compromised.

Employee interests

The Company has no employees and outsources its various operational functions to qualified service providers, where scope of work is covered under service provider agreements.

Relationships with customers and suppliers

The Company has a single cedant, Syndicate 2987. Financial obligations to the cedant are fully collateralised.

Agreements are in place with service providers, including companies connected to the cedant.

Reputation and business conduct

The Company has in place a policy manual covering what it believes are policies in place for all key risks and processes. This policy manual has been reviewed by the Company's regulators, FCA and PRA prior to authorisation as a PCC pursuant to the Risk Transformation Regulations 2017 (the "Regulations"). The Company believes it has appropriately qualified service providers to fulfil its ongoing obligations under the Regulations.

The Company believes it has minimal environmental impact, especially as it has no dedicated physical premises.

Approval by the Board of Directors on 15 October, 2021 and signed on its behalf by:

Christopher Denton, Director

The Leadenhall Building
122 Leadenhall Street
London EC3V 4AB

The Directors present their Report together with the audited Financial Statements of the Company for the year ended December 31, 2020.

Directors

The Directors who served at any time during the period to the date the Financial Statements were signed were as follows:

Anthony Medniuk
Jonathan Sullivan
Christopher Denton
Helena Whitaker
Michael Baker (resigned 15 April 2021)
Jean Bernard Crozet (appointed 11 August 2021)

Future developments

The Company intends to continue to write property catastrophe risk transformation programmes under the terms of its authorisation.

Streamlined Energy and Carbon Reporting (SECR) disclosure

As the Company does not have any physical premises or employees and business is limited, Scope 1, 2 and 3 emissions are below the 40,000kWh reporting threshold. The evaluation of Scope 3 considered the SECR disclosure in the audited financial statements of the cedant's parent company.

Miscellaneous other matters

The result for the financial year is $8,743,994. The Company paid a dividend of $4.0m in January 2021 with respect to cell 2020-1.

The Company has no employees and has outsourced various operational functions to appropriate service providers appointed by the Board.

Post balance sheet events

There have been no post balance sheet events since December 31, 2020, through to the date of this Report, that are required to be reflected in these financial statements.

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the Financial Statements in accordance with applicable laws 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 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 state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those 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 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.

Auditor

PricewaterhouseCoopers Ltd. was appointed and has expressed its willingness to continue in office as auditor.

Disclosure of information to the Auditors:

In the case of each of the persons who are Directors at the time this report is approved, the following applies:

- So far as the Directors are aware, there is no relevant audit information of which the Company's auditor is 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 auditor is aware of that information.

Approval by the Board of Directors on 15 October, 2021, and signed on its behalf by:

Christopher Denton, Director

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122 Leadenhall Street
London EC3V 4AB

Report on the audit of the financial statements

Opinion

In our opinion, Sussex Capital UK PCC Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit and cash flows for the year then ended;
- have been properly prepared 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); and
- have been prepared in accordance with the requirements of the Companies Act 2006, as applied to protected cell companies by The Risk Transformation Regulations 2017.

We have audited the financial statements, included within the Annual Report, which comprise: Statement of Financial Position as at 31 December 2020; Income Statement, Statement of Changes in Equity and Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview

Audit scope

- We performed audit procedures over material balances / transactions in active operations of the Company for the purpose of our audit.

Key audit matters

- Appropriateness of methodologies and assumptions applied in the valuation of the IBNR component of technical provisions

- Valuation of notes payable
- Impact of Covid-19

Materiality

- Overall materiality: US$188,000 (2019: US$1) based on 1% of combined operating ratio ("COR"). This represents the total by which net operating expenses and/or net claims incurred would have to fluctuate to move the COR by 1%.
- Performance materiality: US$141,000.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Appropriateness of methodologies and assumptions applied in the valuation of the IBNR component of technical provisions, Valuation of notes payable and Impact of Covid-19 are new key audit matters this year.

Key audit matter	**How our audit addressed the key audit matter**
Appropriateness of methodologies and assumptions applied in the valuation of the IBNR component of technical provisions	
See notes 3j and 6 of the financial statements for disclosures of related accounting policies, judgements and estimates.	Our core team with actuarial specialists have performed the following:
The liability for losses and loss adjustment expenses includes an amount determined from loss reports and individual cases, and an amount for losses incurred but not reported ("IBNR") which have been estimated based on information provided by Syndicate 2987. This IBNR component is a material balance within the financial statements, and represents the best	• We understood, assessed and tested the design and operational effectiveness of key controls over Syndicate 2987's estimation of IBNR, which included controls over the extraction of data from the underlying systems and the review and approval of the IBNR.

estimate of all claims incurred but not reported at a given date, regardless of whether these have been reported to Syndicate 2987. There are varying methods which can be adopted in the estimation of IBNR which are underpinned by a series of assumptions. These can rely on a large degree of judgement and relatively small changes in these assumptions can lead to significant movements in IBNR.	• For Syndicate 2987, we tested on a sample basis the underlying source data being claims incurred and claims payments to supporting documentation and developed a point estimate of IBNR on both a gross and net basis and compared our estimates to those booked by management, and in all those cases where significant differences were identified, we obtained satisfactory responses, concluding on the reasonableness of management's estimates. • In relation to the Company, we understood and assessed the allocation of IBNR from Syndicate 2987 to the Company, which included understanding management's review of the allocated IBNR and the challenges raised in relation to that. • We also performed a reconciliation of IBNR balances calculated for Syndicate 2987 against balances booked by the Company and did not identify any difference. Based on the work performed, the recorded IBNR is consistent with the evidence obtained.
Valuation of notes payable See notes 3k and 7 of the financial statements for disclosures of related accounting policies, judgements and estimates. The financial statements contains US$300m of notes payable classified as a financial liability and is recorded at the transaction price, and subsequently at fair value. The fair value for this financial liability requires some additional audit focus due to the passage of time from the issue date to the period end date and the limited number of similar financial instruments for which observable data is available.	We have performed the following procedures in relation to the notes payable: • We assessed the Company's accounting treatment and basis for initial recognition and subsequent fair value measurement of the notes payable. • We assessed the related reinsurance agreement and offering circular for the notes payable to determine the appropriateness of the recorded amount, being the transaction price, and the relevant clauses in relation to the note. • We considered movements in market interest rates to determine whether a materially different fair value than the transaction value should have been reflected. Based on the above procedures, we determined a movement in fair value which management has considered in its summary of uncorrected misstatements.
Impact of Covid-19 The Covid-19 pandemic has had an impact on the performance of the Company, with the main potential risk being operational risk. Management's ways of working, including the operation of controls, has been impacted as a result of working remotely. This has inevitably resulted in an increase in risk due to the remote accessing of the IT systems and a potentially	We performed additional procedures to assess any control implications arising from the impact of Covid-19, including inquiries regarding the operation of IT and business process controls and heightened cyber risk. Based on the work performed, we did not identify any risks to going concern in relation to Covid-19. We also did not identify any evidence of material

heightened cyber risk, as well as increased going concern risk.	deterioration in the control environment due to Covid-19.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

We have performed audit procedures over material balances/ transactions.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall company materiality	US$188,000 (2019: US$1).
How we determined it	1% of combined operating ratio ("COR"). This represents the total by which net operating expenses and/or net claims incurred would have to fluctuate to move the COR by 1%.
Rationale for benchmark applied	Materiality for the financial statements is based on a 1% change in combined operating ratio. The benchmark to determine materiality for the Company has been chosen as the combined operating ratio which is a primary performance measure.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to US$141,000 for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount in the middle of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above US$9,000 (2019: US$1) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Inquiries with directors and relevant members of management;
- Assessment of the impact of Covid-19 pandemic to going concern and specific responses made by management to address any additional risks identified as a result of the pandemic;
- Assessment of the Company's financial position, capital and solvency measures, and liquidity, and;
- Tracing capital contributions and commitments to supporting documentation.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006, as applied to protected cell companies by The Risk Transformation Regulations 2017, have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006, as applied to protected cell companies by The Risk Transformation Regulations 2017, requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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.

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of regulatory principles, such as those governed by the Prudential Regulation ("PRA") and the Financial Conduct Authority ("FCA"), 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 financial statements such as the Companies Act 2006, as applied to protected cell companies by The Risk Transformation Regulations 2017. 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 the risk of management override of controls, including the potential for management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Evaluation and testing of the operating effectiveness of management's controls designed to prevent and detect irregularities;
- Testing and challenging, where appropriate, the assumptions and judgements made by management in their accounting estimates;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or narrative in the journal description or posted by senior management; and
- Reading key correspondence with regulatory authorities which included the FCA and the PRA in relation to compliance with laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied to protected cell companies by The Risk Transformation Regulations 2017, and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006, as applied to protected cell companies by The Risk Transformation Regulations 2017, we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Mark Bolton

Mark Bolton (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
15 October 2021

Income Statement

For the year ended December 31, 2020

	Note	2020 $	2019 $
Earned premiums			
Gross premiums written		114,858,110	-
Change in the gross provision for unearned premiums		(95,969,925)	-
Earned premiums		18,888,185	-
Allocated investment return transferred from the non-technical account		226,588	-
Total technical income		19,114,773	-
Claims incurred, net of reinsurance			
Claims paid		(2,003,277)	-
Change in the provision for claims		(6,343,268)	-
Claims incurred, net of reinsurance		(8,346,545)	-
Net operating expenses	12	(93,128)	-
Other technical charges, net of reinsurance		(1,856,106)	
Balance on the technical account for general business		8,818,994	-
Non-technical account- General business			
Balance on the general business technical account		8,818,994	-
Investment income		226,588	-
Investment expenses and charges		(75,000)	-
Allocated investment return transferred to the general business technical account		(226,588)	-
Profit for the financial year		8,743,994	-

All the above amounts are in respect of continuing operations.

The Company had no recognised income or expense during the previous financial period because it had not commenced trading.

The accompanying notes are an integral part of these financial statements.

Sussex Capital UK PCC Limited

Statement of Financial Position
As at December 31, 2020

	Note	2020 $	2019 $
ASSETS			
Debtors			
Debtors arising out of reinsurance operations	5	98,189,239	-
		98,189,239	-
Other assets			
Cash at bank and in hand		1,204,871	-
Cash at bank and in hand- restricted	4	386,881,353	-
		388,086,224	-
Prepayments and accrued income		2,908	
Total assets		486,278,371	-
LIABILITIES			
Capital and reserves			
Call up share capital - common shares		1	1
Called up share capital - preference shares		75,000,000	-
Profit and loss account		8,743,994	-
Total shareholders' funds		83,743,995	1
Technical provisions			
Provision for unearned premium		95,969,925	-
Claims outstanding	6	1,169,837	-
Other technical provisions	6	5,173,431	-
Creditors			
Notes payable	7	300,000,000	-
Notes interest payable	7	75,000	-
Accounts payable & accrued liabilities		146,183	-
Total liabilities		402,534,376	-
Total equity and liabilities		486,278,371	1

The accompanying notes are an integral part of these financial statements.
Company number: PC000002
Approved by the Board of Directors and authorised for issue 15 October, 2021

_______________ Director
C. Denton

Statement of Changes in Equity
For the year ended December 31, 2020

	Note	Called up share capital: Common shares	Called up share capital: Preference shares	Retained earnings	Total
Balance as November 14, 2018		$ -	$ -	$ -	$ -
Common share issued during the period		1	-	-	1
Profit for the period		-	-	-	-
Balance as at December 31, 2019	9	1	-	-	1
Preference shares issued during the year		-	75,000,000	-	75,000,000
Profit for the year		-	-	8,743,994	8,743,994
Balance as at December 31, 2020	9	$ 1	$ 75,000,000	$ 8,743,994	$ 83,743,995

The accompanying notes are an integral part of these financial statements.

Statement of Cash Flows
For the year ended December 31, 2020

	2020	2019
	$	$
Net cash from operating activities		
Net profit for the period	8,743,994	-
Adjustments to reconcile net profit to net cash used in operating activities:		
Debtors arising out of reinsurance operations	(98,189,239)	-
Prepayments and accrued income	(2,908)	-
Provision for unearned premium	95,969,925	-
Claims outstanding	1,169,837	-
Other technical provisions	5,173,431	-
Notes interest payable	75,000	-
Accounts payable & accrued liabilities	146,183	-
Net cash generated by operating activities	13,086,223	-
Cash flows from financing activities		
Proceeds from issuance of Notes	300,000,000	-
Proceeds from issuance of common shares	-	1
Proceeds from issuance of preference shares	75,000,000	-
Net cash generated by financing activities	375,000,000	1
Increase in cash and equivalents	388,086,223	1
Cash and cash equivalents - beginning of period	1	-
Cash and cash equivalents - end of period	388,086,224	1
Represented by:		
Cash and cash equivalents - restricted	1,204,871	-
Cash and cash equivalents	386,881,353	-
Total cash and cash equivalents	388,086,224	-

1. The Company and its activities

Sussex Capital UK PCC Limited (the "Company") was incorporated as an English private company and registered with the Financial Conduct Authority as a Protected Cell Company (registered number PC000002) on November 14, 2018. The address of its registered office is The Leadenhall Building, 122 Leadenhall Street, London EC3V 4AB.

The Company was formed and authorised by the Prudential Regulation Authority, effective November 14, 2018, to conduct activities specified in the Risk Transformation Regulations 2017 (the "Regulations") through one or more Protected Cells ("Cells").

The Company comprises the Core account ("Core") and has the power to establish Cells. The Core administers the Company and Cells are used to assume risk from undertakings. The Company may issue non-voting shares on behalf of a Cell to Qualified Investors (as defined in the Regulations), the proceeds of which are to be used to fund the Company's exposure to that risk and such proceeds will be maintained in restricted custody accounts for the benefit of the undertakings ceding risk to the Company.

Assets held on behalf of a Cell are treated as if they belong exclusively to that Cell and shall not be used to discharge liabilities incurred on behalf of or attributable to the Core or any other Cell, and shall not be available for any other purpose.

The Core and any Cell established do not have legal personality distinct from the Company.

The Company did not trade in 2019. During 2020, the Company formed two Cells, each of which entered into a reinsurance transaction:

UKPC2020-1 ("2020-1 Cell")	The 2020-1 Cell entered into a collateralised quota share reinsurance of Brit Syndicates Limited, for and on behalf of the underwriting member of Lloyd's Syndicate 2987 ("Syndicate 2987"), with a risk period incepting on January 1, 2020, and expiring on December 31, 2020 (the "2020 QSA"). The 2020-1 Cell's maximum obligations are collateralised using a reinsurance trust. Collateral funds were raised by issuance, by the Company on behalf of the 2020-1 Cell, of preference shares. In January 2021, on expiration of the risk period, \$79M was released from collateral and used to redeem preference shares and pay a dividend.

UKPC2020-02 ("2020-2 Cell")	In December 2020, the 2020-2 Cell entered into a collateralised excess of loss reinsurance of Syndicate 2987. The reinsurance has a four-year risk period, commencing on January 1, 2021, and expiring on December 31, 2024.

The 2021 Reinsurance Agreement has an aggregate limit of $300M and covers Syndicate 2987's catastrophe exposure to certain US named storms and earthquakes.

Under the terms of the 2021 Reinsurance Agreement, the 2020-2 Cell is required to fully collateralise the aggregate limit. The 2020-2 Cell raised the collateral funds by issuance of principal-at-risk notes ("Notes") to investors ("Noteholders").

The 2020-2 Cell receives premium equal to the interest spread payable to note holders, based on the outstanding principal of the Notes. The initial interest spread is 7.75% per annum. The interest rate is subject to reset at the start of each annual risk period, commencing January 1, 2022, January 1, 2023, and January 1, 2024.

The 2020-2 Cell will utilise the premium to pay the interest due to the Noteholders.

In addition, 2020-2 Cell receives an additional premium from Syndicate 2987 to cover certain operating expenses of the cell, Supplemental Expense Premium.

2. Statement of Compliance

The financial statements of the Company have been prepared in accordance with the Risk Transformation Regulations 2017, United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102') and the Companies Act 2006. The financial statements are prepared under the historical cost convention, as modified by the recognition of certain financial assets measured at fair value.

3. 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 financial periods presented, unless otherwise stated. The financial statements are presented in US dollars ("$").

a. Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

The preparation of financial statements in conformity with FRS 102 and FRS 103 Insurance contracts, 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. No significant judgements or key sources of estimation uncertainty have been applied in the preparation of the financial statements.

b. Going concern

The Company funds its day-to-day working capital requirements through funding provided under the terms of the Shareholder and Subscription Agreement. The Company's forecasts and projections show that the Company should be able to operate within the level of its current financing. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

The Company, therefore, continues to adopt the going concern basis in preparing its financial statements.

c. Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the United States dollar ("US dollar"), reflecting the denomination of the Company's assets and liabilities being the currency in which the substantial proportion of Company's expenses are incurred. Expenses incurred in currencies other than US dollars are translated into US dollars at the exchange rate prevailing on settlement.

The financial statements are also presented in US dollars which is, therefore, the Company's functional and presentation currency.

d. Reinsurance contracts

The Company assumes contracts that transfer significant reinsurance risk at the inception of the contract. Reinsurance risk is transferred to the Company when the Company agrees to compensate Syndicate 2987 if a specified uncertain future event adversely affects Syndicate 2987.

e. Cash and cash equivalents

Cash and cash equivalents comprise current deposits with banks. Carrying amounts approximate fair value due to the immediate or short-term maturity of these financial instruments.

f. Cash and cash equivalents - restricted

Cash and cash equivalents comprise current deposits with banks and investments in highly rated, highly liquid US Treasury-based money market funds. Such cash and cash equivalents are held in collateral trusts for the benefit of Syndicate 2987 and so use of these funds by the Company is restricted.

Carrying amounts approximate fair value due to the immediate or short-term maturity of these financial instruments.

g. Investment income

Investment income is comprised of interest income on cash and cash equivalents. Investment income is recognised on an accruals basis in line with the contractual terms. Interest is accrued on a daily basis.

h. Interest expense

Interest expense relates to interest payable under the terms of the Notes and is recognised on an accruals basis in line with the contractual terms. Interest is accrued on a daily basis.

i. Premiums, unearned premiums and acquisition costs

Premiums due under the 2021-Reinsurance Agreement are estimated and recorded as written at inception and are recognised as income on a straight-line basis over the risk period.

Supplemental Expense Premium, being for reimbursement of specific administrative expenses, is recognised as income in recognition of the underlying administrative expenses to which it relates.

Any portion of the premiums relating to periods after the balance sheet date is deferred and included in unearned premiums in the balance sheet.

With respect to the quota share reinsurance inwards business, the premiums written relate to the business incepted during the year, together with any differences between booked premiums for prior years and those previously accrued, and include estimates of premiums due but not yet receivable or notified, less an allowance for cancellations. Premiums are accreted to the income statement on a pro rata basis over the term of the related policy. Premiums are recognised over the period of risk in proportion to the amount of reinsurance protection provided. Reinstatement premiums relating to major loss events are accreted to the income statement on a pro rata basis over the term of the original policy to which they relate.

Acquisition costs comprise commissions and other costs incurred on the acquisition of new and renewal business and are deferred and amortised over the terms of the policies or contracts of reinsurance to which they relate. The method followed in determining the deferred acquisition costs limits the amount of deferral to its realisable value by giving consideration to losses and expenses expected to be incurred as premiums are earned and also considers anticipated investment income.

j. Outstanding losses and loss expense

In accordance with the terms of the 2021 Reinsurance Agreement, the Company shall not be liable for any loss payments unless and until the Company has received a proof of loss claim from Syndicate 2987. As at December 31, 2020, the policy had not yet incepted, so no loss claims were recorded.

With respect to 2020 QSA, the liability for losses and loss adjustment expenses includes an amount determined from loss reports and individual cases, and an amount for losses incurred but not reported which have been estimated based on information provided by Syndicate 2987. Loss expense estimates are continually reviewed and are necessarily subject to the impact of future changes in such factors as claims severity and frequency. While management believes that the amount is adequate, the ultimate liability may be in excess of, or less than, the amounts provided, and any adjustments will be reflected in the periods in which they become known thus the aggregate assets and liabilities are subject to change.

k. Notes payable

Notes payable are classified as a financial liability and are recorded at the transaction price and subsequently at fair value. As the Company receives a notice of loss payment in accordance with the terms of the 2021-Reinsurance Agreement, specifying the fair value amount. At this time, the outstanding financial liability of the Notes will be reduced and sufficient funds will be released from the trust account to facilitate the required payment to Syndicate 2987. The liability for Notes payable on the balance sheet will not be extinguished until the original transaction amount is reduced to zero as a result of one or more loss payments to Syndicate 2987 or the Notes are redeemed.

4 Cash and cash equivalents - restricted

The Company is required to provide collateral in respect of its outstanding aggregate limit provided to Syndicate 2987 under the Reinsurance Agreements. Those funds, primarily invested in highly rated, highly liquid US Treasury-based money market funds, are held in trusts for the benefit of Syndicate 2987 and are, therefore, restricted from use by the Company. With respect to the 2021-Reinsurance Agreement, these same funds are also pledged as collateral for the holders of the Notes as security for repayment of the Notes. The Noteholders' security is subordinate to that of Syndicate 2987, the beneficiary of the trust.

Under the terms of the Notes, reinsurance premium and investment income earned on collateral funds, is required to be deposited or transferred into designated accounts, which are separate from the operating expense account, for the purpose of funding quarterly interest payable on the Notes. Any balances on the separate designated accounts are treated as restricted.

As at December 31, 2020, restricted cash and cash equivalents held in the reinsurance trust accounts amounted to \$386,881,353 (2019 - \$Nil).

5 Debtors arising out of reinsurance operations

Reinsurance premiums are estimated and accrued at inception of the insurance contracts. The balance held in receivables is the estimated reinsurance premiums less quarterly installments received as of the balance sheet date.

As at December 31, 2020, there has been no default on the payment of premium.

6 Provisions for Losses and Loss Adjustment Expenses

The summary of changes in provisions for losses and loss expenses for the year ended December 31, 2020, is as follows:

	2020	2019
Net loss and loss expense provisions at beginning of year	$ -	$ -
Current period	8,346,545	-
Prior periods	-	-
Total net incurred losses and loss expenses	8,346,545	-
Net losses and loss expenses paid or payable related to:		
Current period	(2,003,277)	-
Prior periods	-	-
Total losses and loss expenses paid or payable	(2,003,277)	-
Net loss and loss expense provisions at end of year	$ 6,343,268	$ -

Current period incurred losses represent losses incurred in respect of the business written under the 2020 QSA, including a technical provisions estimate for the cost of losses in respect of events that have occurred but have not yet been reported to the Company.

7 Notes payable

The Company has issued certain notes in order to raise funds to provide collateral required under the 2021-Reinsurance Agreement. The Notes are Principal At-Risk Variable Rate Notes and constitute direct and unconditional obligations of the Company. Those obligations are secured by a charge over certain funds which have also been contributed to the reinsurance trust established in favour of Syndicate 2987 to collateralise obligations under the 2021-Reinsurance Agreement. The security of the Noteholders is subordinate to that of Syndicate 2987 for the payment of losses under 2021-Reinsurance Agreement.

Accordingly, the final amount repayable in respect of the Notes (the adjusted principal balance outstanding) is largely dependent upon whether, and the extent to which, losses are payable by the Company under the 2021-Reinsurance Agreement.

The adjusted principal balance outstanding for the Notes, is calculated as the original Notes issue amount, less losses paid under the 2021-Reinsurance Agreement. The Company was not on risk until January 1, 2021, and, accordingly, no losses have been reported as of December 31, 2020.

Interest on the Notes is payable quarterly in arrears. The quarterly interest amount payable is calculated as the adjusted principal balance outstanding at the start of the respective quarter multiplied by an interest spread multiplied by actual days in the accrual period divided by 360, plus actual interest income received in the quarter by the Company on the respective collateral assets.

The interest spread is subject to an annual reset at the beginning of the first and each subsequent loss period. The first reset is due to be made effective January 1, 2022.

The following table summarises key terms of Notes issued by the Company as of December 31, 2020:

Issue date		Outstanding principal	Initial interest rate	Scheduled redemption date
14-Dec-20	$	300,000,000	7.75%	8-Jan-25

8 Concentrations of credit risk

The Company's general operational bank account is held by one bank, with a credit rating of Aa2.

The Company's restricted cash and cash equivalents are also held with the same bank. The trustee and custodian of the investments are held by the bank's corporate trustee company.

All of the proceeds of the issuance of the Notes and the preference shares issued are invested in AAA rated Treasury money market funds and held by the bank's corporate trustee company.

9 Share capital and reserves

The Company has issued 1 fully paid £1 shares to Sole Shareholder, for a subscription amount of £1 ($1). The shares have attached to them full voting, dividend and capital distribution (including winding up rights. The shares do not confer any rights of redemption.

During 2020, the Company issued 75,000,000 non-voting redeemable preferred shares of par value $1, with respect to the 2020-1 Cell. The proceeds from the issuance were used to fund the initial collateral requirement under the 2020-1 QSA.

The reserve within equity consists entirely of retained earnings.

10 Fair value of financial assets and liabilities

The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the year-end date. The quoted market price used for financial assets held by the general or segregated accounts is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. Management uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used for non-standardised financial instruments such as options and total return swaps, include the use of comparable recent arm's length transactions, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the segregated accounts hold.

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 - inputs for the asset or liability that are not based on observable market data, including the Company's own assumptions in determining the fair value of investments.

The Company classifies the fair value estimates of its Cash and cash investments-restricted under Level 1 as prices for the money market funds are readily available.

The Company classifies the fair value estimates of its Notes issued under Level 3 as there is no active market for identical obligations, there is no observable data for this obligation on the market with the same conditions regarding maturity, liquidity, coupon or impairment characteristics.

There were no changes to fair value of Notes issued during the year. At December 31, 2020, there was no difference in the financial liability's carrying amount and the amount the Company would be contractually required to pay at maturity to the holder of the obligation.
The following table presents the Company's financial assets and liabilities measured at fair value at December 31, 2020:

	Fair value Level 1 $	Fair value Level 2 $	Fair value Level 3 $	Total $
Assets				
Cash and cash equivalents - restricted	386,881,353	-	-	386,881,353
Liabilities				
Notes issued	-	-	300,000,000	300,000,000

11 Risk management

(a) **Currency risk**
Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Some operating expenses incurred by the Company are denominated in foreign currencies resulting in an exposure to potential fluctuations in foreign currency. Management assesses that there is no risk of significant losses occurring due to currency risk.

(b) **Interest rate risk**
Interest rate risk is the exposure to various risks associated with the effect of fluctuation in the prevailing interest rates on the Company's financial position and cash flows. Management assesses that there is no risk of significant losses occurring due to interest rate fluctuations.

(c) **Credit risk**
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk primarily from cash and cash equivalents-restricted and reinsurance premiums receivable. The cash and cash equivalents -restricted comprise securities that management believes are strongly rated with credit agencies. In management's opinion, the reinsurance premiums receivable are due from what management believes is a highly rated cedant. Further, should the cedant fail to pay its premium to the Company when due, the reinsurance coverage will cease.

Management believes that own credit risk relating to the Notes issued is minimal given the trust structure and trust agreement in place as more fully described in Note 7. The risk is managed by ongoing monitoring of the collateral account balance and premiums due under the reinsurance agreement, the proceeds of which are used to pay the interest on the Notes.

(d) **Liquidity risk**
Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial liabilities. Management ensures that sufficient funds (including cash and the ability to readily liquidate money market funds) are available to meet any commitments as they arise.

The catastrophe bond matures on 31 December 2024. This is fully collateralised by AAA rated Money Market Funds.

(e) **Market risk**
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Management does not believe that there is significant market risk arising from its investments as the Company is holding AAA rated Money Market Funds.

Management does not believe that there is significant price risk arising from its investments.

(f) **Capital risk management**
The Company's objective when managing its capital is to maintain an appropriate amount to support its operations. The Company also monitors its capital in the context of its working capital relative to its ongoing liquidity requirements to safeguard the entity's ability to continue as a going concern, to honour any insurance obligations when they arise, and to provide returns for the Noteholders.

Management does not believe that there is significant capital risk as it is fully funded to meet its future operational expenses and its obligations under the Reinsurance Agreements.

(g) **Insurance risk**
Underwriting risk arises from the inherent uncertainty in the occurrence, timing and amount of the insurance liabilities. The areas of insurance risk are underwriting and reserving risk.

Underwriting risk is the risk that the insurance premiums will not be sufficient to cover the future losses and associated expenses. It arises from the fluctuations in the frequency and severity of financial losses incurred through the underwriting process as a result of unpredictable events. The Company relies upon Brit Syndicates Limited's management of underwriting risk through pricing models and risk management tools, underwriting guidelines and policies with oversight by the Board.

Reserving risk is the risk that the actual cost of losses for obligations incurred before the valuation date will differ from expectations or assumptions set as part of the reserving process. The Sussex Capital Management Limited Valuation Committee makes reserving recommendations, with the Board having responsibility for the reserves established. Where appropriate, the cells hold collateral equal to at least the reserves plus, for expired contracts, contractually agreed buffered reserves.

12 Related party transactions

A director (the "Horseshoe Director") of the Company is an employee of Horseshoe. Horseshoe is the administrator of the Company. During the year ended December 31, 2020, the Company paid Horseshoe $30,000 (2019 - $Nil).

A director (the "Intertrust Director") of the Company has been nominated by Intertrust Management Limited. ("IML"). Intertrust Corporate Services Limited is the corporate secretary of the Company and Share Trustee in relation to the Company's immediate parent company. During the year ended December 31, 2020, the Company paid IML GBP7,359 (2019 - GBPNil).

13 Auditor's remuneration

The Company engages PricewaterhouseCoopers LLP to perform the audit of the Company.

		2020		2019
Audit fees	GBP	20,000	GBP	4,200

These fees were paid on behalf of the Company by Brit Group Services Limited.

14 Directors' remuneration

The directors receive compensation through existing arrangements with the Company's service providers. The Company does not recognise this in its financial statements.

15 Taxation

The Company benefits from the special tax treatment set out in Regulation 4 of the Risk Transformation (Tax) Regulations 2017 (the "Tax Regulations"). The Tax Regulations set out a special tax regime for qualifying transformer vehicles.

A transformer vehicle will be a qualifying transformer vehicle if it is a company limited by shares that (i) carries out the activity of insurance risk transformation where substantially all of that activity relates to business other than basic life assurance and general annuity business and (ii) is authorised under Part 4A of the Financial Services and Markets Act 2000 to carry out insurance risk transformation. The Board believes that the Company constitutes a qualifying transformer vehicle for these purposes. The insurance risk transformation activity of qualifying transformer vehicles are not subject to corporation tax.

The Tax Regulations only apply to the Cells and not to the Core.

Accordingly, no provision is made in these Financial Statement for taxation on the net income of the Company.

16 Subsequent events

There were no material subsequent events from December 31, 2020, through 15 October, 2021, the date the financial statements were approved, which require to be reflected in these financial statements.

17 Parent undertaking and ultimate controlling party

The entire issued share capital of Sussex Capital UK PCC Limited is held by the legal parent company Intertrust Corporate Services Limited which holds the share on a discretionary trust basis for the benefit of certain charities. As the trustees are not entitled to any economic benefit and the beneficiaries do not have any decision making power, there is no controlling party.

Intertrust Corporate Services Limited is a wholly owned subsidiary of Intertrust Management Limited.

The shareholder's registered office is 1 Bartholomew Lane, London, EC2N 2AX.