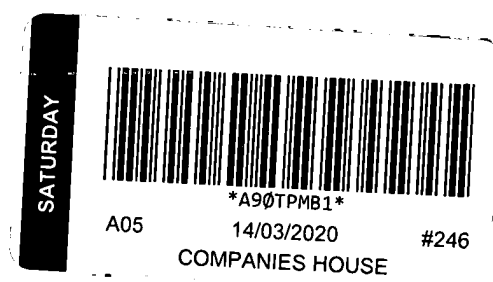


COMPANY NO. 05983321

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

RiverStone Corporate Capital 2 Limited

2019 Annual Report



RiverStone Corporate Capital 2 Limited (Company No. 05983321)
Annual Report
For the year ended 31st December 2019

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RiverStone Corporate Capital 2 Limited (Company No. 05983321)
Directors and Administration
For the year ended 31st December 2019

Directors

N. C. Bentley
L. A. Hemsley (resigned 14 March 2019)
L. R. Tanzer

Company Secretaries

F. Henry
S. L. Garrod

Registered Office

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

RiverStone Corporate Capital 2 Limited (Company No. 05983321)

Directors' Report

For the year ended 31st December 2019

The Directors have pleasure in presenting their report and the unaudited financial statements for RiverStone Corporate Capital 2 Limited (Company No. 05983321) ("RiverStone Corporate Capital 2" or "the Company") for the year ended 31st December 2019.

Ownership

RiverStone Corporate Capital 2 is a wholly owned subsidiary of RiverStone Holdings Limited ("RiverStone Holdings"), a company registered in England and Wales.

The ultimate parent company is Fairfax Financial Holdings Limited, which is registered in Canada and listed on the Toronto Stock Exchange. The registered office of Fairfax is 95 Wellington Street West, Suite 800, Toronto, Ontario, Canada M5J 2N7.

Principal Activity and Review of Business

RiverStone Corporate Capital 2 was the sole member of Syndicate 2112.

Effective 1st January 2012, the liabilities of Syndicate 2112 were reinsured-to-close into Syndicate 3500, which is under the management of RiverStone Managing Agency Limited, a fellow subsidiary of RiverStone Holdings. RiverStone Corporate Capital 2 has not traded or made profits or losses during the year and it is not intended that it will trade in the foreseeable future.

Results and Performance

RiverStone Corporate Capital 2 has not traded or made profits or losses during the year and it is not intended that RiverStone Corporate Capital 2 will trade on its own account in the foreseeable future. Accordingly, no profit and loss account has been prepared.

The Directors do not recommend the payment of a dividend (2018: nil).

Directors

Directors holding office during the period from 1st January 2019 to the date of this report were:

N. C. Bentley
L. A. Hemsley (resigned 14th March 2019)
L. R. Tanzer

RiverStone Corporate Capital 2 has provided an indemnity for its directors which is a qualifying third party indemnity provision for the purposes of Section 234 of the Companies Act 2006. This indemnity was in force during the financial year and also at the date of this report.

Statement of Directors' Responsibilities in Respect of the Financial Statements

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

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

RiverStone Corporate Capital 2 Limited (Company No. 05983321)

Directors' Report

For the year ended 31st December 2019

- 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 enable them to ensure that the financial statements comply with the Companies Act 2006.

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

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

By Order of the Board



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

F Henry
Company Secretary
3rd March 2020

RiverStone Corporate Capital 2 Limited (Company No. 05983321)

Balance Sheet

As at 31st December 2019

	Note	2019 £'000	2018 £'000
Assets			
Other debtors	4	<u>358</u>	<u>358</u>
Total assets		£ <u>358</u>	£ <u>358</u>
Liabilities			
Capital, Reserves and Liabilities			
Capital and reserves			
Called up share capital	5	10,285	10,285
Capital contribution		8,628	8,628
Profit and loss account		(18,555)	(18,555)
Total shareholders' funds		<u>358</u>	<u>358</u>
Total capital, reserves and liabilities		£ <u>358</u>	£ <u>358</u>

For the year ended 31st December 2019, RiverStone Corporate Capital 2 was entitled to exemption from audit under section 480 of the Companies Act 2006.

The Member of RiverStone Corporate Capital 2 has not required RiverStone Corporate Capital 2 to obtain an audit of its financial statements for the year ended 31st December 2019, under section 476 of the Companies Act 2006.

The Directors acknowledge their responsibility for:

- (i) ensuring that RiverStone Corporate Capital 2 keeps accounting records which comply with section 386 of the Companies Act 2006, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of RiverStone Corporate Capital 2 as at the end of the financial year and of its profit or loss for the financial year, in accordance with the requirements of section 396 of the Companies Act 2006, and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, insofar as they are applicable to RiverStone Corporate Capital 2.

The financial statements on pages 6 to 10 were approved by the Board of Directors on 3rd March 2020 and were signed on its behalf by:



L. R. Tanzer
Managing Director

RiverStone Corporate Capital 2 Limited (Company No. 05983321)
Statement of Changes in Equity
For the year ended 31st December 2019

	Called up Share Capital	Capital Contribution	Profit and Loss Account	Total Share- holders' Funds Total
	£'000	£'000	£'000	£'000
Balance at 1st January 2019	10,285	8,628	(18,555)	358
Result for the financial year	-	-	-	-
Total comprehensive income for the year	-	-	-	-
Balance at 31st December 2019	£ 10,285	£ 8,628	£ (18,555)	£ 358
Balance at 1st January 2018	10,285	8,628	(18,555)	358
Result for the financial year	-	-	-	-
Total comprehensive income for the year	-	-	-	-
Balance at 31st December 2018	£ 10,285	£ 8,628	£ (18,555)	£ 358

RiverStone Corporate Capital 2 Limited (Company No. 05983321)
Notes to the Financial Statements
For the year ended 31st December 2019

1. General Information

RiverStone Corporate Capital 2 Limited (“RiverStone Corporate Capital 2” or “the Company”) was the sole member of Syndicate 2112, which was reinsured to close into Syndicate 3500 effective 1st January 2012. RiverStone Corporate Capital 2 has not traded or made profits and losses during the year and it is not intended that it will trade in the foreseeable future. RiverStone Corporate Capital 2 is a private company limited by shares and is incorporated in England. The address of its registered office is Park Gate, 161-163 Preston Road, Brighton, East Sussex, United Kingdom, BN1 6AU.

2. Statement of Compliance

The financial statements of RiverStone Corporate Capital 2 have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, “The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland” (“FRS102”) and the Companies Act 2006.

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 years presented, unless otherwise stated.

(a) Basis of Preparation

These financial statements are prepared on a going concern basis under the historical cost convention.

RiverStone Corporate Capital 2 has not prepared a profit and loss account as it has not traded or made profits or losses in the year.

(b) Going Concern

Having addressed the principal risks, the directors consider it appropriate to adopt the going concern basis of accounting in preparing these financial statements.

(c) Exemptions for Qualifying Entities under FRS102

FRS102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to the use of exemptions by RiverStone Corporate Capital 2’s shareholders.

RiverStone Corporate Capital 2 has taken advantage of the following exemptions:

- i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in the financial statements of Fairfax Financial Holdings Limited (“Fairfax”) includes RiverStone Corporate Capital 2’s cash flows.
- ii) from disclosing key management personnel compensation, as required by FRS102 paragraph 33.7.
- iii) from the requirement to disclose transactions with related parties within the same group as provided by FRS102, Section 33.1A. This exemption is available for RiverStone Corporate Capital 2 as consolidated financial statements are publicly available for Fairfax.

RiverStone Corporate Capital 2 Limited (Company No. 05983321)
Notes to the Financial Statements
For the year ended 31st December 2019

(d) Tax

Tax expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

i) Current Tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantially enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii) Deferred Tax

Deferred tax assets and liabilities are established for differences between amounts reported in the financial statements and amounts reported in RiverStone Corporate Capital 2's annual corporation tax returns, including revaluation gains and losses on investments. Deferred taxes are calculated at the rates at which it is expected that the tax liability or benefit will arise using tax rates and laws that have been enacted or substantively enacted by the period end. Deferred tax assets are recognised to the extent that they are regarded as more likely than not recoverable. Movements on deferred tax assets and liabilities are recognised in the profit and loss account, except to the extent that they arise in relation to movements in the Statement of Comprehensive Income.

(e) Related Party Transactions

RiverStone Corporate Capital 2 discloses transactions with related parties which are not wholly owned within the same group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the financial statements.

4. Other Debtors

	2019	2018
	£'000	£'000
Amounts owing from group undertakings	£ <u>358</u>	£ <u>358</u>

RiverStone Corporate Capital 2 Limited (Company No. 05983321)
Notes to the Financial Statements
For the year ended 31st December 2019

5. Called up Share Capital

	2019 £'000	2018 £'000
<u>Allotted and fully paid</u>		
16,102,726 Ordinary Shares of \$1 each	10,285	10,285
1 Ordinary share of £1	-	-
	<u>£ 10,285</u>	<u>£ 10,285</u>

6. Deferred Tax

No deferred tax asset has been recognised in these financial statements as the Directors cannot be certain of an actual tax benefit crystallizing. The potential deferred tax asset not recognised amounts to:

	2019 £'000	2018 £'000
Trading losses available to be carried forward	£ 742	£ 742

7. Related Party Transactions and Immediate and Ultimate Parent Company

RiverStone Corporate Capital 2 is a wholly owned subsidiary of RiverStone Holdings Limited which is registered in England and Wales. The ultimate parent company and controlling party is Fairfax Financial Holdings Limited ("Fairfax") which is registered in Canada and listed on the Toronto Stock Exchange.

Advantage has been taken of the exemption from the requirement to disclose transactions with related parties within the same group as provided by FRS102, Section 33.1A. This exemption is available for RiverStone Corporate Capital 2 as consolidated financial statements are publicly available for Fairfax.

Fairfax is the smallest and largest group of undertakings to consolidate these financial statements and its registered office is 95 Wellington Street West, Suite 800, Toronto, Ontario, Canada, M5J 2N7. The financial statements of Fairfax can be obtained from the Corporate Secretary at this address or from the website at www.fairfax.ca.