WHITE BEAR CAPITAL LIMITED

CONSOLIDATED REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

Registered Number:	**10220701**
Registered Office:	7th Floor, 70 Mark Lane
	London
	EC3R 7NQ

White Bear

WHITE BEAR CAPITAL LIMITED

CONSOLIDATED REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

WHITE BEAR CAPITAL LIMITED

DIRECTORS AND OFFICERS

DIRECTORS
Executive
John Anthony Lynch
Peter David Scales

Non executive
Adam George Beatty
Domonic James Haviland Slade (appointed 16/11/2020)

COMPANY SECRETARY
Tessa Helen Mijatovic

Registered Office and Trading Office:
7th Floor, 70 Mark Lane
London
EC3R 7NQ

Auditor:
BDO LLP
55 Baker Street
Marylebone
London
W1U 7EU

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

Formation of the business

White Bear Capital Limited ("the Company") was incorporated on 8 June 2016 and operates in the UK as the holding company of a number of wholly owned subsidiaries ("the Group") .

Purpose and principal activities of the business

The Group operates in the insurance sector. Its original focus was the Lloyd's insurance market with the formation on 28 June 2016 of Blenheim Underwriting Limited ("Blenheim"). Blenheim provides underwriting services to Syndicate 5886, a syndicate at Lloyd's which commenced underwriting on 1 January 2017. The Syndicate is managed by Asta Managing Agency Limited ("Asta") and Blenheim was given Appointed Representative status (in accordance with section 39 of the Financial Services Markets Act 2000 "FSMA") by the Prudential Regulatory Authority ("PRA") on 16 December 2016. This means that, since this date, Blenheim has been able to provide certain Prescribed Regulated Activities (as defined in the FSMA) in respect of Syndicate 5886. These activities relate to insurance contracts and include underwriting services, claims handling services and administrative support to Syndicate 5886. These services are provided under a services agreement entered into with Asta.

One of the short term aims of the Group is for Blenheim to become an independent Lloyd's managing agent in its own right and manage Syndicate 5886. The Group has therefore focused on ensuring that the appropriate underwriting, claims and administration services are provided to Syndicate 5886 under Blenheim's authority as an appointed representative to Asta, whilst at the same time developing the business towards meeting the requirements of a Lloyd's managing agency. These requirements include having the requisite systems and procedures in place and meeting the minimum standards as set by Lloyd's.

On 18 April 2019, the Company set up a Managing General Agent ("MGA") called White Bear Managers Ltd ("White Bear Managers"). White Bear Managers is a Financial Conduct Authority ("FCA") approved Insurance Intermediary providing insurance underwriting services to external clients.

On 1 August 2019, the FCA granted White Bear Managers regulatory approval. In 2020, White Bear Managers commenced trading and has written business on behalf of (re)insurance companies and Lloyd’s Syndicates. On 3 August 2020, White Bear Managers received authorisation from the Guernsey Financial Services Commission (“GFSC”) to act as an Insurance Manager and subsequently established a branch office in Guernsey. On 1 October 2020, White Bear Managers was authorised as a Lloyd’s Coverholder to underwrite on behalf of Lloyd’s Syndicates. In addition, White Bear Managers has been actively exploring other opportunities and it is hoped that these will come to fruition during 2021 and 2022.

On 25 April 2019, the Company set up White Bear Corporate Services Ltd, a company to employ all the group employees. On 1 July 2019, all the employees of Blenheim were transferred to White Bear Corporate Services Ltd under TUPE.

On 21 November 2019, the Company acquired Nameco (No. 1036) Limited, a corporate Name at Lloyd's which underwrote on various syndicates at Lloyd's, including Syndicate 5886. The name of this company was changed to White Bear Corporate Capital Limited.

Review of the business

Since 16 December 2016, Blenheim has provided underwriting services, claims handling services and administrative support to Syndicate 5886 in its capacity as an Appointed Representative to Asta. Syndicate 5886 commenced on 1 January 2017 with a stamp capacity of £150 million for the 2017 Year of Account and £180 million for the 2018 Year of Account. For the 2018 Year of Account Blenheim wrote Direct Property, Property Treaty, Specialty Treaty, Contingency and Accident and Health accounts.

The stamp capacity of Syndicate 5886 was pre-empted to £215 million for the 2019 Year of Account to enable the continued build out of the lines of business written during 2017 and 2018, particularly in relation to the Direct Property and Specialty Treaty accounts. The stamp capacity of Syndicate 5886 was pre-empted to £250 million for the 2020 Year of Account to enable the continued build out across the portfolio against an increasingly favourable trading background.

The stamp capacity of Syndicate 5886 was further pre-empted to £325 million for the 2021 Year of Account. This was to take advantage of improving market conditions, across the portfolio and a new Construction account.

A new Construction underwriting team was recruited in the financial year ended 31 December 2020. Additionally Blenheim has continued to build out the requisite infrastructure, systems and processes to support the existing business and also any future business of Syndicate 5886.

In March 2020, Lloyd's granted 'Approval in Principle' and Blenheim is now in the final stages of getting the requisite regulatory approvals from both the PRA and the Financial Conduct Authority ("FCA") in order to become a managing agency. Once complete, Blenheim will be able to operate as a managing agency.

As noted above, the Group set up White Bear Managers Ltd in the year and received authorisation from the FCA for this. In 2020, White Bear Managers Ltd commenced trading and has written business on behalf of external clients with a focus on the Construction, Energy Liability sectors and General Aviation sector. In addition, White Bear Managers Ltd has been actively exploring other opportunities and it is hoped that these will come to fruition during 2021 and 2022. All individuals working for White Bear Managers Ltd are employed by White Bear Corporate Services Ltd, a fellow subsidiary.

In September 2020 the Group issued a further 380 ordinary shares to employees of the Group. Further details are set out in Note 17. In addition, the Group announced that it had entered into an agreement with ASO (GP) IV Limited whereby ASO (GP) IV Limited will invest a net £80m into the Group in exchange for shares. As part of this agreement, Nephila Holdings Ltd sold some of its Company shares to the Company Employee Benefit Trust ("EBT"). Former employees also sold shares in the Company to the EBT. The Group issued a loan to the EBT. The investment from ASO (GP) IV Limited has been used for working capital and to increase the underwriting participation on Syndicate 5886.

Review of the business *(continued)*

As noted above, the Group acquired White Bear Corporate Capital Limited in 2019. Although this corporate Name participated on various syndicates at Lloyd's, all of this syndicate capacity was sold except for Syndicate 5886. It then increased its participation on Syndicate 5886 as a result of the investment by ASO (GP) IV Limited and is underwriting £79,421,500 of capacity on Syndicate 5886 for the 2021 Year of Account (2020 Year of Account: £894,510). This equates to 24.4% of the syndicate for the 2021 Year of Account (2020 Year of Account: 0.4%). By participating on Syndicate 5886, the Group is able to share in the profit and losses of the syndicate to which services are provided. The participation of the business in future years will be dependent on market conditions and available opportunities as well as the level of funds available in the Group to support the requisite funds at Lloyd's.

The Group declared a loss after tax of £2.5m for the current financial year (profit after tax of £0.1m for the financial year to 31 December 2019). This result is set out in the Consolidated Statement of Comprehensive Income on Page 18 of these financial statements.

The Group's turnover is analysed in Note 4 of these financial statements and consists of overrider fees from Names participating on Syndicate 5886, fees for expenses recharged to Syndicate 5886, consortium fees and MGA Fees.

Overrider fees from Names to Blenheim
Names participating on Syndicate 5886 have agreed to pay overrider fees to Blenheim. These fees are recognised when they are considered to be reasonably certain to be receivable.

Those Names with unlimited tenancy rights agreed to pay Blenheim an initial overrider fee by 31 December 2016. In addition, all Names (both with limited and unlimited tenancy rights) agreed to pay Blenheim overrider fees for the following five years on an instalment basis, although certain Names elected to pay all their instalments upfront.

For the financial year to 31 December 2020, the Group recognised £1.8m of the overrider fees (£2.1m for the financial year to 31 December 2019).

Fees to Blenheim for expenses recharged to Syndicate 5886
Blenheim recharges expenses it incurs but which relate to Syndicate 5886 under a services agreement it has entered into with Asta. These fees are recognised as the expense is recognised and amounted to £11.7m for the financial year to 31 December 2020 (£9.8m for the financial year to 31 December 2019). As the Syndicate grows, the level of services provided by the Group each month has increased resulting in additional monthly fees.

Consortia fees
Blenheim receives fees as a consortia manager and these amounted to £0.4m for the financial year to 31 December 2020 (£0.2m for the financial year to 31 December 2019).

MGA Commissions
White Bear Managers receives commissions as a Managing General Agent and these amounted to £1.2m for the financial year to 31 December 2020 (£nil for the financial year to 31 December 2019).

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020
Continued

Review of the business *(continued)*

Expenses & tax
Expenses of £17.8m were incurred in the financial year (£11.9m for the financial year to 31 December 2019), consisting mainly of employee and IT costs. Further analysis of employee costs are set out in Note 8. The Group was also subject to tax of £0.1m on the loss.

Balance sheet
The consolidated assets of the Group as at 31 December 2020 consisted of cash of £64.6m, debtors due within one year of £8.3m, some fixed assets and negative goodwill arising on the acquisition of White Bear Corporate Capital Limited. £2.2m is owed to brokers (2019: £nil). The liabilities of the Group consisted mainly of accruals and deferred income.

The Group's financial statements are relatively straightforward and there is a limit to the level of Key Performance Indicators that can be used. Nevertheless, monitoring the liquidity and underlying profitability of the business are considered essential and accordingly the following key performance indicators are used to do this:

	31 December 2020	31 December 2019
Current Ratio (current assets / current liabilities)	**7.5 x**	3.5 x
EBITDA	**(£2.3m)**	£0.5m

The current ratio provides an indication of the current assets (less than one year) available to meet the current liabilities (less than one year). EBITDA is defined as Earnings Before Interest, Tax, Depreciation and Amortisation and is a widely used indicator in business for assessing the underlying earnings of the business.

The EBITDA for the year to 31 December 2020 is negative compared to the year to 31 December 2019. This is mainly due to taxes which were funded as a result of the issue of Company shares to staff at a value below a third party valuation. Although the fees for expenses recharged to Syndicate 5886 are higher for the year to 31 December 2020, this has no impact on the EBITDA as the expenses are recharged at cost.

The Directors of the Company and its subsidiaries have considered and applied their statutory duty to promote the success of the Company under s172 of the Companies Act 2006, and in so doing, have acted in accordance with these responsibilities during the year, by having regard to the issues, factors, and stakeholders relevant to each of the following:

(a) the likely consequences of any decision in the long term,
(b) the interests of the company's employees,
(c) the need to foster the company's business relationships with suppliers, customers, and others,
(d) the impact of the company's operations on the community and the environment,
(e) the desirability of the company maintaining a reputation for high standards of business conduct, and
(f) the need to act fairly as between members of the company

Review of the business *(continued)*

The likely consequences of any decision in the long term
The importance of giving due consideration to all stakeholders is a continuous process that is weaved into the Company’s and wider Group’s governance structure and decision-making process. Annually, Group business plans are prepared which look three years forward, a process which aims to balance the interests of different stakeholder. All strategic decisions, including changes to capital, corporate and Board structures, dividend declarations and changes to accounting and outsourcing policies, are approved by the Board. The Directors continue to promote the success of the Group through expansion of its activities as referred to in the Group's Strategic Report.

In 2020, the board decided that the long-term strategy of the group required additional third-party investment. As such, in November 2020, Alchemy Special Opportunities Fund IV became the majority shareholder of the Group.

The interests of the Company's employees
The Company has no employees and receives services from group service company, White Bear Corporate Services Ltd, which is also the Group employing company.

The Group has implemented HR policies that set out the approach to ensuring fairness and equality in the workplace underpinning the interests of the Group’s employees. Employee engagement is fostered through weekly Group wide staff meetings where senior management articulate the strategy and performance of the business and where successes are celebrated.

The Directors understand that the quality and experience of the Group’s employees are fundamental to the success of the Group. The Directors consider the training and development of its workforce to be key and therefore supports both internal and external training for employees. During the year, succession planning within the group is reviewed and training plans are aligned to aid the Group to promote from within.

The Directors are committed to the health, safety, and wellbeing of its Group workforce, offering comprehensive health insurance, Employee Assistance Programmes and life cover and contributions to a defined contribution pension scheme. The Group recently conducted a review of its benefits package and made several enhancements. In response to the COVID19 pandemic in 2020, a Group-wide working from home policy was implemented.

The need to foster business relationships with suppliers, customers, and others
The Group is fully committed to working responsibly with its suppliers. Terms of engagement with advisors, suppliers and contractors are reviewed annually by the executive management. Clear and fair guidance and service level agreements are in place and these are amended and adjusted to align with the needs of the business. We manage our operational risk relating to our outsourcing arrangements through the monitoring of defined service level agreements.

The subsidiary companies strive to work closely with their customers and capital providers to ensure that customers are treated fairly.

Review of the business *(continued)*

The need to foster business relationships with suppliers, customers, and others (continued)
In addition, Blenheim and White Bear Managers Ltd will regularly review broker and coverholder trading partners and their major Reinsurance cedant companies to understand their financial strength. In addition, regular independent audits are carried out on those who act on our behalf to ensure that they are acting appropriately within the limits of their delegation, and in the best interests of our customers.

The impact of the Company's operations on the community and the environment
The Company has a commitment to its communities, which we recognise includes environmental responsibilities including those of our stakeholders. Employees are encouraged to participate in volunteering opportunities within the community and employees can apply to receive financial support for charitable fundraising activities.

The desirability of the Company maintaining a reputation for high standards of business conduct
The Group is committed to fully complying with the relevant regulatory requirements and standards across its business. To support the business, the Group compliance function seeks to be a trusted advisor to the business, driving and supporting innovation whilst partnering with the business and regulators to ensure regulatory obligations are met. Compliance reports to the Group and subsidiary boards on material compliance matters including regulatory change, reporting requirements and any regulatory breaches.

The Directors seeks to ensure that the Group’s culture and behaviours put clients' interests at the heart of its business activities and that the Group’s businesses act with integrity in the market.

The Group, in consultation with all Group directors and staff, have begun a review of the Group’s culture and values through a series of workshops. The goal is to define the value statements that will guide the way in which the Group engages with internal and external stakeholders.

The need to act fairly between members of the Company
All interactions with other Group entities are carried out at arm's length and are governed by service level agreements and a robust Conflicts of Interest Policy.

Principal risks and uncertainties

All businesses face risks and uncertainties. The Directors consider the following areas to be the principal risks and uncertainties of the Group:

Regulatory and compliance risk
Blenheim's approval as an Appointed Representative of Asta is subject to continuing approval by both Lloyd's and the PRA. Should this approval be revoked, Blenheim (and hence the Group) would be unable to provide any underwriting, claims handling or administrative services to the Syndicate. This risk is mitigated by the monitoring of, and full compliance with, all requirements in relation to Appointed Representatives.

Principal risks and uncertainties *(continued)*

Regulatory and compliance risk (continued)
In addition to the above, Blenheim's aim is to become an independent Lloyd's managing agent. To do this, Blenheim will need to ensure, and demonstrate, that it can meet all the regulatory requirements of a Lloyd's managing agent. Should this not be achieved, Blenheim will be unable to be an independent Lloyd's managing agent. This risk is mitigated by developing the necessary infrastructure (systems and reporting), implementing the necessary policies and procedures, and employing the relevant people to do this.

White Bear Managers' authorisation from the FCA is subject to continuing approval by the FCA and continuing to meet the solvency requirements set by the FCA. Should this approval be revoked, White Bear Managers Ltd (and hence the Group) would be unable to underwrite on behalf of the reinsurers that it represents. This risk is mitigated by the monitoring of, and full compliance with, all requirements in relation to FCA authorised businesses.

Operational risk
The Group is exposed to operational risk which may result in losses to the business due to factors such as inadequate systems, management failure, inadequate controls, fraud or human error. This risk is mitigated through a system of robust internal controls, regulatory compliance and directors operational oversight. The impact of the Coronavirus, COVID19 is set out further below.

Liquidity risk
The Group manages its cash and funding requirements to ensure it has sufficient liquid resources to meet the operating needs of the various Group businesses.

Credit risk
The Group is exposed to credit risk from counterparties during the normal course of operations and counterparty exposure in respect of cash deposits held at financial institutions which have a minimum long term rating of A-. Counterparty exposures are monitored regularly.

Market risk
Market risk relates to fluctuations in interest rates or exchange rates. The Group holds its assets predominantly in sterling and has no investments or debts. Accordingly, its direct market risk is considered to be limited.

The underwriting results earned by the Group through its participation on Lloyd's syndicates is indirectly affected by fluctuations in exchange rates as those syndicates trade in multiple currencies. However, this is a small part of the Group's results and net assets.

Likewise, Syndicate 5886 trades in multiple currencies and so the Group is indirectly exposed to fluctuations in exchange rate movements affecting future profit commission receivable, although none is due at present.

Future development of the business

Brexit
On 31 January 2020, the UK formally left the European Union ('EU') and entered a transition period lasting until 31 December 2020. On 31 December 2020, the UK completed its separation from the EU with the ending of the transition period which saw the UK withdrawing from following all the rules and institutions of the EU.

Lloyd’s established an office in Brussels to underwrite European Economic Area ("EEA")-exposed business from 1 January 2019 and hence mitigating this risk. At the same time, to achieve contract continuity, Lloyd's transfered all remaining affected policies (comprising all relevant non-life direct EEA insurance and inwards German reinsurance business that has been written by the Lloyd's Market since 1993) to Lloyd's Brussels. This was undertaken on 30 December 2020 via an insurance business transfer under Part VII of the UK's Financial Services and Markets Act 2000.

The Directors continue to monitor the impact of Brexit on the business and to date this has not had a material impact on the Group.

Coronavirus
Since the start of 2020, there has been an outbreak of the Coronavirus, COVID19 which has led to significant restrictions on people, business, goods and services.

The direct impact on the Group to date is that all employees are working from home, although the level of disruption has been limited as the underlying systems have enabled remote working. This is expected to continue in the near future.

There has been an indirect impact on the Group as Syndicate 5886 expect a number of claims to arise, particularly on its contingency book of business. The sharp economic downturn resulting from the restrictions in place will create further uncertainty and difficulties in the market place although these are very difficult to quantify at this stage. Longer term, though, new opportunities may arise.

However, the above adversely impacted the results to the Names for both the 2019 and 2020 Years of Account and lead to a reduction in future profit commission for the Group.

The Directors continue to monitor the insurance, operational and economic risks arising with the outbreak and the subsequent restrictions in place.

The Group continues to ensure that the appropriate underwriting services are provided to Syndicate 5886 under its authority as an Appointed Representative of Asta. In addition, as part of the Making It Happen phase from Lloyd's and the PRA and FCA application process, the Directors continue to develop the business towards meeting the requirements of a Lloyd's managing agency.

At the same time, the Group continues to ensure that White Bear Managers Ltd is meeting its regulatory requirements and grows as and when opportunities arise.

WHITE BEAR CAPITAL LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020
Continued

Future development of the business *(continued)*

Coronavirus (continued)
Following the extreme frequency of catastrophe losses in the early years of the business, the Group did see conditions improve in 2020, particularly in the Specialty Treaty and Direct Property lines. However new entrants with capital have begun to have a dampening effect on any meaningful rate momentum.

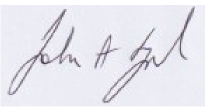
There is still a level of uncertainty around the COVID19 pandemic particularly in the Property Treaty account where questions remain on event definitions and potential catastrophic recoveries, and the Group and the market await some form of resolution which unfortunately may take some time.

Business Development
The Group's underwriting teams (both for Blenheim and White Bear Managers Ltd) continue to develop their accounts with maturity now achieved in the Property Treaty and Direct Property accounts. The Group expects Specialty Treaty to reach critical mass in 2022. The Group continues to see opportunities to hire underwriting teams and their books of business. In addition, some talented individuals in the marketplace are looking to move to a smaller business and this provides the Group with the opportunity of attracting these individuals (and their associated books of business) to the extent that the Group believes they would fit in with the lines of business which the Group would be associated with.

Climate Change
The Group is working together to establish a framework to assess the financial impacts of climate change. This framework considers the impacts in relation to Governance, Disclosure, Risk Management, Scenario Analysis,

For the Company, the most material identified insurance risk is through the increased physical risks to insured property from weather related events which may become more frequent or more severe due to the effects of climate change. The Group will continue to develop the framework to enable the identification, assessment, quantification, mitigation and reporting of these risks and their associated impacts.

Approved by the Board and signed on its behalf by:



John Anthony Lynch
30 June 2021

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors of White Bear Capital Limited present their report together with the financial statements for the financial year from 1 January 2020 to 31 December 2020.

Information required in Directors' Report which is disclosed in the Strategic Report

Schedule 7 of the "Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008" requires certain information to be disclosed in the Directors' Report. However, the Group has chosen, in accordance with s414C(11) of the Companies Act, to disclose the information relating to credit risk and liquidity risk in the Group's Strategic report on page 8 instead.

Future developments

The Directors aim for the Group to continue providing services to Syndicate 5886 for the foreseeable future and to develop the business such that its subsidiary, Blenheim Underwriting Limited, is able to successfully apply to become a Lloyd's managing agent in its own right. The Directors also aim to increase the Group's participation on Syndicate 5886 as well as develop White Bear Managers Ltd as conditions and opportunities allow. Further details are set out in the Strategic Report on pages 2 to 10.

Going concern basis

Having considered the principal risks and uncertainties facing the Group, the expected future profitability and cash flows of the Group, and the amount of shareholder's equity, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the next 12 months. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Directors

The current Directors of the Company are shown on page 1. All the Directors held office during the financial period under review.

Dividends

No dividends in respect of the financial year to 31 December 2020 are proposed or recommended (financial year to 31 December 2019: £nil).

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. This indemnity was in force from inception of the Company. Directors' and Officers liability and Professional Indemnity insurance was purchased on 2 October 2017 and has been maintained since this date.

WHITE BEAR CAPITAL LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020
Continued

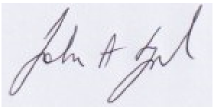
Auditor

Each of the persons who is a Director at the date of approval of this report confirms that:
(1) So far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
(2) the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Independent auditors

It is the intention of the Directors to reappoint BDO LLP as auditor for the forthcoming year.

Approved by the Board and signed on its behalf by:



John Anthony Lynch
30 June 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual 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 Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

· select suitable accounting policies for the Group's financial statements and then apply them consistently;
· make judgements and estimates that are reasonable and prudent;
· state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
· prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WHITE BEAR CAPITAL LIMITED

Opinion

In our opinion:
• the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2020 and of the Group's loss for the year then ended;
• the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
• the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of White Bear Capital Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Financial Position, Statement of Consolidated Cash Flows, and 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).

Basis for opinion

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

Independence
We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.
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 Group's and Parent 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.

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

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WHITE BEAR CAPITAL LIMITED
Continued

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:
• the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
• the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
• the Parent Company 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.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WHITE BEAR CAPITAL LIMITED
Continued

Responsibilities of Directors

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

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

- agreement of the financial statement disclosures to underlying supporting documentation;
- our response to significant audit risks (revenue recognition and management override of controls) are intended to sufficiently address the risk of fraudulent manipulation. Specifically we review and consider adjustments made to the financial statements, unusual or unexpected journal postings, the appropriateness of accounting policies, the accuracy of management recharges and the timing of revenue recognition around the year end;
- communication of the relevant identified laws and regulations and potential fraud risks to all engagement team members, discussion of how and where these might occur and remaining alert to any indications of fraud or non-compliance with laws and regulations throughout the audit;
- enquiries of management;
- review of minutes of board meetings throughout the period;
- obtaining and understanding of the legal and regulatory framework applicable to the operations of the Company and the Group;
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations; and
- review of correspondence with the Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA).

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WHITE BEAR CAPITAL LIMITED
Continued

Auditor's responsibilities for the audit of the financial statements *(continued)*

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Rupert Livingstone
BA1570E593D7455...

Rupert Livingstone (Senior Statutory Auditor)
For and on behalf of BDO LLP
Statutory Auditor
London, UK

30 June 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

White Bear

WHITE BEAR CAPITAL LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	**31 December 2020 £'000**	31 December 2019 £'000
Turnover	4	**15,124**	12,106
Administrative expenses		**(17,768)**	(11,930)
Operating (loss)/profit	6	**(2,644)**	176
Interest receivable and similar income	5	**2**	1
(Loss)/profit on ordinary activities before taxation		**(2,642)**	177
Tax on (loss)/profit on ordinary activities	9	**98**	(70)
(Loss)/profit for the financial year		**(2,544)**	107
Total comprehensive (loss)/income for the financial year		**(2,544)**	107

All transactions are derived from continuing operations.

All gains and losses of the Group are reflected within the statement of comprehensive income, there is no other comprehensive income.

The notes on pages 23 to 38 form an integral part of these accounts.

WHITE BEAR CAPITAL LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

For the year ended 31 December 2020	**Called Up Share Capital £'000**	**Share Premium Account £'000**	**Profit and Loss Account £'000**	**Total Equity £'000**
Opening balance	**-**	**564**	**10,022**	**10,586**
Proceeds from the issue of shares	**-**	**55,600**	**-**	**55,600**
Total comprehensive loss for the financial year	**-**	**-**	**(2,544)**	**(2,544)**
As at 31 December 2020	**-**	**56,164**	**7,478**	**63,642**

For the year ended 31 December 2019	Called Up Share Capital £'000	Share Premium Account £'000	Profit and Loss Account £'000	Total Equity £'000
Opening balance	-	398	9,915	10,313
Proceeds from the issue of shares	-	166	-	166
Total comprehensive income for the financial year	-	-	107	107
As at 31 December 2019	-	564	10,022	10,586

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

For the year ended 31 December 2020	**Called Up Share Capital £'000**	**Share Premium Account £'000**	**Profit and Loss Account £'000**	**Total Equity £'000**
Opening balance	**-**	**564**	**336**	**900**
Proceeds from the issue of shares	**-**	**57,925**	**-**	**57,925**
Total comprehensive loss for the financial year	**-**	**-**	**(1,457)**	**(1,457)**
As at 31 December 2020	**-**	**58,489**	**(1,121)**	**57,368**

For the year ended 31 December 2019	Called Up Share Capital £'000	Share Premium Account £'000	Profit and Loss Account £'000	Total Equity £'000
Opening balance	-	398	551	949
Proceeds from the issue of shares	-	166	-	166
Total comprehensive loss for the financial year	-	-	(215)	(215)
As at 31 December 2019	-	564	336	900

Called up share capital represents the nominal value of shares that have been issued.
Share premium account represents the premium paid for shares above their nominal value (net of any issue expenses).
Profit and loss account represents all current and prior period retained profits and losses.

The notes on pages 23 to 38 form an integral part of these accounts.

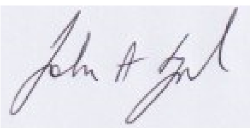
White Bear

WHITE BEAR CAPITAL LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Notes	**31 December 2020 £'000**	31 December 2019 £'000
Fixed assets	10	**703**	765
Intangible assets	11	**(30)**	(30)
		673	735
Current assets			
Debtors - due within one year	14	**8,250**	10,477
Cash	15	**64,621**	3,430
		72,871	13,907
Creditors			
Amounts falling due within one year	16	**(9,690)**	(3,967)
Net current assets		**63,181**	9,940
Total assets less current liabilities		**63,854**	10,675
Creditors			
Amounts falling due after more than one year	16	**(212)**	(89)
Net assets		**63,642**	10,586
Capital and reserves			
Share capital	17	**-**	-
Share premium	17	**56,164**	564
Profit and loss account		**7,478**	10,022
Total Equity		**63,642**	10,586

The financial statements were approved by the Board of Directors on 30 June 2021.
Signed on behalf of the Board of Directors:



John Anthony Lynch
Director
London
30 June 2021

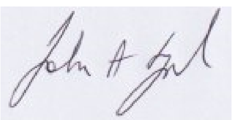
The notes on pages 23 to 38 form an integral part of these accounts.

WHITE BEAR CAPITAL LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Notes	31 December 2020 £'000	31 December 2019 £'000
Fixed assets			
Investment in subsidiaries	12	**75**	75
		75	75
Current Assets			
Debtors - due within one year	14	**291**	282
Cash	15	**58,536**	575
		58,827	857
Creditors			
Amounts falling due within one year	16	**(1,634)**	(132)
Net current assets		**57,193**	725
Debtors			
Debtors - due after more than one year	14	**100**	100
Total assets less current liabilities		**57,368**	900
Net assets		**57,368**	900
Capital and reserves			
Share capital	17	**-**	-
Share premium	17	**58,488**	564
Profit and loss account		**(1,120)**	336
Total Equity		**57,368**	900

The financial statements were approved by the Board of Directors on 30 June 2021.
Signed on behalf of the Board of Directors:



John Anthony Lynch
Director
London
30 June 2021

The notes on pages 23 to 38 form an integral part of these accounts.

White Bear

WHITE BEAR CAPITAL LIMITED

STATEMENT OF CONSOLIDATED CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Twelve Months Ended 31 December 2020 £'000	Twelve Months Ended 31 December 2019 £'000
Cash flows from operating activities		
(Loss)/profit on ordinary activities before taxation	**(2,642)**	177
Depreciation on fixed assets	**354**	291
Interest income	**(2)**	(1)
Decrease in debtors	**3,208**	36
Increase in prepayments and accrued income	**(939)**	(1,077)
Increase in creditors	**4,926**	590
Increase in accrued expenses and deferred income	**735**	1,051
Corporation taxes paid	**(51)**	(242)
Net cash inflow from operating activities	**5,589**	825
Cash flows from investing activities		
Purchase of property, plant and equipment	**-**	(560)
Interest received	**2**	1
Acquisition of subsidiary, net of cash acquired	**-**	(40)
Net cash inflow/(outflow) from investing activities	**2**	(599)
Cash flows from financing activities		
Proceeds from share issue	**55,600**	166
Net cash inflow from financing activities	**55,600**	166
Cash and cash equivalents at beginning of year	**3,430**	3,038
Increase in cash and cash equivalents	**61,191**	392
Cash and cash equivalents at end of year	**64,621**	3,430

The notes on pages 23 to 38 form an integral part of these accounts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1. Company information

White Bear Capital Limited (registered number 10220701) is a private company, limited by shares and incorporated in England and Wales. The Company's registered address is 7th Floor, 70 Mark Lane, London, EC3R 7NQ. Its principal place of business is 7th Floor, 70 Mark Lane, London, EC3R 7NQ.

2. Basis of preparation and summary of significant accounting policies

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

The Directors consider the principal activity of the Group to be the provision of services to underwriting entities. Although the Group owns a Lloyd's corporate member which participated on syndicates at Lloyd's, it has not followed FRS 103 "Insurance Contracts" as the underwriting participations are currently a small part of the Group's activities.

The Group financial statements consolidate the financial statements of the Company drawn up to 31 December 2020. Details of its subsidiaries are set out in Note 12.

The Company has taken advantage of section 408 of the Companies Act 2006 and has not included either its own Statement of Comprehensive Income or its own Statement of Cash Flows and related notes in these financial statements. The Company's loss for the financial year was £1.5m (December 2019 loss for the financial year was £0.2m).

The principal accounting policies are summarised below. They have all been applied consistently throughout the period.

These financial statements have been prepared for the year ended 31 December 2020. The comparative year ended 31 December 2019.

(a) The financial statements have been prepared on a going concern basis. The Directors' assessment of the going concern basis is discussed in the Directors' Report under the heading 'Going Concern Basis'.

(b) All financial statements are presented in Pounds Sterling (£), being the functional and presentational currency of the Company.
Foreign currency transactions are translated into functional currency using periodic rates. At each period end foreign currency monetary items are translated at the rate of exchange at the balance sheet date. 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. Foreign exchange gains and losses are presented in the Statement of Comprehensive Income within administrative expenses.

(c) Turnover includes overrider fees charged to Names that participated on Syndicate 5886 and fees charged to Syndicate 5886 for the provision of goods and services, Consortia fees and MGA fees and commissions. The overrider fees are recognised when the fees are considered certain which is at the earlier of the amounts received or at 31 December when the Syndicate list for the following year of account has been signed by the Names. Fees charged for the provision of goods and services are recognised at the same time as when the expense which is to be recharged to the Syndicate has been recognised.
Consortia fees are recognised in line with the activity to which the fee relate. MGA fees and commissions in respect of business underwritten on behalf of (re)insurance clients. The fees are recognised when the policies are written.

2. Basis of preparation and summary of significant accounting policies *(continued)*

(d) Expenses are recognised on an accruals basis.

(e) Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

(f) Intangible assets are in respect of goodwill arising on the acquisition of subsidiaries. Goodwill is not amortised but is tested for impairment annually. Where the purchase price of a subsidiary is less than the net assets acquired, this gives rise to negative goodwill which is adjusted for subsequent changes in value in future years.

(g) Depreciation is charged on all fixed assets held so the original cost is written down to the estimated residual value over the period of their estimated useful economic lives. The depreciation is calculated over the following periods:

Leasehold premises - length of lease
Furniture, fixtures and fittings - 5 years
Computer and IT equipment - 3 years

Fixed assets include assets purchased under finance leases and the liability under the finance lease is shown within creditors.

(h) Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it is deemed probable that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted as at the reporting date, that are expected to apply to the reversal of the timing difference.

(i) The consolidated financial statements incorporate the financial statements of the company and entities controlled by the Group (its subsidiaries). Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The Group's EBT is also included within the financial statements of the Group as the Group is deemed to have de facto control of the assets and liabilities of the EBT.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

(j) Subordinated loans are recognised as a debtor in the Company Statement of Financial Position. Where the loan is for greater than one year, this is recognised as such. The subordinated loan is recognised as a financial asset at amortised cost using the effective interest rate method.

2. Basis of preparation and summary of significant accounting policies *(continued)*

(k) The Company acts as an underwriting agent and underwrites risks on behalf of insurers and as such, is not liable as principals for the amounts arising from such transactions. Accordingly, receivables arising from insurance transactions are not included as assets of the Company, other than the receivable for fees and commissions earned on the transaction, which is recognised within debtors. No recognition of the insurance transaction occurs until the Company receives cash in respect of premiums or at which time, a corresponding liability is established in favour of the insurer or the client and is recognised as an insurance payable.

Fiduciary cash arising from insurance transactions is included within insurance cash. Insurance cash balances represent funds held in separately designated bank accounts through which insurance transactions for premiums, commissions and other deductions are processed.

Insurance creditors represents corresponding monies collected from premiums due to insurers net of deductions, and outstanding commission and fees due to the Company.

(l) Short term and long term debtors are measured at transaction price, less any impairment. Short term and long term creditors are measured at the transaction price.

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

As referred to under the Statement of Directors' Responsibilities, the Directors are responsible for preparing the financial statements and are required to make judgements and estimates that are reasonable and prudent. These are considered to be adequately disclosed in these financial statements.

4. Turnover

	31 December 2020 £'000	31 December 2019 £'000
Turnover comprises:		
Overrider fees	**1,781**	2,106
Fees charged for provision of goods and services	**11,689**	9,803
Consortia fees	**438**	197
MGA Commissions	**1,216**	-
	15,124	12,106

All turnover arises from business conducted in the United Kingdom.

5. Interest receivable and similar income

	31 December 2020 £'000	31 December 2019 £'000
Bank interest receivable	**2**	1

6. Operating profit

	31 December 2020 £'000	31 December 2019 £'000
Operating profit is stated after charging:		
Group		
Depreciation of fixed assets	**354**	291
Operating lease	**139**	632
Auditor's remuneration for audit services	**64**	28
Auditor's remuneration for tax compliance services	**39**	19
Auditor's remuneration for valuation services	**10**	-
Company		
Auditor's remuneration for audit services	**5**	6
Auditor's remuneration for tax compliance services	**10**	4
Auditor's remuneration for valuation services	**10**	-

For the financial period to 31 December 2019, audit and tax compliance fees for its subsidiary, White Bear Managers Ltd, were borne by the Company. These were £3,000 and £1,000 respectively.

A proportion of the depreciation and operating lease are recharged to Syndicate 5886 and included within turnover in Note 4.

7. Directors' emoluments

	31 December 2020 £'000	31 December 2019 £'000
The emoluments and benefits of the Directors of the Company were:		
Executive Directors		
Remuneration	**450**	450
Other benefits	**8**	7
	458	457

	31 December 2020 No.	31 December 2019 No.
Number of Directors that are members of a defined contribution scheme	**-**	-

Highest paid Director

	31 December 2020 £'000	31 December 2019 £'000
The emoluments of the highest paid director were:		
Aggregate emoluments and benefits (excluding any amounts in respect of contribution to pension schemes)	**229**	229
	229	229

8. Employee information

	31 December 2020 £'000	31 December 2019 £'000
Employment costs (including Directors):		
Wages and salaries	**9,340**	6,374
Employer's N.I. contributions	**1,446**	807
Employer's pension contributions	**766**	572
	11,552	7,753

A defined contribution scheme is in operation. Contributions are made by the Group and the employee is able to voluntarily make their own contributions to the scheme as well. Pension costs are fully expensed to the Statement of Comprehensive Income as they become due.

The monthly average number of persons working directly for the Group, including executive Directors, during the period was:

	31 December 2020 No.	31 December 2019 No.
Management	**6**	5
Underwriting and Claims	**23**	20
Operations and Administration	**36**	29
	65	54

The number of staff employed by the Group at 31 December 2020 was 72 (comprising 5 Management, 26 Underwriting and Claims and 41 Operations and Administration) (2019: 57 comprising 5 Management, 20 Underwriting and Claims and 32 Operations and Administration).

9. Taxation

	31 December 2020 £'000	31 December 2019 £'000
The tax charge is based on the profit for the financial period and represents:		
Current tax		
UK Corporation tax	**(42)**	26
Adjustments in respect of previous periods	**-**	4
Foreign tax	**1**	-
Total current tax	**(41)**	30
Deferred tax		
Origination and reversal of timing differences (see Note 16)	**(57)**	43
Adjustments in respect of previous periods	**-**	(3)
Total deferred tax charge	**(57)**	40
Total tax on profit on ordinary activities	**(98)**	70

Factors affecting the tax charge for the financial period are set out below:

	31 December 2020 £'000	31 December 2019 £'000
Profit on ordinary activities before tax	**(2,642)**	177
Current tax at the standard rate in the UK of 19%	**(502)**	34
Effects of:		
Expenses not deductible for tax purposes	**267**	44
Capital allowances lower/(higher) than depreciation	**47**	(52)
Movement in deferred tax at balance sheet rate	**(67)**	52
Timing differences on Underwriting losses	**10**	-
Temporary differences	**138**	-
Foreign tax	**1**	-
Change in tax rates	**8**	(9)
Adjustment in respect of previous periods	**-**	1
	(98)	70

10. Fixed assets

	Leasehold premises	Furniture, fixtures & fittings	Computer & IT equipment	Total
Cost	**£'000**	**£'000**	**£'000**	**£'000**
At 31 December 2019	211	80	864	1,155
Additions	-	-	292	292
At 31 December 2020	**211**	**80**	**1,156**	**1,447**
Depreciation	**£'000**	**£'000**	**£'000**	**£'000**
At 31 December 2019	63	34	293	390
Charged in the period	28	16	310	354
At 31 December 2020	**91**	**50**	**603**	**744**
Net book value	**£'000**	**£'000**	**£'000**	**£'000**
At 31 December 2019	148	46	571	765
At 31 December 2020	**120**	**30**	**553**	**703**

The cost of computer & IT equipment includes £292,000 (2019: £224,000) purchased under finance lease arrangements of which £30,000 (2019: £61,000) was depreciated in the year.

11. Intangible assets

On 21 November 2019, White Bear Capital Limited acquired Nameco (No. 1036) Limited, a Lloyd's corporate member. On 6 January 2020, the name of Nameco (No. 1036) Limited was changed to White Bear Corporate Capital Limited. The acquisition gave rise to goodwill as follows:

	£'000
Consideration paid as cash	50
Net assets acquired	(80)
	(30)

The net assets of White Bear Corporate Capital Limited consisted of:

	£'000
Cash	10
Deferred tax	3
Other debtors	241
Prepayments and accrued income	2
Corporation tax payable	(24)
Net assets of participation on syndicates	(40)
Other creditors	(79)
Accruals and deferred income	(33)
Net assets	**80**

By virtue of its participation of syndicates at Lloyd's, White Bear Corporate Capital Limited's balance sheet at the date of acquisition included assets and liabilities in relation to it's share of those syndicates. This information is only made available at 31 December of each year and, accordingly, no such information was available as at the date of acquisition. However, White Bear Corporate Capital Limited's share of the assets and liabilities of the syndicates were not considered material to the Group and, given the close proximity of the acquisition date to 31 December, the net assets of its share of the syndicates set out above were assumed to be the same as at 31 December 2019.

The difference between the proceeds and the net assets acquired is shown as Goodwill. This goodwill is negative as the price paid for the business was lower than the sum of the net assets acquired. The net assets of the participation on syndicates is still subject to some uncertainty as the syndicates are still on risk until 31 December 2021. Although the estimate of the net assets acquired is considered to be conservative, the underwriting results will be monitored and the goodwill could be subject to revision in the next two years. However, once the 2019 year of account has closed at 31 December 2021, any negative goodwill remaining will be released to the Group's retained profits. There has been no change to goodwill as at 31 December 2020.

12. Investments

	Consolidated 31 December 2020 £'000	Consolidated 31 December 2019 £'000	**Company 31 December 2020 £'000**	Company 31 December 2019 £'000
Investment in subsidiaries	-	-	**75**	75

At 31 December 2020, the Group and Company had interests in the following subsidiaries:

Subsidiaries	**Type of share held**	**Proportion held (%)**	**Country of Incorporation**	**Nature of business**
Blenheim Underwriting Limited	Ordinary	100%	UK	Appointed representative of a Lloyd's managing agent
White Bear Corporate Services Ltd	Ordinary	100%	UK	Payroll service company
White Bear Managers Ltd	Ordinary	100%	UK	FCA registered MGA
White Bear Corporate Capital Limited	Ordinary	100%	UK	Lloyd's corporate member

The registered office for all subsidiaries is at 7th Floor, 70 Mark Lane, London, EC3R 7NQ.

13. Group underwriting participations

As noted in the Accounting policies, the Directors consider the principal activity of the Group to be the provision of services to underwriting entities and has not followed FRS 103 "Insurance Contracts" as the underwriting participations of the Group's corporate member are a small part of the Group's activities. A summary of the assets and liabilities of the Group's underwriting participations is as follows:

	31 December 2020 £'000	31 December 2019 £'000
Investments	**318**	309
Reinsurers' share of technical provisions	**195**	173
Debtors	**279**	153
Cash and other assets	**80**	45
Prepayments and accrued income	**149**	73
Gross technical provisions	**(912)**	(657)
Creditors	**(103)**	(87)
Accruals and deferred income	**(6)**	(9)
	-	-

14. Debtors

Amounts falling due within one year:

	Consolidated 31 December 2020 £'000	Consolidated 31 December 2019 £'000	**Company 31 December 2020 £'000**	Company 31 December 2019 £'000
Trade debtors	**-**	5,699	**-**	-
Other debtors	**2,615**	124	**-**	-
Corporation tax	**42**	-	**16**	1
Prepayments	**1,688**	1,173	**237**	111
Accrued Income	**3,905**	3,481	**38**	-
Amounts owed by subsidiaries	**-**	-	**-**	170
	8,250	10,477	**291**	282

Amounts falling due after one year:

	Consolidated 31 December 2020 £'000	Consolidated 31 December 2019 £'000	**Company 31 December 2020 £'000**	Company 31 December 2019 £'000
Amounts owed by subsidiaries	**-**	-	**100**	100
	-	-	**100**	100

Amounts owed by subsidiaries includes a £0.1m subordinated loan with White Bear Managers Ltd.

Trade debtors includes balances owed by Syndicate 5886 and amounts due in respect of overrider fees.

15. Cash

	Consolidated 31 December 2020 £'000	Consolidated 31 December 2019 £'000	**Company 31 December 2020 £'000**	Company 31 December 2019 £'000
Cash within Funds at Lloyd's	**48,438**	505	**48,438**	505
Insurance cash balances	**5,423**	-	**-**	-
Cash freely available for use	**10,760**	2,925	**10,098**	70
	64,621	3,430	**58,536**	575

Cash within Funds at Lloyd's is restricted and not freely available to the Group. Insurance cash balances of £5.4m (2019: £nil) are held in trust or insurer bank accounts and are not available to the Company for working capital purposes.

16. Creditors

Amounts falling due within one year:

	Consolidated 31 December 2020 £'000	Consolidated 31 December 2019 £'000	**Company 31 December 2020 £'000**	Company 31 December 2019 £'000
Amounts payable to brokers	**2,191**	-	**-**	-
Loss fund advances	**3,232**	-	**-**	-
Taxation and social security	**427**	296	**-**	-
Trade creditors	**115**	666	**74**	6
Corporation tax	**-**	50	**-**	-
Deferred tax	**42**	99	**-**	-
Finance lease creditors	**167**	75	**-**	-
Other creditors	**-**	-	**-**	-
Accruals and deferred income	**3,516**	2,781	**575**	126
Amounts owed to subsidiaries	**-**	-	**985**	-
	9,690	3,967	**1,634**	132

Amounts falling due after one year:

	Consolidated 31 December 2020 £'000	Consolidated 31 December 2019 £'000	**Company 31 December 2020 £'000**	Company 31 December 2019 £'000
Finance lease creditors	**212**	89	**-**	-
	212	89	**-**	-

Deferred tax relates to accelerated capital allowances and timing differences on underwriting losses. The movement in the year consists of the charge as set out in Note 9.

17. Called up share capital and share premium

		31 December 2020 £'000	31 December 2019 £'000
Called up, allocated and fully paid:			
127	A Ordinary Shares of £0.01 each	**-**	-
Nil	B Ordinary Shares of £0.01 each	**-**	-
2,768	C Ordinary Shares of £0.01 each	**-**	-
2,418	Ordinary Shares of £0.01 each	**-**	-
340	Deferred Shares of £0.01 each	**-**	-
		-	-

On 1 July 2017, the Company had 200 Ordinary shares of £0.01 each in issue.

On 6 July 2017, the Company issued 800 A Ordinary shares, as a new share class, which were acquired by Nephila Holdings Ltd, a related party for a consideration of £200,000. The allocation of the 800 A Ordinary shares represent 20% of the voting and economic rights of the Company.

On 2 October 2017, the Company issued 100 B Ordinary shares, as a new share class, which were acquired by Estera Trust (Jersey) Ltd as trustee of the White Bear Capital Employee Benefit Trust for a consideration of £1. The allocation of the B Ordinary Shares represents 2% of the economic rights of the Company but have no voting rights.

On 16 November 2017, the Company issued an additional 1,140 Ordinary shares which were acquired by employees of the White Bear Capital Limited group for a consideration of £248,520.

On 28 February 2019, the Company issued a further 265 Ordinary shares which were acquired by employees of the White Bear Capital Limited Group for a consideration of £168,699.

During 2020 Estera Trust (Jersey) Ltd changed name to Ocorian Limited.

On 14 September 2020, 80 Ordinary shares which were previously acquired by employees of the White Bear Capital Limited Group were acquired by Ocorian Limited as trustee of the White Bear Capital Employee Benefit Trust for a consideration of £74,847.

On 17 September 2020, the Company issued 380 Ordinary shares which were acquired by employees of the White Bear Capital Limited Group for a consideration of £355,528.

On 16 November 2020, 100 B Ordinary shares which were acquired by Ocorian Limited as trustee of the White Bear Capital Employee Benefit Trust were converted into 51 Ordinary shares and 49 Deferred shares, as a new share class. On this date 673 A Ordinary shares which were previously acquired by Nephila Holdings Ltd, a related party, were acquired by Ocorian Limited as trustee of the White Bear Capital Employee Benefit Trust for a consideration of £2,249,993. These were coverted into 382 Ordinary shares and 291 Deferred shares. The total allocation of Ordinary Shares is now at 2,418 which represents 45.51% of the voting rights and economic rights of the company. The total allocation of A Ordinary Shares is now at 127 which represents 2.39% of the voting rights and economic rights of the company.

17. Called up share capital and share premium *(continued)*

On 17 November 2020, the Company issued 2,768 C Ordinary shares, as a new share class, which were acquired by ASO (GP) IV Limited, a related party for a consideration of £61,502,718. The allocation of the 2,768 C Ordinary Shares represent 52.10% of the voting and economic rights of the Company. The total allocation of Ordinary Shares at 31 December 2019 was 1,605 which represented 80% of the voting rights and 78% of the economic rights of the Company.

Any profits available for distribution may be distributed amongst the holders of the Ordinary Shares, the A Ordinary Shares and the C Ordinary shares in the amounts as recommended by the Board pro rata and pari passu to the number of shares held as if the same constituted one class of share. subject to the A Ordinary Shares, as a class, receiving 20% in aggregate of each distribution made, and the B Ordinary Shares, as a class, receiving 2%.

18. Employee Benefit Trust

	31 December 2020 No.	31 December 2019 No.
Ordinary Shares	**513**	-
Deferred Shares	**340**	-
	853	-

The EBT is set up for the benefit of the full time employees of the Group and hold the above investments.

Although the Group only has de facto control of the EBT, it is required under Standing Interpretations Committee pronoucement 12 to account for the assets of the EBT as if they belong to the Group. Consequently, the assets and liabilities, income and expenses of the EBT appear in the Group financial statements.

The shares are valued at fair value, in accordance with UK GAAP.

EBT funds consist of debtors of £2.3m as at 31 December 2020 owed to White Bear Corporate Services Limited.

19. Lease commitments

The Group's subsidiary, Blenheim Underwriting Limited, has entered into a sub-lease agreement to rent offices. Under this agreement, the lease runs to March 2030, although there is an option for the tenant to break the agreement in March 2025. The lessor also has an option to break the agreement in March 2025 but only if Blenheim Underwriting Limited fails certain prescribed financial tests.

The agreement includes an initial 31 month rent-free period at the start of the lease and a further 6 month rent free period from March 2025 if the break is not operated. The total outstanding commitment under this operating lease is £7,718,000.

At 31 December 2020 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Consolidated 31 December 2020 £'000	Consolidated 31 December 2019 £'000	**Company 31 December 2020 £'000**	Company 31 December 2019 £'000
Within 1 year	**886**	628	**-**	-
2 to 5 years	**3,102**	3,545	**-**	-
Over 5 years	**3,730**	4,174	**-**	-
	7,718	8,347	**-**	-

The Group has entered into a finance lease agreement in respect of some computer and IT equipment. The total outstanding commitment under finance leases £378,000 (2019: £163,000).

At 31 December 2020 the Company had future minimum lease payments under non-cancellable finance leases as follows:

	31 December 2020 £'000	31 December 2019 £'000
Within 1 year	**166**	74
2 to 5 years	**212**	89
	378	163

20. Related party transactions

Key Management Personnel
The executive directors of White Bear Capital Limited are considered to be the Key Management Personnel of White Bear Capital Limited and the White Bear Capital Limited Group. Details of their remuneration is set out in Note 7.

Ownership and related parties
The Company does not have a parent undertaking and the Directors consider that there is no ultimate controlling party.

As set out in Note 17, Nephila Holdings Ltd own a 2.39% shareholding in White Bear Capital Limited. Nephila Holdings Ltd wholly owns Nephila 2357 Limited. Adam Beatty, a director of Nephila 2357 Limited, is a non-executive director of White Bear Capital Limited.

Nephila 2357 Limited, a Name participating on 15.4% of Syndicate 5886 for the 2021 Year of Account (29.4% for 2020 Year of Account) and for whom Blenheim Underwriting Limited recognised no overrider fees in the financial year to 31 December 2020, by virtue of their participation on the Syndicate. All overrider fees were recognised and paid in 2017 and no amounts were outstanding at the period end.

ASO (GP) IV Limited own a 52.1% shareholding in White Bear Capital Limited. Dominic James Haviland Slade, a director of Alchemy Partners L.P. INC., is a non-executive director of White Bear Capital Limited.

Employee Benefit Trust
At 31 December 2019, Ocorian Limited as trustee of the White Bear Capital Employee Benefit Trust owned 100 B Ordinary shares.

As set out in Note 17, Ocorian Limited as trustee of the White Bear Capital Employee Benefit Trust own 513 Ordinary shares and 340 Deferred shares (2019: 100 B Ordinary shares). All employees of the White Bear Capital Limited Group are potential beneficiaries, including Messrs Lynch and Scales. Ocorian Limited received fees of £15,020 (2019: £4,525) from the Group during the year.

21. Post balance sheet events

On 28 January 2021, White Bear Managers Ltd entered into a sub-lease agreement to rent offices in Guernsey. Under this agreement, the lease runs to September 2021.