

Important information about Syndicate Reports and Accounts

Access to this document is restricted to persons who have given the certification set forth below. If this document has been forwarded to you and you have not been asked to give the certification, please be aware that you are only permitted to access it if you are able to give the certification.

The syndicate reports and accounts set forth in this section of the Lloyd's website, which have been filed with Lloyd's in accordance with the Syndicate Accounting Byelaw (No. 8 of 2005), are being provided for informational purposes only. The syndicate reports and accounts have not been prepared by Lloyd's, and Lloyd's has no responsibility for their accuracy or content. Access to the syndicate reports and accounts is not being provided for the purposes of soliciting membership in Lloyd's or membership on any syndicate of Lloyd's, and no offer to join Lloyd's or any syndicate is being made hereby. Members of Lloyd's are reminded that past performance of a syndicate in any syndicate year is not predictive of the related syndicate's performance in any subsequent syndicate year.

You acknowledge and agree to the foregoing as a condition of your accessing the syndicate reports and accounts. You also agree that you will not provide any person with a copy of any syndicate report and accounts without also providing them with a copy of this acknowledgment and agreement, by which they will also be bound.

Syndicate Annual Report & Accounts

31 December 2022

A Ive Syndicate **2525**

Contents

Annual Report and Accounts 31 December 2022

Directors and Administration	1
Active Underwriter's Report	2
Managing Agent's Report	3
Statement of Managing Agent's Responsibilities	8
Independent Auditor's Report	9
Income Statement	12
Statement of Changes in Members' balances	13
Statement of Financial Position	14
Statement of Cash Flows	16
Notes to the Financial Statements	17
1. Basis of Preparation	17
2. Accounting Policies	17
3. Particulars of Business Written	21
4. Technical Provisions	22
5. Net Operating Expenses	22
6. Staff Costs	23
7. Auditor's Remuneration	23
8. Emoluments of the directors of Asta Managing Agency Ltd	23
9. Investment Return	24
10. Financial Investments	24
11. Deposits with Ceding Undertakings	26
12. Debtors Arising out of Direct Insurance Operations	26
13. Debtors Arising out of Reinsurance Operations	26
14. Creditors Arising out of Direct Insurance Operations	26
15. Creditors Arising out of Reinsurance Operations	26
16. Cash and Cash Equivalents	26
17. Related Parties	27
18. Disclosure of Interests	27
19. Funds at Lloyd's	27
20. Off-balance Sheet Items	28
21. Risk Management	28
22. Post balance sheet events	36

Financial Statements for the 36 Months Ended 31 December 2022 2020 Closing Year Report and Accounts

Directors and Administration	1
Underwriter's report for the 2020 closing year of account	38
Managing Agent's report for the 2020 closing year of account	39
Statement of Managing Agent's Responsibilities	40
Independent Auditor's Report to the Members of Syndicate 2525	41
Profit and loss account: Technical account – General business	43
Profit and loss account: Non-technical account	44
Balance sheet	45
Statement of Members' balances at 31 December 2022	46
Statement of cash flows	47
Notes to the financial statements	48
Summary of Closed Year Results (Unaudited)	56

Directors and Administration

Managing Agent:

Managing Agent

Asta Managing Agency Ltd

Directors

P A Jardine (Chairman)*

R P Barke

C V Barley

E M Catchpole*

K A Green*

C N Griffiths

L Harfitt

A J Hubbard*

D B Jones

L J M McMaster

S D Redmond*

K Shah*

*Non Executive Directors**

Managing Agent's Registered Office

5th Floor

20 Gracechurch Street

London

EC3V 0BG

Managing Agent's Registered Number

1918744

Active Underwriter

A Ive

Bankers

Barclays Plc

Citibank N.A,

RBC Dexia

Investment Managers

Amundi (UK) Limited

Registered Auditor

Mazars LLP

Signing Actuary

Lane Clark and Peacock

Active Underwriter's Report

2020 Year of Account

Allocated Capacity	£79.4m
Capacity Utilisation	89.29%
Profit in 2022	£9.4m

I am pleased to report that the 2020 year of account (YoA) on the traditional Lloyds three-year accounting basis has produced a profit, before Members Agents' fees, of £12.78m which equates to a return on capacity of 16.10%

As with the 2019 YoA result, we have achieved a Pure Underwriting Profit of £6m this year which contributed towards the result, with the remainder coming from prior year improvements. This result not only demonstrates that the quality of the Underwriting continues but also that we have maintained our conservative reserving approach.

It will be recalled that some poor past experience on the International account had led to a 30% increase in our reinsurance rating for 2020. The subsequent tightening of our underwriting guidelines predicated a complete change of underwriting personnel within the International team during Q3 2019 and Q1 2020.

Charlie Marcus joined the Syndicate as Head of International in early 2020 and has made great strides in rebuilding confidence in this account, both internally and externally, and that it can produce consistently good results on both a gross and net basis.

2021 Year of Account

Allocated Capacity	£86.0m
Capacity Utilisation	101.90%
Profit in 2022	£8.4m

2021 development appears to be closely tracking both 2019 and 2020 YoA. After 24 months, all indications are that it will return an acceptable level of profit.

I stated in last year's Report & Accounts that I was as confident as I had been in a long time that 2021 rating was at a level that should return a satisfactory result for the Syndicate and its investors and, 12 months on, this is still very much the case.

The compounding of continuing premium rate increases, higher than expected renewal retention and greater income development meant our Capacity came under pressure for 2021. Agreement has been obtained from our Capital Providers and Lloyds to overwrite our Stamp Capacity.

The Syndicate is still receiving mid-term and year-end adjustments and the Ultimate premium is likely to reach £87.5m.

2022 Year of Account

Allocated Capacity	£92.4m
Capacity Utilisation	98.05%
Profit in 2022	£2.6m

Favourable FX movements and the current inflationary environment have led to further pressure on our Stamp Capacity for 2022.

With the Syndicate Business Forecast exchange rates being set so far in advance, it is a wonder that we have not experienced this issue before, but with the weakening of Sterling over recent times, the value of non-Sterling premiums, once converted to Sterling for reporting, is far higher than could be forecast.

Most "Core" account premiums are written on an adjustable basis and we have seen higher than usual volumes of additional premiums payable on expiry, where policyholders have far exceeded their initial estimates.

Whilst high levels of inflation will undoubtedly impact the Syndicate, business planning requires that we build-in to the ultimate loss picks an actuarially assessed factor which, for 2022, was 4%. And, despite the long-tail nature of its business classes, the Syndicate's reserving approach, including the usual IBNR provisions, would suggest we have sufficient total reserves to withstand any eventuality.

Tony Ive
Active Underwriter
10th February 2023

Managing Agent's Report

The Syndicate's Managing Agent is a company registered in England and Wales. The directors of the Managing Agent present their report for the year ended 31 December 2022.

This annual report is prepared using the annual basis of accounting as required by Statutory Instrument No 1950 of 2008, The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 ("Lloyd's Regulations 2008").

Results

The total recognised result for calendar year 2022 is a profit of £ 20,486,604 (2021: profit £11,399,434). These figures may be subject to rounding within the Financial Statements.

The Syndicate presents its results under FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. In accordance with FRS 102, the Syndicate has identified its insurance contracts and accounted for them in accordance with FRS 103.

Principal activity and review of the business

The Syndicate's principal activity continues to be the underwriting of direct insurance and reinsurance business in the Lloyd's market.

The Syndicate writes predominately employers' and public liability insurance primarily in the United Kingdom.

A full review is included in the Active Underwriter's Report.

Gross written premium income by class of business for the calendar year was as follows;

	2022	2021
	£'000	£'000
Employers' Liability	45,708	44,131
Public Liability	73,423	69,255
	119,131	113,386

The Syndicate's key financial performance indicators during the year were as follows;

	2022	2021	Change
	£'000	£'000	%
Gross written premiums	119,131	113,386	5.1%
Profit for the financial year	20,487	11,398	79.7%
Combined ratio	82.9%	86.5%	-4.1%

The combined ratio is the ratio of net claims incurred and net operating expenses to net premiums earned. Lower ratios represent better performance.

The return on capacity for the 2020 closed year of account at 31 December 2022 is shown below together with forecasts for the two open years of account.

	2022	2021	2020
	YOA	YOA	YOA
	Open	Open	Closed
Capacity (£'000)	92,400	85,968	79,359
Forecast/Result (£'000)	12,602	9,137	12,784
Forecast return/return on capacity (%)	13.6%	10.6%	16.1%

Principal risks and uncertainties

The Syndicate sets risk appetite annually, which is approved by the Agency as part of the Syndicate's business planning and Solvency Capital Requirement ('SCR') process. The Agency Risk Committee meets at least quarterly to oversee the risk management framework. The Syndicate Board, an executive committee of the Agency Board, reviews the risk profile as reflected in the risk register, and monitors performance against risk appetite using a series of key risk indicators. The principal risk and uncertainties facing the Syndicate are as follows:

Insurance risk

Insurance risk includes the risks that a policy will be written for too low a premium or provide inappropriate cover (underwriting risk), that the frequency or severity of insured events will be higher than expected (claims risk), or that estimates of claims subsequently prove to be insufficient (reserving risk). The Syndicate Board manages insurance risk through the approved business plan, which sets out targets for volumes, pricing, line sizes and retention by class of business. The Syndicate Board then monitors performance against the business plan through the year. Reserve adequacy is monitored through quarterly review by the Asta Actuarial team and the Reserving Committee.

Credit risk

The key aspect of credit risk is reinsurance counterparty risk which is the risk of default by one or more of the Syndicate's reinsurers and intermediaries. The Syndicate Board's policy is that the Syndicate will only reinsure with approved reinsurers, supported by collateralisation where required. The Agency

Managing Agent's Report (continued)

Reinsurance Security Committee sets approval and usage criteria, monitors reinsurer ratings and is required to approve and oversee the application of the reinsurer approval policy.

Market risk

Market risk exposure impacting the Syndicate relates to fluctuations in interest rates or exchange rates and inflation. The Syndicate is exposed to foreign exchange movements as a result of mismatches between the currencies in which assets and liabilities are denominated. The Agency's policy is to maintain received income or incurred expenditure in the core currencies in which they were received or paid. Any surplus or deficit in a core currency would be subject to review by the Syndicate Board. Through the course of 2022 we have seen large foreign currency fluctuations and the value of the Great British pound (GBP) fall to record lows against the United States Dollar (USD). Other major currencies such as CAD and AUD have also materially strengthened against the pound.

A multitude of factors including Brexit, the covid 19 pandemic and the Russian invasion of Ukraine has seen inflation increase to its' highest level since 1982. Inflation is now expected to remain elevated for longer than previously forecast on higher commodity costs and broader price pressures and these expectations can pose difficulties in the insurance market. Uncertainty surrounding how long existing inflation issues will last could threaten the long-term stability of the insurance industry's reserve levels and underwriting profitability. Inflation has been at the forefront of Lloyds additional reporting from quarter 2 onwards and reserves have been analysed and uplifted where appropriate. Expense budgets for both 2022 and 2023 have been adjusted to reflect the current and forecast inflationary environment.

Exposure to changes in interest rates comes from the Syndicate's investment portfolio. The Agency seeks to minimise this risk through investing in fixed interest securities.

In addition, an Investment Committee which reports to the Syndicate Board ensures that the Syndicate's investment portfolio is managed by the external investment manager in accordance with the Syndicate's risk appetite and to guidelines as approved by the Syndicate Board.

Liquidity risk

This is the risk that the Syndicate will not be able to meet its liabilities as they fall due, owing to a shortfall in cash or can only meet obligations at excessive cost. To mitigate this risk the Syndicate Board and Investment Committee reviews cash flow projections regularly and ensures that, where needed, the Syndicate has liquidity facilities in place or has utilised the option of a cash call from Capital providers.

Operational risk

This is the risk that errors caused by people, processes, systems and external events lead to losses to the Syndicate. The Agency seeks to manage this risk through the use of an operational risk and control framework, detailed procedures manual, thorough training programme and a structured programme of testing of processes and systems by internal audit. Business continuity and disaster recovery plans are in place and are regularly updated and tested.

Regulatory risk is the risk of loss owing to a breach of regulatory requirements or failure to respond to regulatory change. The Agency is required to comply with the requirements of the Financial Conduct Authority (FCA), Prudential Regulatory Authority (PRA) and Lloyd's. Lloyd's requirements include those imposed on the Lloyd's market by overseas regulators, particularly in respect of US situs business. The Agency has a Compliance Officer who manages a function that monitor business activity and regulatory developments to assess any effects on the Agency.

The Syndicate has no appetite for failing to treat customers fairly. The Syndicate manages and monitors its customer risk through a suite of risk indicators and reporting metrics as part of its documented customer risk framework. The customer risk framework is consistently applied across all Asta syndicates and is overseen by the Conduct Oversight Group (COG), which is an Asta Managing Agency (AMA) Board Committee that includes a non-executive director as a member who fulfils the role of Customer Champion.

Managing Agent's Report (continued)

Group/strategic risk

This is the risk of contagion that arises from being associated with key stakeholders and the impact that activities and events that occur within other connected or third parties has on the business.

Strategic risk covers the risks faced by the Syndicate due to changes in underlying strategy of the business or that of its key stakeholders (including strategic conflicts of interest).

Investment review of calendar year 2022

2022 was a remarkable year for markets broadly, with losses seen across most major asset classes. Only the US dollar and some commodities saw positive returns. The main driver of markets was inflation, which started in 2021 due to post-covid supply shocks, with its return exacerbated by the Russian invasion of Ukraine which pushed energy prices higher. Central banks tightened monetary policy sharply to bring rates to more normalised levels and to dampen the potential for second round effects of inflation. The US economy was somewhat insulated from the energy and growth concerns felt in Europe which enabled the Fed to hike more aggressively against rising inflation expectations. Throughout the course of the year the Federal Reserve raised rates an unprecedented 4.25% including four back-to-back 75bps hikes at the FOMC meetings between June and November. Higher rates were echoed across the key currencies the Syndicate holds: the Bank of England raised rates 3.25%, the Bank of Canada +4%, and the ECB finally moved rates from zero increasing by +2.5%. This caused losses for bond markets, and a sell-off in equity and credit markets, as the growth outlook diminished. Treasury yields rose 3.7%, the largest move in over 45 years. 2 year Gilt yields rose by nearly 2.9% in 2022, however this masks a dramatic bout of volatility in Q3 when a new government promised unfunded tax cuts and subsequently had to reverse position. Equivalent yields from Canada and Germany rose by magnitudes between these. Peak hawkishness from the Fed was in early Q4 where yields stabilised and enabled credit spreads to rebound into year-end. Ominously, the Treasury and Canadian government yield curves became increasingly inverted from July with the difference between the US 2 year and 10 year yields falling to -85bps in December. This was the most inverted the curve has been in over 40 years and a concerning omen for the potential of recession in the near future.

Portfolios were positioned defensively with short durations relative to benchmarks to provide protection from rising yields. The short duration positions, which at the lows had been around half the benchmark, were gradually reduced throughout H2. Bond maturities were extended to take advantage of higher yields leaving the portfolios neutral to benchmark in USD and CAD by year end and a small short in EUR and GBP.

Corporate bond activity was focussed on optimising carry within each rating and sector bucket. In sector terms portfolios were overweight financials and autos with caution around expensive consumer sectors. The massive improvement in yields over the course of the year meant that losses seen in Q1-Q3 were entirely earned back in Q4 in GBP and CAD, with USD and EUR also bouncing back sharply. Portfolios showed greater resilience than the benchmark losing less in the negative quarters and achieving better returns in the rebound in Q4. Overall for the year, and against a difficult market backdrop, returns were positive in GBP and CAD, flat in USD and a small negative in EUR. Each portfolio was 1-1.25% above benchmark in relative return. The portfolios remain concentrated in high quality liquid issues.

Investment outlook for 2023

Inflation and geopolitics will be the key themes for the year. Base effects mean inflation will fall sharply but we anticipate it will remain more sticky than central banks would like and remain above their targets for the year. Corporate fundamentals are currently strong but we expect them to deteriorate as consumers feel the effect of higher rates, real income squeezes and a slow growing economy. The main risk to the outlook is geopolitics where if the Russia-Ukraine war were to broaden then this could cause a return to the energy crisis, growth to collapse and create a recession. The opposite is also possible where a ceasefire could help reduce inflation through lower gas prices, allowing confidence to return and push the growth outlook higher. As a result, we expect yields to remain high and credit spreads to trade around long term averages. We expect Euro and Sterling corporate bonds to outperform relative to USD where spreads have tightened considerably already. With less central bank support to markets we expect volatility to be elevated as markets trade between the inflation and recession themes. Overall, the improvement to portfolio yields means returns are expected to be strong as any further hikes from central banks are likely to be limited and are currently compensated for by the yields available.

Managing Agent's Report (continued)

Future developments

The Syndicate will continue to transact the current classes of general direct insurance and reinsurance business. If opportunities arise to write new classes of business, these will be investigated at the appropriate time.

The capacity for the 2023 year of account is £115m (2022 year of account £92.4m).

Environmental, Social and Governance (ESG)

During 2022, Asta has agreed its ESG policy, which defines the principles of ESG, the managing agency's approach and key initiatives to implement the policy. Asta has also further supported syndicates in the definition of their own ESG strategies, in line with Lloyd's requirements. The Asta syndicate ESG framework is aligned to Lloyd's ESG guidance from October 2021, and to Asta's climate change work detailed below.

Syndicate 2525 has also defined an ESG strategy which defines its overall strategy statement, principles and specific approach to Underwriting and Investments.

Climate change

Following the Prudential Regulation Authority's (PRA) Supervisory Statement in 2019 and subsequent Dear CEO letter in 2020, Asta have built a climate change framework, applicable to all syndicates, covering physical, transition and liability climate change risks, based on the underlying business written by each syndicate. Asta's managed syndicates accept climate change risk where it is an inherent part of an insurance business model, providing it is understood, managed and controlled and/or compensated. There is no appetite for uncontrolled, unmanaged exposure to the financial risks of climate change.

A measure for climate change exposure within insurance risk appetites has been implemented to highlight where time and resource is most required in order to manage the potential exposure and successfully steer portfolios through global changes. The Syndicate has identified the level of climate change exposure in its business plans and will manage this accordingly, with the ability to change the level of risk being taken in future and thereby amend the oversight and monitoring framework.

The framework ensures Board-level engagement and accountability with the PRA's requirements, assigning clear responsibilities for managing the financial risks associated with climate change. The AMA Chief Financial Officer, who is a Board member, is responsible for the climate change framework, including identifying and managing financial climate related risks.

Asta continue to monitor and consider regulatory guidance as it is released on managing the financial risks of climate change (eg. the PRA's Dear CEO letter in October 2022 giving feedback on their thematic review of the market's response to the 2019 Supervisory Statement).

Coronavirus

The company has now fully transitioned to a hybrid working practice that allows staff to work both at home and within the office environment. The Agency has been able to deliver from both a regulatory and client standpoint with no adverse outcomes through remote working. Through 2022 Covid has become very much business as usual and exceptional measures have been phased out.

The Syndicate's brought forward specific Covid reserve of £2m has been released due to no claim notification.

Russian Invasion of Ukraine

During February 2022, Russia instigated military action in Ukraine. This event was assessed by the Directors as an event that will increase risk and uncertainty globally in the foreseeable future and that view is unaltered.

The Syndicate has reviewed its portfolio and has little to no direct exposure in the region and no specific claim reserve have been made. The Syndicate has been impacted by secondary factors of the conflict namely the rise in social and economic inflation which impacts operational cost on a day-to-day basis and the increased cost of future claims.

Managing Agent’s Report (continued)

Directors and Officers

Details of the Directors of the Managing Agent that were serving at the year end and up to the date of signing of the financial statements are provided on page 1. Changes to Directors and Officers were as follows:

N J Burdett**	Resigned 13 July 2022
M Mohn	Resigned 13 July 2022
L J M McMaster	Appointed 12 September 2022
J M Tighe	Resigned 23 November 2022
D J G Hunt	Resigned 1 December 2022
E M Catchpole	Appointed 1 January 2023
S P A Norton	Resigned 23 February 2023
D B Jones	Appointed 23 February 2023

Company Secretary**

Syndicate Annual General Meeting

In accordance with the Syndicate Meetings (Amendment No 1) Byelaw (No 18 of 2000) the Managing Agent does not propose holding an annual meeting this year; objections to this proposal or the intention to reappoint the Auditor for a further 12 months can be made by Syndicate members before 28th April 2023.

On behalf of the Board

C V Barley

Director
27th February 2023

Disclosure of Information to the Auditor

So far as each person who was a director of the Managing Agent at the date of approving the report is aware, there is no relevant audit information, being information needed by the Syndicate auditor in connection with the auditor’s report, of which the auditor is unaware. Having made enquiries of fellow directors of the Agency and the Syndicate’s Auditors, each director has taken all the steps that he or she ought to have taken as a director to become aware of any relevant audit information and to establish that the Syndicate’s auditor is aware of that information.

Auditor

The Managing Agent intends to reappoint Mazars LLP as the Syndicate’s auditor.

Statement of Managing Agent's Responsibilities

The Managing Agent is responsible for preparing the financial statements in accordance with applicable law and regulations.

The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 require the managing agent to prepare financial statements at 31 December each year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "the Financial Reporting Standard applicable in the UK and Republic of Ireland" and FRS 103 "Insurance Contracts". The financial statements are required by law to give a true and fair view of the state of affairs of the Syndicate as at that date and of its profit or loss for that year.

In preparing the financial statements, the Managing Agent is required to:

- select suitable accounting policies and then apply them consistently subject to changes arising on the adoption of new accounting standards in the year;
- make judgements and estimates that are reasonable and prudent;

- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the notes to the Syndicate accounts; and
- prepare the Syndicate accounts on the basis that the Syndicate will continue to write future business unless it is inappropriate to presume that the Syndicate will do so.

The Managing Agent is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Syndicate and enable it to comply with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008. It is also responsible for safeguarding the assets of the Syndicate and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Managing Agent is responsible for the maintenance and integrity of the corporate and financial information included on the business' website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report

To the members of Syndicate 2525

Opinion

We have audited the syndicate annual accounts of Syndicate 2525 (the "syndicate") for the year ended 31 December 2022 which comprise the Income Statement, the Statement of Changes in Members' Balances, the Statement of Financial Position, the Statement of Cash Flows and the notes to the financial statements, including a summary of accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and FRS 103 "Insurance Contracts" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the syndicate annual accounts:

- give a true and fair view of the state of the syndicate's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008.

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 syndicate annual accounts" section of our report. We are independent of the syndicate in accordance with the ethical requirements that are relevant to our audit of the syndicate annual accounts in the UK, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the syndicate annual accounts, we have concluded that the Managing Agent's use of the going concern basis of accounting in the preparation of the syndicate annual accounts 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 syndicate's ability to continue as a going concern for a period of at least twelve months from when the syndicate annual accounts are authorised for issue.

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

Other information

The other information comprises the information included in the Syndicate Annual Report and Accounts, other than the syndicate annual accounts and our auditor's report thereon. The directors of Managing Agent is responsible for the other information. Our opinion on the syndicate annual report & accounts 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 syndicate annual accounts, or our knowledge obtained in 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 there is a material misstatement in the syndicate annual accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report (continued)

To the members of Syndicate 2525

Opinion on the other matters prescribed by The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008

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

- the information given in the Managing Agent's Report for the financial year for which the syndicate annual accounts are prepared is consistent with the syndicate annual accounts; and
- the Managing Agent's Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the syndicate and its environment obtained in the course of the audit, we have not identified material misstatements in the Managing Agent's Report.

We have nothing to report in respect of the following matters in relation to which The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 requires us to report to you, if in our opinion:

- the Managing Agent in respect of the syndicate has not kept adequate accounting records; or
- the syndicate annual accounts are not in agreement with the accounting records; or
- certain disclosures of the Managing Agent's emoluments specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the managing agent

As explained more fully in the Statement of Managing Agent's Responsibilities set out on page 8, the Managing Agent is responsible for the preparation of the syndicate annual accounts and for being satisfied that they give a true and fair view, and for such internal control as the Managing Agent determines is necessary to enable the preparation of the syndicate annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the syndicate annual accounts, the Managing Agent is responsible for assessing the syndicate's ability to continue in operation, disclosing, as applicable, matters related to its ability to continue in operation and using the going concern basis of accounting unless the Managing Agent either intends to cease to operate the syndicate, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the syndicate annual accounts

Our objectives are to obtain reasonable assurance about whether the syndicate annual accounts 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 the syndicate annual accounts.

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

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.

Based on our understanding of the syndicate and the insurance sector in which it operates, we considered that non-compliance with the following laws and regulations might have a material effect on the syndicate annual accounts: permissions and supervisory requirements of the Prudential Regulation Authority ('PRA') and the Financial Conduct Authority, and regulations set by the Council of Lloyd's including Byelaws, Bribery Act, Money laundering regulations 2007 and GDPR.

Independent Auditor's Report (continued)

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of directors and management of the Managing Agent and the syndicate's management as to whether the syndicate is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the syndicate which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct impact on the preparation of the syndicate annual accounts such as United Kingdom Generally Accepted Accounting Practice FRS 102 and FRS 103, Lloyd's Syndicate accounting Byelaw and The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008.

In addition, we evaluated the directors' and management of the Managing Agent's and the syndicate management's incentives and opportunities for fraudulent manipulation of the syndicate annual accounts, including the risk of management override of controls and determined that the principal risks related posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to the valuation of the claims outstanding, specifically IBNR, estimation of premium income on binders and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management of the Managing Agent and syndicate management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;

- Discussing amongst the engagement team the risks of fraud;
- Addressing the risks of fraud through management override of controls by performing journal entry testing; and
- Reviewing the accounting estimate in relation to valuation of Claims outstanding, specifically Incurred but not reported (IBNR) and estimation of premium income on binders for evidence of management bias and performing procedures to respond to the fraud risk in revenue recognition.
- Designing audit procedures to incorporate unpredictability around nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 the audit report

This report is made solely to the syndicate's members, as a body, in accordance with The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the syndicate'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 syndicate and the syndicate's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Amanda Barker (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

30 Old Bailey

London

EC4M 7AU

Date: 27 February 2023

Income Statement

Technical Account – General Business

For the year ended 31 December 2022

	Notes	2022 £'000	2021 £'000
Gross written premiums	3	119,131	113,386
Outward reinsurance premiums		(26,652)	(23,044)
Net written premiums		92,479	90,342
Change in the provision for unearned premiums			
Gross amount		(4,699)	(14,011)
Reinsurers' share		1,368	3,149
	4	(3,331)	(10,862)
Earned premiums, net of reinsurance		89,148	79,480
Allocated investment return transferred from the non-technical account		958	119
Claims paid			
Gross amount		(28,810)	(28,347)
Reinsurers' share		5,343	9,238
		(23,467)	(19,109)
Changes in the provision for claims outstanding			
Gross amount		(34,243)	(22,636)
Reinsurers' share		18,855	3,206
	4	(15,388)	(19,430)
Claims incurred, net of reinsurance		(38,855)	(38,539)
Net operating expenses	5	(35,070)	(30,219)
Balance on technical account – general business		16,181	10,841

All the amounts above are in respect of continuing operations.

The notes on pages 17 to 36 form part of these financial statements.

Non-Technical Account – General Business

For the year ended 31 December 2022

		2022	2021
	Notes	£'000	£'000
Balance on technical account – general business		16,181	10,841
Investment income	9	2,889	1,923
Unrealised gains on investments		177	20
Unrealised (losses) on investments		(1,272)	(1,119)
Investment expenses and charges	9	(836)	(705)
Allocated investment return transferred to the general business technical account	9	(958)	(119)
Exchange gains		4,304	557
Profit for the financial year		20,487	11,398

There were no recognised gains and losses in the year other than those reported in the Income Statement and hence no Statement of Other Comprehensive Income has been presented.

All the amounts above are in respect of continuing operations.

Statement of Changes in Members' balances

For the year ended 31 December 2022

	2022	2021
	£'000	£'000
Members' balances brought forward at 1 January	12,478	5,296
Profit for the financial year	20,487	11,398
Members' agent's fees	(489)	(457)
Payments of profit to members' personal reserve funds	(9,819)	(3,759)
Members' balances carried forward at 31 December	22,657	12,478

Members participate on Syndicates by reference to years of account (YOA) and their ultimate result, assets and liabilities are assessed with reference to policies incepting in that year of account in respect of their membership of a particular year.

The notes on pages 17 to 36 form part of these financial statements.

Statement of Financial Position

As at 31 December 2022

	Notes	2022 £'000	2021 £'000
ASSETS			
Investments			
Other financial investments	10	180,213	153,566
Deposits with ceding undertakings	11	211	110
		180,424	153,676
Reinsurers' share of technical provisions			
Provision for unearned premiums	4	13,360	11,991
Claims outstanding	4	88,405	67,113
		101,765	79,104
Debtors			
Debtors arising out of direct insurance operations	12	33,074	30,834
Debtors arising out of reinsurance operations	13	4,109	3,364
Other debtors		521	22
		37,704	34,220
Cash and other assets			
Cash at bank and in hand	16	35,191	25,554
Other assets		—	—
		35,191	25,554
Prepayments and accrued income			
Deferred acquisition costs	4	13,699	12,487
Other prepayments and accrued income		698	580
		14,397	13,067
TOTAL ASSETS		369,481	305,621

The notes on pages 17 to 36 form part of these financial statements.

Statement of Financial Position (continued)

As at 31 December 2022

	Notes	2022 £'000	2021 £'000
MEMBERS' BALANCES AND LIABILITIES			
Capital and reserves			
Members' balances		22,657	12,478
Liabilities			
Technical provisions			
Provision for unearned premiums	4	65,611	60,642
Claims outstanding	4	264,686	224,364
		330,297	285,006
Creditors			
Creditors arising out of direct insurance operations	14	1,593	510
Creditors arising out of reinsurance operations	15	9,022	4,498
Other creditors		5,141	2,914
		15,756	7,922
Accruals and deferred income		771	215
Total liabilities		346,824	293,143
TOTAL MEMBERS' BALANCES AND LIABILITIES		369,481	305,621

The financial statements on pages 12 to 36 were approved by board of directors on 20th February 2023 and were signed on its behalf by:

R P Barke

Director

27th February 2023

The notes on pages 17 to 36 form part of these financial statements.

Statement of Cash Flows

For the year ended 31 December 2022

	Notes	2022 £'000	2021 £'000
Cash flows from operating activities			
Profit on ordinary activities		20,487	11,398
Increase in gross technical provisions		45,291	36,472
(Increase) in reinsurers' share of gross technical provisions		(22,661)	(6,137)
(Increase) in debtors		(3,484)	(8,318)
Increase in creditors		7,834	2,891
Movement in other assets/liabilities		(5,864)	(3,065)
Changes to market value and currency		—	(506)
Investment Return		(958)	(119)
Net cash inflow from operating activities		40,645	32,616
Cash flows from investing activities			
Purchase of other financial investments		(98,596)	(95,560)
Sale of other financial investments		90,066	74,790
Investment income received		2,055	236
(Increase) in overseas deposits		(5,857)	(1,155)
(Increase) in deposits with ceding undertakings		(101)	(110)
Net cash (outflow) from investing activities		(12,433)	(21,799)
Cash flows from financing activities			
Payments of profit to members' personal reserve fund		(9,819)	(3,759)
Members' agents fee advances		(489)	(457)
Net cash (outflow) from financing activities		(10,308)	(4,216)
Net Increase in cash and cash equivalents		17,904	6,601
Cash and cash equivalents at beginning of year		40,680	34,179
Changes to market value and currency		2,328	(100)
Cash and cash equivalents at end of year	16	60,912	40,680

Notes to the Financial Statements

For the year ended 31 December 2022

1. Basis of Preparation

Statement of compliance

The financial statements have been prepared in compliance with The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and FRS 102 and FRS 103, being applicable UK GAAP accounting standards, and in accordance with the provisions of Schedule 3 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations relating to insurance companies.

The financial statements are prepared under the historical cost convention except for certain financial instruments which are measured at fair value. The financial statements are prepared in GBP which is the functional and presentational currency of the Syndicate and rounded to the nearest £'000.

Having assessed the principal risks, Syndicate performance and Funds at Lloyds (FAL), the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

2. Accounting Policies

Use of estimates

In preparing these financial statements, the directors of the Managing Agent have made judgements, estimates and assumptions that affect the application of the Syndicate's accounting policies and the reported amounts of assets, liabilities, income and expenses.

The measurement of the provision for claims outstanding involves judgements and assumptions about the future that have the most significant effect on the amounts recognised in the annual accounts.

The provision for claims outstanding comprises the estimated cost of settling all claims incurred but unpaid at the balance sheet date, whether reported or not. This is a judgemental and complex area due to the subjectivity inherent in estimating the impact of claims events that have occurred but for which the eventual outcome remains uncertain. In particular, judgement is applied when estimating the value of amounts that should be provided for claims that have been incurred at the reporting date but have not yet been reported (IBNR) to the Syndicate.

The ultimate cost of outstanding claims is estimated using a range of techniques including actuarial and statistical projections, benchmarking, case by case review and judgement. Statistical techniques assume that past claims development experience can be used as a basis to project ultimate claims costs. Judgement is used to assess the extent to which past trends may not apply in the future. Case estimates are generally set by skilled claims technicians applying their experience and knowledge to the

circumstances of individual claims. There has been no discounting of claims.

Whilst the Directors consider that the gross provision for claims and the related reinsurance recoveries are fairly stated based on the information currently available to them, the ultimate liability will vary as a result of subsequent information and events.

Significant accounting policies

The following principal accounting policies have been applied consistently in dealing with items which are considered material in relation to the Syndicate's financial statements.

Gross premiums

Gross written premiums comprise the total premiums receivable for the whole period of cover provided by the contracts entered into during the reporting period, regardless of whether these are wholly due for payment in the reporting period, together with any adjustments arising in the reporting period to such premiums receivable in respect of business written in prior reporting periods. They are recognised on the date on which the policy commences. Gross written premiums are stated gross of brokerage payable and exclude taxes and duties levied on them.

For certain insurance contracts, premium is initially recognised based on estimates of ultimate premiums. These estimates, primarily relating to binder business, are judgemental and could result in significant adjustments of revenue recorded in the financial statements.

The main assumption underlying future premium, is that past premium development can be used to project future premium development.

Reinsurance premiums

Reinsurance written premiums comprise the total premiums payable for the whole cover provided by contracts entered into the period, including portfolio premiums payable, and are recognised on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods. They are recognised on the date on which the policy commences.

Claims incurred

Claims incurred comprise claims and settlement expenses (both internal and external) paid in the year and the movement in provision for outstanding claims and settlement expenses, including an allowance for the cost of claims incurred by the reporting date, but not reported until after the year end.

The provision for claims comprises amounts set aside for claims notified and claims incurred, but not yet reported (IBNR).

2. Accounting Policies (continued)

The amount included in respect of IBNR is based on statistical techniques of estimation applied by actuaries. These techniques generally involve projecting from past experience of the development of claims over time to form a view of the likely ultimate claims to be experienced for more recent underwriting, having regard to variations in the business accepted and the underlying terms and conditions. The provision for claims also includes amounts in respect of internal and external claims handling costs. For the most recent years, where a high degree of volatility arises from projections, estimates may be based in part on output from rating and other models of the business accepted and assessments of underwriting conditions.

The reinsurers' share of provisions for claims is based on calculated amounts of outstanding claims and projections for IBNR, net of estimated irrecoverable amounts, having regard to the reinsurance programme in place for the class of business and the claims experience for the year. The Syndicate uses a number of statistical techniques to assist in making these estimates.

Accordingly, the two most critical assumptions as regards claims provisions are that the past is a reasonable predictor of the likely level of claims development and that the rating and other models used for current business are fair reflections of the likely level of ultimate claims to be incurred.

The directors consider that the provisions for gross claims and related reinsurance recoveries are fairly stated on the basis of the information currently available to them. However, ultimate liability will vary as a result of subsequent information and events and this may result in significant adjustments to the amounts provided.

Adjustments to the amounts of claims provisions established in prior years are reflected in the financial statements for the period in which the adjustments are made. The methods used, and the estimates made, are reviewed regularly.

Provisions for unearned premiums

Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. In respect of general insurance business, written premiums are recognised as earned over the period of the policy on a time apportionment basis having regard where appropriate, to the incidence of risk. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums.

Unearned reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned reinsurance premiums are deferred over the term of the underlying insurance policies for risks-attaching contracts and over the term of the reinsurance contract for losses-occurring contracts.

Unexpired risks

A provision for unexpired risks is made where claims and related expenses likely to arise after the end of the financial period in respect of contracts concluded before that date, are expected to exceed the unearned premiums and premiums receivable under these contracts, after the deduction of any acquisition costs deferred.

The provision for unexpired risks is calculated separately by reference to classes of business which are managed together, after taking into account relevant investment return.

At 31 December 2022 the Syndicate did not have an unexpired risk provision (2021 nil).

Deferred acquisition costs

Acquisition costs comprise costs arising from the conclusion of insurance contracts. They include both direct costs, such as intermediary commissions or the cost of drawing up the insurance document, and indirect costs, such as the administrative expenses connected with the processing of proposals and the issuing of policies.

Deferred acquisition costs are costs arising from conclusion of insurance contracts that are incurred during the reporting period but which relate to a subsequent reporting period, and which are carried forward to subsequent reporting periods.

Deferred acquisition costs are amortised over the period in which the related premiums are earned.

Reinsurance assets

The Syndicate cedes insurance risk in the normal course of business. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

Reinsurance assets are reviewed for impairment at each reporting date, or more frequently, when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Syndicate may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Syndicate will receive from the reinsurer. The impairment loss is recorded in the income statement.

Gains or losses on buying reinsurance are recognised in the income statement immediately at the date of purchase and are not amortised. There were no such gains recognised in 2022 or 2021.

Ceded reinsurance arrangements do not relieve the Syndicate from its obligations to policyholders.

2. Accounting Policies (continued)

Insurance receivables

Insurance receivables are recognised when due and measured on initial recognition at the fair value of the consideration receivable. Subsequent to initial recognition, insurance receivables are measured at amortised cost, using the effective interest rate method. The carrying value of insurance receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the income statement.

Insurance receivables are de-recognised when the de-recognition criteria for financial assets have been met.

Insurance payables

Insurance payables are recognised when due and measured on initial recognition at the fair value of the consideration received less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest rate method. Insurance payables are derecognised when the obligation under the liability is settled, cancelled or expired.

Foreign currencies

The Syndicate's functional currency and presentational currency is GBP.

Transactions denominated in currencies other than the functional currency are initially recorded in the functional currency at the exchange rate ruling at the date of the transactions. Monetary assets and liabilities (which include all assets and liabilities arising from insurance contracts including unearned premiums and deferred acquisition costs) denominated in foreign currencies are retranslated into the functional currency at the exchange rate ruling on the reporting date.

Exchange differences are recorded in the non-technical account.

The following balance sheet rates of exchange have been used in the preparation of these accounts:

	2022 Year End	2021 Year End
USD	1.20	1.35
CAD	1.63	1.71
EUR	1.13	1.19
AUD	1.77	1.86
ZAR	20.46	21.61

Investments

In applying FRS 102, the Syndicate has chosen to apply the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement.

Financial assets and financial liabilities at fair value through profit and loss comprise financial assets and financial liabilities held for trading and those designated as such on initial recognition. Investments in shares and other variable yield securities, units in unit trusts, and debt and other fixed income securities are designated as at fair value through profit or loss on initial recognition, as they are managed on a fair value basis in accordance with the Syndicate's investment strategy.

Financial instruments are recognised when the Syndicate becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Syndicate's contractual rights to the cash flows from the financial assets expire or if the Syndicate transfers the financial asset to another party without retaining control of substantially all risks and rewards of the asset. A financial liability is derecognised when its contractual obligations are discharged, cancelled, or expire.

Regular way purchases and sales of financial assets are recognised and derecognised, as applicable, on the trade date, i.e. the date that the Syndicate commits itself to purchase or sell the asset.

A financial asset or financial liability is measured initially at fair value plus, for a financial asset or financial liability not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue.

Financial assets at fair value through profit or loss are measured at fair value with changes recognised immediately in profit or loss. Net gains or net losses on financial assets measured at fair value through profit or loss includes foreign exchange gains/losses arising on their translation to the functional currency but excludes interest and dividend income.

At each reporting date the Syndicate assesses whether there is objective evidence that financial assets not at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of an asset, and that the loss event has an impact on the future cash flows on the asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes observable data that comes to the attention of the Syndicate about any significant financial difficulty of the issuer, or significant changes in the technological, market, economic or legal environment in which the issuer operates.

2. Accounting Policies (continued)
Investment return

Investment return comprises all investment income, realised investment gains and losses and movements in unrealised gains and losses, net of investment expenses, charges and interest.

Dividend income is recognised when the right to receive income is established. Usually this is the ex-dividend date for equity securities. Interest income on financial assets measured at amortised cost is recognised using the effective interest method. For the purpose of separately presenting investment income and unrealised gains and losses for financial assets at fair value through profit or loss, interest income is recognised as it accrues on the next coupon payment.

For investments at fair value through profit or loss, realised gains and losses represent the difference between the net proceeds on disposal and the purchase price. For investments measured at amortised cost, realised gains and losses represents the difference between the net proceeds on disposal and the latest carrying value (or if acquired after the last reporting date, the purchase price).

Unrealised gains and losses on investments represent the difference between the fair value at the balance sheet date and their purchase price. Movements in unrealised investment gains and losses comprise the increase/decrease in the reporting period in the value of the investments held at the reporting date and the reversal of unrealised investment gains and losses recognised in earlier reporting periods in respect of investment disposals of the current period.

Investment return is initially recorded in the non-technical account. The return is transferred in full to the general business technical account to reflect the investment return on funds supporting underwriting business.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in fair value, and are used by the Syndicate in the management of its short-term commitments.

Fair value measurement of investments

Financial instruments that are classified as fair value through the profit or loss account are assigned a level using a fair value hierarchy that reflects the significance of the inputs used in these measurements.

The Syndicate uses the following hierarchy for determining the fair value of financial instruments by valuation technique:

Level 1 financial instruments comprise government bonds that are regularly traded and deposits with credit institutions.

- Bonds have been valued at fair value using bid prices in an active market.

Level 2 financial instruments are less regularly traded government and agency bonds, supranational bonds, corporate bonds, currency derivatives, bond futures, and fund investments.

- Bonds are included in the balance sheet at bid price using prices supplied by the custodian or by the investment managers, who obtain market data from numerous independent pricing services. The prices used are reconciled against a common market pricing source.
- Investments in regulated collective investment schemes are valued on the NAVs of each of the individual funds as published publicly by the managers.
- Investments in pooled investments in unregulated investment schemes (hedge funds) are valued based on the underlying NAVs of each of the individual funds. Hedge fund NAVs are provided by the administrators of the schemes.
- Investments in investment pools are valued on the valuations supplied by the investment manager (Lloyd's).

Level 3 financial instruments have a fair value derived from inputs that are not based on observable market data.

Taxation

Under Schedule 19 of the Finance Act 1993 managing agents are not required to deduct basic rate income tax from trading income. In addition, all UK basic rate income tax (currently at 20%) deducted from Syndicate investment income is recoverable by managing agents and consequently the distribution made to members or their members' agents is gross of tax. Capital appreciation falls within trading income and is also distributed gross of tax.

No provision has been made for any other overseas tax payable by members on underwriting results or investment earnings. Any payments on account made by the Syndicate during the year have been included in the balance sheet under the heading 'other debtors'.

2. Accounting Policies (continued)

Profit commission

Profit commission is charged by the managing agent at a rate of 17.5% of profit subject to the operation of a two year deficit clause. Such commission is recognised when the year of account becomes profitable but does not become payable until after the appropriate year of account closes normally at 36 months.

Pension costs

The Managing Agent operates a defined contribution scheme. Pension contributions to Syndicate staff are charged to the Syndicate and included within net operating expenses.

Syndicate operating expenses

Where expenses are incurred by the Managing Agent or on behalf of the Managing Agent on the administration of managed Syndicates, these expenses are apportioned using various methods depending on the type of expense. Expenses which are incurred jointly for the Managing Agent and managed Syndicates are apportioned between the Managing Agent and the Syndicates depending on the amount of work performed, resources used and volume of business transacted.

3. Particulars of Business Written

An analysis of the underwriting result before investment return is set out below:

	Gross Written Premiums £'000	Gross Premium Earned £'000	Gross Claims Incurred £'000	Net Operating Expenses £'000	Reinsurance Balance £'000	Total £'000
2022						
Direct insurance:						
Third-party liability	106,079	102,076	(55,361)	(31,424)	(560)	14,731
Reinsurance Acceptances	13,052	12,356	(7,692)	(3,646)	(526)	492
	119,131	114,432	(63,053)	(35,070)	(1,086)	15,223
	Gross Written Premiums £'000	Gross Premium Earned £'000	Gross Claims Incurred £'000	Net Operating Expenses £'000	Reinsurance Balance £'000	Total £'000
2021						
Direct Insurance:						
Third-party liability	99,190	86,210	(43,502)	(26,641)	(5,589)	10,478
Reinsurance Acceptances	14,196	13,165	(7,481)	(3,578)	(1,862)	244
	113,386	99,375	(50,983)	(30,219)	(7,451)	10,722

Commissions on direct insurance gross written premiums during 2022 were £20.1 million (2021: £18.8 million).

All premiums were concluded in the UK.

Gross operating expenses are the same as net operating expenses shown in the income statement, as no commissions in respect of outward reinsurance were received and set off in arriving at the net operating expenses for 2022.

On 30 December 2020, the Syndicate transferred its EEA non-life insurance policies to Lloyd's Brussels pursuant to Part VII of the Financial Services and Markets Act 2000. Results relating to these risks are reported under the inwards reinsurance class of business reflecting the new contractual arrangement with Lloyd's Brussels.

4. Technical Provisions

	2022			2021		
	Gross Provisions £'000	Reinsurance Assets £'000	Net £'000	Gross Provisions £'000	Reinsurance Assets £'000	Net £'000
Claims outstanding						
Balance at 1 January	224,364	(67,113)	157,251	202,268	(64,125)	138,143
Change in claims outstanding	34,243	(18,855)	15,388	22,636	(3,206)	19,430
Effect of movements in exchange rates	6,079	(2,437)	3,642	(540)	218	(322)
Balance at 31 December	264,686	(88,405)	176,281	224,364	(67,113)	157,251
Claims notified	163,101	(48,872)	114,229	147,496	(40,327)	107,169
Claims incurred but not reported	101,585	(39,533)	62,052	76,868	(26,786)	50,082
Balance at 31 December	264,686	(88,405)	176,281	224,364	(67,113)	157,251
Unearned premiums						
Balance at 1 January	60,642	(11,991)	48,651	46,265	(8,842)	37,423
Change in unearned premiums	4,699	(1,368)	3,331	14,011	(3,149)	10,862
Effect of movements in exchange rates	270	(1)	269	366	–	366
Balance at 31 December	65,611	(13,360)	52,251	60,642	(11,991)	48,651
Deferred acquisition costs						
Balance at 1 January	12,487	–	12,487	10,166	–	10,166
Change in deferred acquisition costs	1,144	–	1,144	2,203	–	2,203
Effect of movements in exchange rates	68	–	68	366	–	366
Balance at 31 December	13,699	–	13,699	12,487	–	12,487

There were favourable movements during the year of £400k (2021: £2.8m), on prior year gross claims reserves, held at 31 December 2022.

5. Net Operating Expenses

	2022 £'000	2021 £'000
Acquisition costs	(23,915)	(23,085)
Change in deferred acquisition costs	1,144	2,203
Administration expenses	(12,299)	(9,337)
Net operating expenses	(35,070)	(30,219)

Members' standard personal expenses amounting to £6.1m (2021: £3.7m) are included in administrative expenses. Members' standard personal expenses include Lloyd's subscriptions, New Central Fund contributions, managing agent's fees and profit commission.

6. Staff Costs

	2022	2021
	£'000	£'000
Wages and salaries	(2,666)	(2,505)
Social security costs	(323)	(313)
Other pension costs	(179)	(231)
	(3,168)	(3,049)

The average number of employees of the Managing Agent exclusively working for the Syndicate, during the year, were as follows:

	2022	2021
Administration	—	—
Underwriting	10	10
Claims	13	13
	23	23

7. Auditor's Remuneration

	2022	2021
	£'000	£'000
Audit of the Financial statements	(135)	(110)
Other services pursuant to Regulations and Lloyd's Byelaws	(52)	(47)
	(187)	(157)

Auditor's remuneration is included as part of the administrative expenses in note 5 to the financial statements.

8. Emoluments of the directors of Asta Managing Agency Ltd

The aggregate emoluments of the Directors and staff of the Managing Agency are met by Asta Managing Agency Ltd and are disclosed within the financial statements of that company, with the exception of J. M. Tighe, S.P.A. Norton, D.J.G. Hunt and L Harfitt. J.M. Tighe and S.P.A Norton's remuneration is disclosed in the financial statements of Asta Capital Limited and the remuneration of D.J.G. Hunt and L Harfitt is disclosed in the financial statements of Asta Insurance Markets Ltd and were all charged in the accounts of Asta Managing Agency Ltd.

No emoluments of the Directors or staff of Asta Managing Agency Ltd were directly charged to the Syndicate. (2021: nil)

No other compensation was payable to key management personnel.

The Active Underwriter received the following aggregate remuneration, charged as a Syndicate expense:

	2022	2021
	£'000	£'000
Active Underwriter's emoluments	(815)	(537)
	(815)	(537)

9. Investment Return

	2022 £'000	2021 £'000
Income from other financial investments	2,867	1,905
Gains on realisation of investments		
– Fair value through profit or loss designated upon initial recognition	22	18
Total investment income	2,889	1,923
Losses on realisation of investments		
– Fair value through profit or loss designated upon initial recognition	(704)	(552)
Investment management charges	(132)	(153)
Investment expenses and charges	(836)	(705)
Net unrealised losses on investments		
– Financial instruments at fair value through profit and loss	(1,095)	(1,099)
Total investment return	958	119
Average amount of funds available for investing during the year:		
Sterling	66,730	65,420
United States dollars	22,185	19,434
Canadian dollars	135,686	114,915
Euros	20,566	11,728
Australian dollars	16,887	9,863
South African rand	60,727	65,900
Combined in sterling	200,654	165,266
Gross calendar year investment yield:		
Sterling	160	(49)
United States dollars	263	5
Canadian dollars	1,523	419
Euros	(111)	(10)
Australian dollars	338	199
South African rand	1,716	1,460
Combined in sterling	958	119

"Average fund" is the average of bank balances, overseas deposits and investments held at the end of each quarter during the calendar year. For this purpose, investments are revalued at month-end market prices, which include accrued income where appropriate. Income from financial investments is all interest income, there is no dividend income.

10. Financial Investments

	2022 Carrying value £'000	Purchase price £'000
Shares and other variable yield securities and units in unit trusts including Overseas deposits		
– Designated at fair value through profit or loss	48,783	48,783
Debt securities and other fixed income securities		
– Designated at fair value through profit or loss	131,430	132,524
	180,213	181,307

10. Financial Investments (continued)

	2021 Carrying value £'000	Purchase price £'000
Shares and other variable yield securities and units in unit trusts including Overseas deposits		
– Designated at fair value through profit or loss	32,332	32,332
Debt securities and other fixed income securities		
– Designated at fair value through profit or loss	121,234	122,418
	153,566	154,750

Amounts included within shares and other variable securities include money market funds. These are treated as cash equivalents with the carrying value and purchase price being the same. See note 16 for split of cash and cash equivalents.

The following table shows financial investments recorded at fair value analysed between the three levels in the fair value hierarchy.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
31 December 2022				
Shares and other variable yield securities and units in unit trusts including Overseas deposits	353	47,241	1,189	48,783
Debt securities and other fixed income securities	–	131,430	–	131,430
Total	353	178,671	1,189	180,213

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
31 December 2021				
Shares and other variable yield securities and units in unit trusts including Overseas deposits	407	30,736	1,189	32,332
Debt securities and other fixed income securities	–	121,234	–	121,234
Total	407	151,970	1,189	153,566

Included in the level 1 category are financial assets that are measured by reference to published quotes in an active market. 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 Syndicate, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Included in the level 2 category are financial assets measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions. For example, assets for which pricing is obtained via pricing services but where prices have not been determined in an active market, financial assets with fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using the Syndicate's own models whereby the significant inputs into the assumptions are market observable.

Included in the level 3 category, are financial assets measured using a valuation technique (model) based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Therefore, unobservable inputs reflect the Syndicate's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are developed based on the best information available, which might include the Syndicate's own data.

Lloyd's Central Fund Loan is categorized as a Level 3 Investment.

11. Deposits with Ceding Undertakings

	2022	2021
	£'000	£'000
Lloyds Part VII accounts	211	110
	211	110

12. Debtors Arising out of Direct Insurance Operations

	2022	2021
	£'000	£'000
Due from intermediaries (within one year)	33,074	30,834
	33,074	30,834

13. Debtors Arising out of Reinsurance Operations

	2022	2021
	£'000	£'000
Due from intermediaries (within one year)	4,109	3,364
	4,109	3,364

14. Creditors Arising out of Direct Insurance Operations

	2022	2021
	£'000	£'000
Direct Business - Intermediaries (within one year)	1,593	510
	1,593	510

15. Creditors Arising out of Reinsurance Operations

	2022	2021
	£'000	£'000
Reinsurance ceded (within one year)	9,022	4,498
	9,022	4,498

16. Cash and Cash Equivalents

	2022	2021
	£'000	£'000
Cash at bank and in hand	35,191	25,554
Shares and other variable yield securities and units in unit trusts	25,721	15,126
	60,912	40,680

Shares and other variable yield securities and units in unit trusts includes Investments in money market funds which are investments in nature but are treated as Cash and cash equivalents for cash flow purposes, so therefore are included in both Financial investments and Cash and cash equivalents

17. Related Parties

The ultimate parent company of Asta Managing Agency Ltd is Tennessee Topco Ltd following the acquisition of Asta Capital Ltd by the Davies Group Ltd on the 13th July 2022.

Asta provides services and support to Syndicate 2525 in its capacity as Managing Agent. During the year, managing agency fees of £0.92m (2021: £0.86m) were charged to the Syndicate. Asta also recharged £2.25m (2021: £2.15m) of service charges in the year and as at 31 December 2022 an amount of £Nil (2021: £Nil) was owed to Asta in respect of this service. Syndicate staff are employed and paid by a service company, Asta Management Services Ltd.

Syndicate 2525 has recorded an accrual of £4.4m (2021: £2.2m) for profit commission payable to Asta Managing agency.

During the year, the Davies Group provides claims related services via the following companies: A.M. Associates Insurance Services Limited of CA\$11.8k (2021 nil), Garwyn Limited £302k (2021 £344k), Garwyn Ireland Limited of 4k (2021 17.7k) and Keoghs of £8.7k (2021 £16.2k).

From time to time, Syndicates managed by Asta enter into (re)insurance contracts with one another. All such transactions are subject to Asta's internal controls which ensure that all are compliant with Lloyd's Related Party Bylaw provisions. All transactions are entered into on normal market conditions.

18. Disclosure of Interests

Managing Agent's interest

During 2022 Asta was the Managing Agent for twelve Syndicates, two Special Purpose Arrangements and six Syndicates in a Box. Syndicates 1609, 1699, 1729, 1892, 1980, 1988, 2288, 2525, 2689, 2786, 3268 and 4242 as well as Special Purpose Arrangements 1416 and 6131 and Syndicates in a Box 4747, 1796, 1902, 2880, 3456 and 5183 were managed on behalf of third party capital providers.

On 1 January 2022, Asta took on the management of Syndicate 1699

On 1 January 2022, Asta took on the management of Syndicate in a box 1902

On 10 February 2022, Asta took on management of Syndicate in a box 2880

On 10 February 2022, Asta reinsured to close Syndicate 1980 into Riverstone Syndicate 3500

On 22 March 2022, Asta took on the management of Syndicate in a box 3456

On 13 May 2022, Asta migrated the management of 3268 to IQUW

On 10 June 2022, Asta took on the management of Syndicate in a box 5183

On 18 July 2022, Asta took on the management of Syndicate in a box 1796

On 1 October 2022, Asta migrated Syndicate 1729 and SPA 6131 to Dale Managing Agency

On 1 January 2023, Asta took on the management of Syndicate 1985

On 1 January 2023, Asta took on the management of Syndicate 1322

The agency also provides administrative services to Syndicates and Special Purpose Arrangements, also undertaking several ancillary roles for other clients.

The Financial Statements of the Managing Agency can be obtained by application to the Registered Office (see page 1).

19. Funds at Lloyd's

Every member is required to hold capital at Lloyd's which is held in trust and known as Funds at Lloyd's (FAL). These funds are intended primarily to cover circumstances where Syndicate assets prove insufficient to meet participating members' underwriting liabilities.

The level of FAL that Lloyd's requires a member to maintain is determined by Lloyd's based on PRA requirements and resource criteria. FAL has regard to a number of factors including the nature and amount of risk to be underwritten by the member and the assessment of the reserving risk in respect of business that has been underwritten. Since FAL is not under the management of the Managing Agent, no amount has been shown in these financial statements by way of such capital resources. However, the Managing Agent is able to make a call on the members' FAL to meet liquidity requirements or to settle losses.

20. Off-balance Sheet Items

The Syndicate has not been party to an arrangement, which is not reflected in its statement of financial position, where material risks and benefits arise for the Syndicate.

21. Risk Management

a) Governance framework

The Syndicate's risk and financial management framework aims to protect the Syndicate's members' capital from events that might otherwise prevent the Syndicate from meeting its policyholder obligations, while maximising the returns to its members. The directors recognise the critical importance of having efficient and effective risk management systems in place.

Asta maintains a risk management function for the Syndicate with clear terms of reference from the Syndicate Board, its committees and sub committees. Asta supplements this with a clear organisational structure with documented delegated authorities and responsibilities from the main Asta managing agency board to the Syndicate who perform the underwriting activities. Lastly, the Syndicate policy framework sets its risk management and control, and business conduct standards for operations. Asta reviews and monitors each policy to ensure compliance with the policy throughout the Syndicate.

The Syndicate board approves the risk management policies and meets regularly to approve any commercial, regulatory and organisational requirements of such policies. These policies define the identification of risk and its interpretation to ensure the appropriate quality and diversification of assets, align underwriting and reinsurance strategy to the Syndicate goals, and specify reporting requirements. The Syndicate board places significant emphasis on the assessment and documentation of risks and controls, including the articulation of the Syndicate's risk appetite.

b) Capital management objectives, policies and approach

Capital framework at Lloyd's

The Society of Lloyd's (Lloyd's) is a regulated undertaking and is subject to the supervision of the Prudential Regulatory Authority (PRA) under the Financial Services and Markets Act 2000.

Within the supervisory framework, Lloyd's applies capital requirements at member level and centrally to ensure that Lloyd's complies with Solvency II capital requirements, and beyond that to meet its own financial strength, licence and ratings objectives.

Although Lloyd's capital setting processes use a capital requirement set at Syndicate level as a starting point, the requirement to meet Solvency II and Lloyd's capital requirements apply at overall and member level only respectively, not at Syndicate level. Accordingly, the capital requirement in respect of 2525 is not disclosed in these financial statements.

Lloyd's capital setting process

In order to meet Lloyd's requirements, each Syndicate is required to calculate its Solvency Capital Requirement (SCR) for the prospective underwriting year. This amount must be sufficient to cover a 1 in 200 year loss, reflecting uncertainty in the ultimate run-off of underwriting liabilities (SCR 'to ultimate'). The Syndicate must also calculate its SCR at the same confidence level but reflecting uncertainty over a one year time horizon (one year SCR) for Lloyd's to use in meeting Solvency II requirements. The SCRs of each Syndicate are subject to review by Lloyd's and approval by the Lloyd's Capital and Planning Group.

A Syndicate may be comprised of one or more underwriting members of Lloyd's. Each member is liable for its own share of underwriting liabilities on the Syndicate on which it participates but not other members' shares. Accordingly, the capital requirement that Lloyd's sets for each member operates on a similar basis. Each member's SCR shall thus be determined by the sum of the member's share of the Syndicate SCR 'to ultimate'. Where a member participates on more than one Syndicate, a credit for diversification is provided to reflect the spread of risk, but consistent with determining an SCR which reflects the capital requirement to cover a 1 in 200 year loss 'to ultimate' for that member. Over and above this, Lloyd's applies a capital uplift to the member's capital requirement, known as the Economic Capital Assessment (ECA). The purpose of this uplift, which is a Lloyd's not a Solvency II requirement, is to meet Lloyd's financial strength, licence and ratings objectives. The capital uplift applied for 2022 was 35% of the member's SCR 'to ultimate'.

Provision of capital by members

Each member may provide capital to meet its ECA either by assets held in trust by Lloyd's specifically for that member (funds at Lloyd's), held within and managed within a Syndicate (funds in Syndicate) or as the member's share of the member's balances on each Syndicate on which it participates. Accordingly, the ending members balances reported on the statement of financial position on page 15, represent resources available to meet members' and Lloyd's capital requirements.

21. Risk Management (continued)

c) Insurance risk

The principal risk the Syndicate faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Syndicate is to ensure that sufficient reserves are available to cover these liabilities.

The risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

The Syndicate purchases reinsurance as part of its risks mitigation programme. Reinsurance ceded is placed on a non-proportional basis. Non-proportional reinsurance is excess-of-loss reinsurance designed to mitigate the Syndicate's net exposure to large losses. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contracts. The Syndicate's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations substantially dependent upon any single reinsurance contract.

Sub committees of the Syndicate board oversee the management of reserving risk. The use of standardised and internal modelling techniques, as well as benchmarking and the review of claims development are key in mitigating reserving risk.

The purpose of these underwriting, reinsurance and reserving strategies is to limit exposure to catastrophes or large losses based on the Syndicate's risk appetite as decided by the Syndicate board.

The Syndicate uses both its own and commercially available risk management software to assess catastrophe exposure. However, there is always a risk that the assumptions and techniques used in these models are unreliable or that claims arising from an un-modelled event are greater than those arising from a modelled event.

As a further guide to the level of catastrophe exposure written by the Syndicate, the following table shows hypothetical claims arising out of the Realistic Disaster Scenario (RDS) on the Syndicates in-force exposure at 31 December 2022. All scenarios are liability in nature.

	Estimated Gross loss £'000	Estimated Net loss £'000
2022		
Alternative RDS A – Australian Bushfire	(26,000)	(2,000)
Alternative RDS B – Catastrophe on a major construction project	(25,000)	(1,250)
Loss of Major Complex	(30,000)	(1,500)
	Estimated Gross loss £'000	Estimated Net loss £'000
2021		
Alternative RDS A – Australian Bushfire	(26,000)	(2,000)
Alternative RDS B – Catastrophe on a major construction project	(25,000)	(1,250)
Loss of Major Complex	(30,000)	(1,500)

21. Risk Management (continued)

Key assumptions

The principal assumption underlying the liability estimates is that the future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs, claim inflation factors and claim numbers for each underwriting year. Additional qualitative judgements are used to assess the extent to which past trends may not apply in the future, for example: once-off occurrence; changes in market factors such as public attitude to claiming; economic conditions; as well as internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgement is further used to assess the extent to which external factors such as judicial decisions and government legislation affect the estimates.

Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency rates.

Sensitivities

The Syndicate reviewed the Ogden discount rate for reserves for large bodily injury claims and used an assumed rate of 0% for the purposes of reserving. The impact against the actual Ogden rate of -0.25% is not significant.

The Syndicate has made explicit adjustment for inflation in its reserves and holds a margin which mitigates the risk caused by uncertainty in the inflationary environment, consequently the reserves are not considered sensitive to changes in interest rate.

The claim liabilities are sensitive to the key assumptions that follow. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

Sensitivities for Gross Claim Reserves

	Five Percent increase	Five Percent decrease
2022	£'000	£'000
	13,234	(13,234)
2021	£'000	£'000
	(11,218)	11,218

Concentration risk

The Syndicate predominately writes direct UK liability business, with 68% (2021: 85%) of contracts relating to risks in the UK. The value of these contracts equates to 57% (2021: 58%) of the premium income.

The method used for deriving sensitivity information and significant assumptions did not change from the previous period.

Claims development table

The tables below show the Syndicate's cumulative incurred claims development, including both claims notified and IBNR for each underwriting year, together with the cumulative payments to date on a gross and net of reinsurance basis at the balance sheet date.

The Syndicate has elected to translate estimated claims and claims payments at a consistent rate of exchange as determined by the balance sheet date.

21. Risk Management (continued)

Gross Claims development table

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Underwriting year	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Estimate of cumulative gross claims incurred:										
At end of first										
underwriting year	7,275	9,001	10,167	26,610	12,924	15,455	16,959	18,579	25,730	30,470
One year later	32,879	27,798	34,495	56,682	37,569	54,429	46,845	50,952	59,097	
Two years later	30,737	39,974	33,782	59,867	42,856	61,778	43,142	48,866		
Three years later	29,430	35,264	28,568	58,796	42,869	60,291	46,843			
Four years later	21,217	31,139	31,320	56,514	49,363	57,550				
Five years later	19,075	26,595	27,207	55,866	49,925					
Six years later	18,182	24,545	22,497	55,035						
Seven years later	17,980	23,718	21,763							
Eight years later	17,806	23,012								
Nine years later	18,054									
Ten years later										
Less cumulative										
gross paid	(16,622)	(20,953)	(18,054)	(38,869)	(27,758)	(15,863)	(8,513)	(5,488)	(1,515)	(124)
Liability for gross										
outstanding claims										
(2013 to 2022)	1,432	2,059	3,709	16,166	22,167	41,687	38,330	43,378	57,582	30,346
Liability for gross										
outstanding claims										
(2012 and before)										7,830
Total gross outstanding claims (all years)										264,686

21. Risk Management (continued)

Net Claims development table

Underwriting year	2013 £'000	2014 £'000	2015 £'000	2016 £'000	2017 £'000	2018 £'000	2019 £'000	2020 £'000	2021 £'000	2022 £'000
Estimate of cumulative net claims incurred:										
At end of first										
underwriting year	5,602	7,197	8,478	10,567	10,765	12,220	10,754	13,314	18,928	21,868
One year later	23,796	26,391	24,830	29,149	28,408	35,267	35,205	38,322	42,808	
Two years later	19,352	34,598	29,393	30,828	34,758	46,155	35,902	37,929		
Three years later	19,848	25,149	26,141	29,693	33,618	45,293	34,237			
Four years later	17,834	22,569	22,918	27,067	32,134	40,457				
Five years later	15,749	20,585	19,850	24,901	31,140					
Six years later	15,153	18,838	19,947	24,856						
Seven years later	15,065	18,092	19,538							
Eight years later	14,941	17,892								
Nine years later	14,864									
Less cumulative										
net paid	(13,801)	(16,354)	(16,085)	(18,739)	(18,885)	(15,800)	(7,459)	(4,507)	(1,515)	(124)
Liability for net										
outstanding claims										
(2013 to 2022)	1,063	1,538	3,453	6,117	12,255	24,657	26,778	33,422	41,293	21,744
Liability for net										
outstanding claims										
(2012 and before)										3,961
Total net outstanding claims (all years)										176,281

The uncertainty associated with the ultimate claims experience of an underwriting year is greatest when the underwriting year is at an early stage of development and the margin for future experience potentially being more adverse than assumed is at its highest. As claims develop, and the ultimate cost of the claims becomes more certain, the relative level of margin should decrease. Due, however, to the uncertainty inherent in the claims estimation process, initial reserves may not always be in a surplus.

d) Financial risk

The focus of financial risk management for the Syndicate is ensuring that the proceeds from its financial assets are sufficient to fund the obligations arising from its insurance contracts. The goal of the investment management process is to optimise the risk-adjusted investment income and risk-adjusted total return by investing in a diversified portfolio of securities, whilst ensuring that the assets and liabilities are managed on a cash flow and duration basis.

1) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss by failing to discharge an obligation.

The following policies and procedures are in place to mitigate the exposure to credit risk:

- Investment guidelines are established setting out the quality of investments to be included within the Syndicate's portfolio. The policy is monitored by the Investment Committee and/or Syndicate Board.
- Reinsurance is placed with counterparties that have a good credit rating and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits. If the counterparty is downgraded or does not have a good credit rating, then collateral is sought to mitigate any risk. This is monitored by the Reinsurance Security Committee, a sub committee of the Syndicate Board.

21. Risk Management (continued)

The tables below show the maximum exposure to credit risk (including an analysis of financial assets exposed to credit risk) for the components of the statement of financial position. The maximum exposure is shown gross.

Included in other debtors are prepayments and DAC which are not subject to credit risk.

		£'000		
	Neither past due nor impaired	Past due but not impaired	Impaired	Total
2022				
Shares and other variable yield securities	26,910	—	—	26,910
Debt Securities	131,430	—	—	131,430
Overseas Deposits	21,873	—	—	21,873
Deposits with ceding undertakings	211	—	—	211
Reinsurers share of claims outstanding	88,405	—	—	88,405
Debtors arising out of direct insurance operations	33,074	—	—	33,074
Other debtors	32,387	—	—	32,387
Cash at bank and in hand	35,191	—	—	35,191
Total	369,481	—	—	369,481

		£'000		
	Neither past due nor impaired	Past due but not impaired	Impaired	Total
2021				
Shares and other variable yield securities	16,316	—	—	16,316
Debt Securities	121,234	—	—	121,234
Overseas Deposits	16,016	—	—	16,016
Deposits with ceding undertakings	110	—	—	110
Reinsurers share of claims outstanding	67,113	—	—	67,113
Debtors arising out of direct insurance operations	30,834	—	—	30,834
Other debtors	28,444	—	—	28,444
Cash at bank and in hand	25,554	—	—	25,554
Total	305,621	—	—	305,621

21. Risk Management (continued)

The table below provides information regarding the credit risk exposure of the Syndicate at 31 December 2022 by classifying assets according to independent credit ratings of the counterparties. AAA is the highest possible rating. Assets that fall outside the range of AAA to BBB are classified as speculative grade and have not been rated. Debtors, other than amounts due from reinsurers, have been excluded from the table as these are not rated.

	£'000						
2022	AAA	AA	A	BBB	BBB or less	Not Rated	Total
Shares and other variable yield securities	–	–	26,910	–	–	–	26,910
Debt Securities	49,463	21,172	35,213	16,348	176	9,058	131,430
Overseas Deposits	11,950	3,198	2,802	1,761	1,741	421	21,873
Deposits with ceding undertakings	–	–	211	–	–	–	211
Reinsurers share of claims outstanding	–	44,088	44,317	–	–	–	88,405
Debtors arising out of reinsurance operations	–	–	–	–	–	–	–
Cash at bank and in hand	–	–	35,191	–	–	–	35,191
Total	61,413	68,458	144,644	18,109	1,917	9,479	304,020

	£'000						
2021	AAA	AA	A	BBB	BBB or less	Not Rated	Total
Shares and other variable yield securities	–	–	16,316	–	–	–	16,316
Debt Securities	37,798	30,738	32,280	13,773	171	6,474	121,234
Overseas Deposits	6,988	1,085	4,388	1,330	1,743	482	16,016
Deposits with ceding undertakings	–	–	110	–	–	–	110
Reinsurers share of claims outstanding	–	28,676	38,437	–	–	–	67,113
Debtors arising out of reinsurance operations	–	–	–	–	–	–	–
Cash at bank and in hand	–	–	25,554	–	–	–	25,554
Total	44,786	60,499	117,085	15,103	1,914	6,956	246,343

It is the Syndicate's policy to maintain accurate and consistent risk ratings across its credit portfolio. This enables management to focus on the applicable risks and the comparison of credit exposures across all lines of business.

During the year, no credit exposure limits were exceeded.

2) Liquidity risk

Liquidity risk is the risk that the Syndicate may not have enough cash to pay insurance claims and other liabilities. The Syndicate tries to reduce this risk by reviewing its expected cash obligations on a quarterly basis and keeping adequate cash on deposit to meet those obligations.

21. Risk Management (continued)

The table below summarises the maturity profile of the Syndicate's financial liabilities based on remaining undiscounted contractual obligations, including interest payable and outstanding claim liabilities based on the estimated timing of claim payments resulting from recognised insurance liabilities. Repayments which are subject to notice are treated as if notice were to be given immediately.

	£'000					
	No stated maturity	0-1 Year	1-3 Years	3-5 Years	More than 5 years	Total
2022						
Claims outstanding	0	67,159	91,891	53,391	52,245	264,686
Creditors	0	13,368	2,388	0	0	15,756
Total	0	80,527	94,279	53,391	52,245	280,442

	£'000					
	No stated maturity	0-1 Year	1-3 Years	3-5 Years	More than 5 years	Total
2021						
Claims outstanding	0	61,110	79,782	41,652	41,820	224,364
Creditors	0	7,922	0	0	0	7,922
Total	0	69,032	79,782	41,652	41,820	232,286

3) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument or insurance contract will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. The nature of the Syndicate exposures to market risk and its objectives, policies and processes for managing market risk have not changed significantly from the prior year.

a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Syndicate's functional currency is GBP and its exposure to foreign exchange risk arises primarily with respect to transactions in Euro, US and Canadian dollars. The Syndicate seeks to mitigate the risk by matching the estimated foreign currency denominated liabilities with assets denominated in the same currency.

The table below summarises the exposure of the financial assets and liabilities to foreign currency exchange risk at the reporting date, as follows:

2022	GBP	USD	EUR	CAD	AUD	OTH	Total
Total Assets	166,391	29,465	36,520	107,418	25,614	4,073	369,481
Total Liabilities	(191,628)	(22,924)	(26,868)	(83,415)	(18,716)	(3,274)	(346,825)
Net Assets	(25,237)	6,541	9,652	24,003	6,898	799	22,656

2021	GBP	USD	EUR	CAD	AUD	OTH	Total
Total Assets	155,039	21,776	28,688	80,345	15,970	3,803	305,621
Total Liabilities	(169,987)	(19,093)	(20,621)	(66,642)	(13,645)	(3,155)	(293,143)
Net Assets	(14,948)	2,683	8,067	13,703	2,325	648	12,478

21. Risk Management (continued)

The Syndicate matches its currency position so it holds net assets across a number of currencies. The Syndicate takes into consideration the underlying currency of the Syndicate's required capital and invests its assets proportionately across these currencies so as to protect the solvency of the Syndicate, against variation in foreign exchange rates. As a result, the Syndicate holds a significant proportion of its assets in foreign currency investments.

Sensitivity to changes

The table below gives an indication of the impact on profit of a percentage change in the relative strength of Sterling against the value of the US dollar, Canadian dollar and Euro simultaneously. The analysis is based on the information as at 31 December 2022.

Impact on profit and members' balance

	2022 £'000	2021 £'000
Sterling weakens		
10% against other currencies	4,709	2,678
20% against other currencies	9,419	5,356
Sterling strengthens		
10% against other currencies	(4,709)	(2,678)
20% against other currencies	(9,419)	(5,356)

b) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Floating rate instruments expose the Syndicate to cash flow interest risk, whereas fixed rate instruments expose the Syndicate to fair value interest risk.

The Syndicate has no significant concentration of interest rate risk.

Insurance liabilities are not discounted and therefore not exposed to interest rate risk.

	2022 £'000	2021 £'000
Interest Rate Risk		
Impact of 50 basis point increase on result	(615)	(565)
Impact of 50 basis point decrease on result	615	565
Impact of 50 basis point increase on net assets	(615)	(565)
Impact of 50 basis point decrease on net assets	615	565

The method used for deriving sensitivity information and significant variables did not change from the previous period.

22. Post balance sheet events

The Syndicate will distribute the 2020 year of account profits to members during 2023.

Financial Statements

For the 36 Months ended 31 December 2022

Closing Year Report and Accounts

2020

A Ive Syndicate **2525**

Underwriter’s report for the 2020 closing year of account

For the 36 months ended 31 December 2022

2020 closing year comments

Stamp Allocated Capacity (SAC)	£79.40m
Capacity Utilisation on Written Premium	89.29%
Result (as a percentage of SAC)	
before Members Agents Fees	16.10%
Total Result	£12.78m

I am pleased to report that the 2020 year of account (YoA) on the traditional Lloyds three-year accounting basis has produced a profit, before Members Agents’ fees, of £12.78m which equates to a return on capacity of 16.10%

As with last year, a Pure Year Profit contributed to the result, this time £6m, with the remainder coming from prior year improvements. This result not only demonstrates that the quality of the Underwriting continues but also that we have maintained our conservative reserving approach.

It continues to remain the case that the gross (and net) incurred position at the 36-month close point has, for each year of account, been sufficient to cover the tail to ultimate. This means that IBNR has been released to profit in the fullness of time.

2020 was my first full year as Active Underwriter, and I feel immensely proud of the result that the Syndicate has produced. But as well as pride, there is a sense of relief. Just 4 months into my tenure, Covid-19 arrived in the UK and, with the long periods of ‘lockdown’, there was some trepidation on how this might impact the business.

We were perhaps fortunate. Not only did the pandemic have no impact on the result now declared, but also had no impact on the health of our employees. We readily adapted to a new working environment which is reflected in the levels of income growth achieved since.

Although Covid-19 did serve as a reminder of how quickly the world can change and it is pleasing that the “sideways” losses we feared, akin to a new industrial disease and arising from the workplace contraction of Covid-19, did not materialise.

The verdict by the Supreme Court in the UK Business Interruption test case highlighted the difficulties faced by some sectors of the Insurance market but we do not underwrite Business Interruption and our book was not impacted by this decision. Our book remains unscathed by the pandemic and, as time goes on, the likelihood of receiving any impactful losses diminishes.

However, in the immediate wake of the pandemic and having become aware of workplace contraction by some policyholders, we established an additional IBNR provision of £500k on a gross/net basis on the 2019 Year of Account and subsequently did the same for 2020, 2021 and 2022. This approach was supported by our external actuaries, Lane, Clark & Peacock LLP. But with only a single formal claim resulting from workplace contraction we are confident that this additional IBNR, totalling £2m, will not be needed in relation to Covid-19 claims. But, we have decided that this margin should be retained against any unforeseeable inflationary pressures that may ultimately impact current reserves.

During 2020, we also recruited our new Head of International, Charlie Harcus. Charlie and I spent his first few months at the Syndicate refining the Underwriting Guidelines, that were strengthened in 2019. The stricter guidelines appear to have had the desired effect with the international account showing great growth without any notable adverse claim’s development.

It should be noted that the income for 2020 was the largest the Syndicate had ever written in terms of premium volume. This growth has been contributed to greatly by rate increases achieved on both the Core and International accounts with the UK account now having seen rate increases for 8 consecutive years and the International account seeing double figure increases on the 2018, 2019 and 2020 Years of Account.

The Syndicate continues to maintain its core philosophy - rarely giving away the pen rather using the expertise and experience of its own underwriters. Return on capital is the sole driver and the Syndicate fully expects to continue to produce market leading results for its investors.

Tony Ive
Active Underwriter
10th February 2023

Managing Agent’s report for the 2020 closing year of account

For the 36 months ended 31 December 2022

The Directors of Asta Managing Agency Ltd (“Asta”) present their report at 31 December 2022 for the 2020 closed year of account.

This report is prepared in accordance with the Lloyd’s Syndicate Byelaw (No 8 of 2005). It accompanies the underwriting year accounts prepared on an underwriting year basis of accounting as required by Statutory Instrument No 1950 of 2008, the Insurance Accounts Directive (Lloyd’s Syndicate and Aggregate Accounts) Regulations 2008.

Business review

A summary of the 2020 year of account performance is given in the accompanying Underwriter’s Report on page 38.

Directors and Officers

Details of the Directors and Officers of the Managing Agent that were serving at the year end and up to the date of signing of the financial statements are provided on page 1. Changes to Directors and Officers from the last report were as follows:-

N Burdett**	Resigned 13 July 2022
L J M McMaster	Appointed 12 September 2022
M Mohn	Resigned 13 July 2022
J M Tighe	Resigned 23 November 2022
D J G Hunt	Resigned 1 December 2022
E M Catchpole	Appointed 1 January 2023
S P A Norton	Resigned 23 February 2023
D B Jones	Appointed 23 February 2023

Company Secretary**

Disclosure of Information to the Auditor

So far as each person who was a Director of the Managing Agent at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with their report, of which the auditor is unaware. Having made enquiries of fellow Directors of the Agency and the Syndicate’s auditor, each Director has taken all the steps that he/she is obliged to take as a Director in order to make himself/herself aware of any relevant audit information and to establish that the auditors are aware of that information.

The board of directors of the Managing Agent has overall responsibility for the establishment and oversight of the Syndicate’s risk and capital management.

Approved by the Board of Directors and signed on behalf of the Board.

C V Barley

Director
27th February 2023

Statement of Managing Agent's Responsibilities

The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 require the managing agent to prepare Syndicate underwriting year accounts at 31 December in respect of any underwriting year which is being closed by reinsurance to close which give a true and fair view of the result of the underwriting year at closure. Detailed requirements in respect of the underwriting year accounts are set out in the Lloyd's Syndicate Accounting Byelaw (No 8 of 2005).

In preparing the Syndicate underwriting year accounts, the Managing Agent is required to:-

- select suitable accounting policies and apply them consistently throughout each underwriting year and from one underwriting year to the next, subject to changes from newly adopted accounting standards. Where items affect more than one underwriting year, the Managing Agent must ensure that the Syndicate treats the affected member equitably. In particular, the premium charged for reinsurance to close should be equitable between the reinsured and reinsuring members of the Syndicate;
- take into account all income and charges relating to a closed year of account without regard to the date of receipt or payment;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in these accounts.

The Managing Agent is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Syndicate and enable it to ensure that the Syndicate underwriting year accounts comply with the Lloyd's Regulations and Syndicate Accounting Byelaw. It is also responsible for safeguarding the assets of the Syndicate and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Managing Agent is responsible for the maintenance and integrity of the corporate and financial information included on the business website. Legislation in the UK governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report to the Members of Syndicate 2525

2020 Closed Year of Account

Opinion

We have audited the syndicate underwriting accounts of Syndicate 2525 (the "syndicate") for the year ended 31 December 2022 which comprise the Profit and loss account, the Balance sheet, the Statement of Members' Balances, the Statement of cash flows and the notes to the financial statements, including a summary of accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and FRS 103 "Insurance Contracts" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the syndicate underwriting year accounts:

- give a true and fair view of the 2020 closed year of account;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and have been properly prepared in accordance with the Lloyd's Syndicate Accounting Byelaw (No. 8 of 2005).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the syndicate in accordance with the ethical requirements that are relevant to our audit of the syndicate underwriting accounts in the UK, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter- closure of 2020 year of account

We draw your attention to the basis of preparation note 1 which explains that the 2020 year of account has closed, and all assets and liabilities transferred to the 2021 year of account by reinsurance to close at 31 December 2022. Consequently the 2020 year of account of syndicate 2525 is no longer a going concern.

The reinsurance to close occurs in the normal course of business for a syndicate after 36 months of development.

Our opinion is not modified in respect of this matter.

Other information

The managing agent is responsible for the other information. The other information comprises the information included in the 2020 Closed Year Report and Accounts, other than the syndicate underwriting year accounts and our auditor's report thereon. Our opinion on the syndicate underwriting year accounts 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.

In connection with our audit of the syndicate underwriting year accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the syndicate underwriting year accounts, or our knowledge obtained in 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 there is a material misstatement in the syndicate underwriting year accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where The Lloyd's Syndicate Accounting Byelaw (No. 8 of 2005) requires us to report to you, if in our opinion:

- the managing agent in respect of the Syndicate has not kept adequate accounting records; or
- the syndicate underwriting year accounts are not in agreement with the accounting records.

Responsibilities of the Managing Agent

As explained more fully in the Statement of Managing Agent's Responsibilities set out on page 40, the managing agent is responsible for the preparation of the syndicate underwriting year accounts and for being satisfied that they give a true and fair view of the result for the 2020 closed year of account, and for such internal control as the managing agent determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the syndicate underwriting accounts, the managing agent is responsible for assessing the Syndicate's ability to realise its assets and discharge its liabilities in the normal course of business, disclosing, as applicable, any matters that impact its ability to do so.

Independent Auditor's Report to the Members of Syndicate 2525 (continued)

2020 Closed Year of Account

Auditor's responsibilities for the audit of the syndicate underwriting year accounts

Our objectives are to obtain reasonable assurance about whether the syndicate underwriting year accounts 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 the syndicate underwriting year accounts.

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 the audit report

This report is made solely to the syndicate's members, as a body, in accordance with The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the syndicate'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 syndicate and the syndicate's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Amanda Barker

(Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
30 Old Bailey
London EC4M 7AU
Date: 27 February 2023

Profit and loss account: Technical account – General business

For the 36 months ended 31 December 2022

	Notes	£'000	£'000
Earned premiums, net of reinsurance			
Gross premiums written	4	87,328	
Outward reinsurance premiums		(18,077)	
			69,251
Reinsurance to close premiums received, net of reinsurance			104,596
Allocated investment return transferred from the non-technical account			1,162
Claims incurred, net of reinsurance			
Claims paid – Gross amount		(28,528)	
– Reinsurers' share		5,343	
Net claims paid		(23,185)	
Reinsurance to close premium payable net of reinsurance	6	(113,245)	
			(136,430)
Net operating expenses	7		(28,049)
Balance on the technical account – general business			10,530

The underwriting year closed and therefore all items relate to discontinued operations.

The notes on pages 48 to 56 form part of these financial statements.

Profit and loss account: Non-technical account

For the 36 months ended 31 December 2022

	Notes	£'000
Balance on the technical account – general business		10,530
Investment Income	8	2,759
Unrealised gains on investments	8	174
Unrealised losses on investments	8	(1,105)
Investment expenses and charges	8	(666)
		11,692
Allocated investment return transferred to general business technical account		(1,162)
Exchange gains		2,254
Profit for the closed year of account	5	12,784

The underwriting year closed and therefore all items relate to discontinued operations.

There were no recognised gains or losses other than those included in the profit and loss account. Therefore no statement of other comprehensive income has been presented.

The notes on pages 48 to 56 form part of these financial statements.

Balance sheet

As at 31 December 2022

	Notes	£'000	£'000
ASSETS			
Investments			
Other financial investments	9	111,592	
Deposits with ceding undertakings	11	211	
			111,803
Debtors			
Debtors arising out of direct insurance operations	12	106	
Debtors arising out of reinsurance operations	13	–	
Other debtors, prepayments and accrued income		503	
			609
Reinsurance recoveries anticipated on gross reinsurance premiums payable to close the account	6		63,513
Other Assets			
Cash at bank and in hand			17,855
TOTAL ASSETS			193,780
LIABILITIES			
Amounts due to members			12,348
Reinsurance to close premiums payable to close the account – gross amount	6		176,758
Creditors			
Creditors arising out of direct insurance business	14	809	
Creditors arising out of reinsurance operations	15	1,115	
Profit commission		2,750	
Accruals		–	
			4,674
TOTAL LIABILITIES			193,780

The Syndicate underwriting year accounts were approved by the Board of Asta Managing Agency Ltd on 20th February 2023 and were signed on its behalf by

R P Barke

Director

27th February 2023

The notes on pages 48 to 56 form part of these financial statements.

Statement of Members' balances at 31 December 2022

For the 36 months ended 31 December 2022

	£'000
Profit for the closed year of account	12,784
Members' agents' fees paid on behalf of members	(436)
Members' balances carried forward at 31 December 2022	12,348

The notes on pages 48 to 56 form part of these financial statements.

Statement of cash flows

	Notes	£'000
Cash flows from operating activities		
Profit for the year of account		12,784
Net unrealised losses and foreign exchange		(3,584)
Decrease in debtors		1,344
Increase in creditors		2,582
Non cash consideration received as part of RITC received	10	(94,261)
RITC premium payable, net of reinsurance		113,245
Net cash inflow from operating activities		32,110
 Cash flows from investing activities		
Net purchase of portfolio investments		(13,608)
Deposits with ceding undertakings	11	(211)
Net cash (outflow) from financing activities		(13,819)
 Cash flows from financing activities		
Members' agents fees paid on behalf of members		(436)
 Net increase in cash and cash equivalents		17,855
Cash and cash equivalents at 1 January 2020		–
Cash and cash equivalents at end of the year of account	11	17,855

The notes on pages 48 to 56 form part of these financial statements.

Notes to the Financial Statements

For the 36 months ended 31 December 2022

1. Basis of preparation

The Syndicate underwriting year accounts have been prepared under the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 ("the Lloyd's Regulations") and in accordance with the Syndicate Accounting Byelaw (No. 8 of 2005) and applicable Accounting Standards in the United Kingdom, including relevant disclosures of Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK ("FRS 102") and Financial Reporting Standard 103 Insurance Contracts ("FRS 103").

Members participate on a Syndicate by reference to a year of account and each Syndicate year of account is a separate annual venture. These accounts relate to the 2020 year of account which has been closed by reinsurance to close at 31 December 2022. Consequently the balance sheet represents the assets and liabilities of the 2020 year of account at the date of closure and the profit and loss account reflects the transactions for that year of account during the 36 months period until closure.

The 2020 underwriting year has now closed. The Directors of the Managing Agent have prepared the underwriting year accounts on a non-going concern basis. There was no effect of this on the amounts reported in the accounts.

As each Syndicate year of account is a separate annual venture, there are no comparative figures.

2. Accounting policies

Significant accounting estimates and judgements

In preparing these financial statements, the directors of the Managing Agent have made judgements, estimates and assumptions that affect the application of the Syndicate's accounting policies and the reported amounts of assets, liabilities, income and expenses.

The measurement of the provision for claims outstanding involves judgements and assumptions about the future that have the most significant effect on the amounts recognised in the annual accounts.

The provision for claims outstanding comprises the estimated cost of settling all claims incurred but unpaid at the balance sheet date, whether reported or not. This is a judgemental and complex area due to the subjectivity inherent in estimating the impact of claims events that have occurred but for which the eventual outcome remains uncertain. In particular, judgement is applied when estimating the value of amounts that should be provided for claims that have been incurred at the reporting date but have not yet been reported (IBNR) to the Syndicate.

The ultimate cost of outstanding claims is estimated using a range of techniques including actuarial and statistical projections, benchmarking, case by case review and judgement. Statistical techniques assume that past claims development experience can be used as a basis to project ultimate claims costs. Judgement is used to assess the extent to which past trends may not apply in the future. Case estimates are generally set by skilled claims technicians applying their experience and knowledge to the circumstances of individual claims.

Whilst the Directors consider that the gross provision for claims and the related reinsurance recoveries are fairly stated based on the information currently available to them, the ultimate liability will vary as a result of subsequent information and events.

Underwriting transactions

The underwriting accounts for each year of account are normally kept open for three years before the result on that year is determined. At the end of that three year period, outstanding liabilities can normally be determined with sufficient accuracy to permit the year of account to be closed by payment of a reinsurance to close premium to the successor year of account.

Gross premiums are allocated to years of account on the basis of the inception date of the policy. Commission and brokerage are charged to the year of account to which the relevant policy is allocated. Policies written under binding authorities, lineslips or consortium arrangements are allocated to the year of account into which the arrangement incepts. Additional and return premiums follow the year of account of the original premium. Premiums are shown gross of brokerage payable and exclude taxes and duties levied on them. Estimates are made for pipeline premiums, representing amounts due, but not yet notified to the Syndicate year of account.

Written premium is earned according to the risk profile of the policy. Unearned premiums represent the balance of premiums written in the period to the balance sheet date that relate to unexpired risks of policies in force at that date, calculated on the basis of established earnings patterns or time apportionment as appropriate.

Outwards reinsurance premiums ceded are attributed to the same year as the original risk being produced.

Gross claims paid are allocated to the same year of account as that to which the corresponding premiums are allocated and include internal and external claims settlement expenses. Reinsurance recoveries are allocated to the year of account to which the claim was charged.

2. Accounting policies (continued)

The reinsurance to close premium is determined by reference to the outstanding technical provisions (including those for outstanding claims and unearned premiums, net of deferred acquisition costs and unexpired risks) relating to the closed year and to all previous closed years reinsured therein. Although this estimate of net outstanding liabilities is considered to be fair and reasonable, it is implicit in the estimation procedure that the ultimate liabilities will be at variance from the premium so determined. The reinsurance to close premium transfers the liability in respect of all claims, reinsurance premiums, return premiums and other payments in respect of the closing year (and previous closed years reinsured therein) to the members of the successor year of account and gives them the benefit of refunds, recoveries, premiums due and other income in respect of those years in so far as they have not been credited in these accounts.

The outstanding claims comprise amounts set aside for claims notified and claims incurred but not yet reported (IBNR).

Notified claims are estimated on a case by case basis with regard to the circumstances as reported, any information available from loss adjusters and previous experience of the cost of settling claims with similar characteristics. The amount included in respect of IBNR is based on statistical techniques of estimation applied by the Syndicate's external consulting actuaries. These techniques generally involve projecting from past experience of the development of claims over time to form a view of the likely ultimate claims to be experienced for more recent underwriting, having regard to variations in the business accepted and the underlying terms and conditions. For the most recent years, where a high degree of volatility arises from projections, estimates may be based in part on output from rating and other models of the business accepted and assessments of underwriting conditions.

The provision for claims includes amounts in respect of internal and external claims handling costs.

The reinsurers' share of provisions for claims is based on calculated amounts of outstanding claims and projections for IBNR, net of estimated irrecoverable amounts, having regard to the reinsurance programme in place for the class of business, the claims experience for the year and the current security rating of the reinsurance companies involved.

The Syndicate uses a number of statistical techniques to assist in making the above estimates. The two most critical assumptions as regards claims provisions are that the past is a reasonable predictor of the likely level of claims development and that the rating and other models used for current business are fair reflections of the likely level of ultimate claims to be incurred. The methods used, and the estimates made, are reviewed regularly.

A provision for unexpired risks is created where claims, related expenses and deferred acquisition costs, likely to arise after the balance sheet date in respect of contracts relating to the closing

year of account, are expected to exceed the unearned premiums and premiums receivable under these contracts, after the deduction of any acquisition costs deferred.

The provision for unexpired risks is calculated separately by reference to classes of business which are managed together, after taking into account relevant investment return.

At 31 December 2022 the Syndicate did not have an unexpired risk provision (2021 nil).

Acquisition costs, comprising commission and other internal and external costs related to the acquisition of new insurance contracts are deferred to the extent that they are attributable to premiums at the balance sheet date.

Financial assets and liabilities

In applying FRS 102, the Syndicate has chosen to apply the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement (as adopted for use in the EU).

Financial assets and financial liabilities at fair value through profit and loss comprise financial assets and financial liabilities held for trading and those designated as such on initial recognition. Investments in shares and other variable yield securities, units in unit trusts, and debt and other fixed income securities are designated as at fair value through profit or loss on initial recognition, as they are managed on a fair value basis in accordance with the Syndicate's investment strategy.

Financial instruments are recognised when the Syndicate becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Syndicate's contractual rights to the cash flows from the financial assets expire or if the Syndicate transfers the financial asset to another party without retaining control of substantially all risks and rewards of the asset. A financial liability is derecognised when its contractual obligations are discharged, cancelled, or expire.

Regular way purchases and sales of financial assets are recognised and derecognised, as applicable, on the trade date, i.e. the date that the Syndicate commits itself to purchase or sell the asset.

A financial asset or financial liability is measured initially at fair value plus, for a financial asset or financial liability not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue.

Financial assets at fair value through profit or loss are measured at fair value with fair value changes recognised immediately in profit or loss. Net gains or net losses on financial assets measured at fair value through profit or loss includes foreign exchange gains/losses arising on their translation to the functional currency, but excludes interest and dividend income.

2. Accounting policies (continued)

At each reporting date the Syndicate assesses whether there is objective evidence that financial assets not at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of an asset, and that the loss event has an impact on the future cash flows on the asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes observable data that comes to the attention of the Syndicate about any significant financial difficulty of the issuer, or significant changes in the technological, market, economic or legal environment in which the issuer operates.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

An impairment loss recognised reduces directly the carrying amount of the impaired asset. All impairment losses are recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in profit or loss.

Investment return

Investment return comprises all investment income, realised investment gains and losses and movements in unrealised gains and losses, net of investment expenses, charges and interest.

Dividend income is recognised when the right to receive income is established. Usually this is the ex-dividend date for equity securities. Interest income on financial assets measured at amortised cost is recognised using the effective interest method. For the purpose of separately presenting investment income and unrealised gains and losses for financial assets at fair value through profit or loss, interest income is recognised as it accrues on the next coupon payment.

For investments at fair value through profit or loss, realised gains and losses represent the difference between the net proceeds on disposal and the purchase price. For investments measured at amortised cost, realised gains and losses represents the difference between the net proceeds on disposal and the latest carrying value (or if acquired after the last reporting date, the purchase price).

Unrealised gains and losses on investments represent the difference between the fair value at the balance sheet date and their purchase price. Movements in unrealised investment gains and losses comprise the increase/decrease in the reporting period in the value of the investments held at the reporting date and the reversal of unrealised investment gains and losses recognised in earlier reporting periods in respect of investment disposals of the current period, or the valuation at the beginning of the year; as well as the reversal of previously recognised unrealised gains and losses in respect of investment disposed of in the current period.

Investment return is initially recorded in the non-technical account. The return is transferred in full to the general business technical account to reflect the investment return on funds supporting underwriting business.

Syndicate operating expenses & profit commission

Costs incurred by the Managing Agent in respect of the Syndicate are charged to the Syndicate and included within the relevant profit and loss account heading. Where expenses do not relate to any specific year of account they are apportioned between years of account on a basis which reflects the benefit obtained by each year of account from each type of expense.

Where expenses are incurred jointly by the Managing Agent and the Syndicate, they are apportioned as follows:

- Salaries and Related Costs
According to time of each individual spent on Syndicate matters.
- Accommodation Costs
According to number of personnel.
- Other Costs
As appropriate in each case.
- Profit Commission
Profit commission is charged by the Managing Agent at a rate of 17.5% of profit subject to the operation of a deficit clause. Such commission does not become payable until after the appropriate year of account closes, normally at 36 months.
- Pensions
The Managing Agent operates a defined contribution pension scheme and its recharges to the Syndicate in respect of salaries and related costs include an element for pension costs. These pension costs are expensed in full in the period to which the recharge relates.

Amounts recharged by the Managing Agent include costs arising from the use of assets in the period. These rental costs are expensed in full in the period to which the recharge relates.

2. Accounting policies (continued)

Taxation

Under Schedule 19 of the Finance Act 1993 managing agents are not required to deduct basic rate income tax from trading income. In addition, all UK basic income tax deducted from Syndicate investment income is recoverable by managing agents and consequently the distribution made to members or their members' agents is gross of tax. Capital appreciation falls within trading income and is also distributed gross of tax. It is the responsibility of members to agree and settle their individual tax liabilities with HM Revenue & Customs.

Members resident overseas for tax purposes are responsible for agreeing and settling any tax liabilities with the taxation authorities of their country of residence.

Foreign currencies

The Syndicate's functional currency and presentational currency is GBP.

Transactions denominated in currencies other than the functional currency are initially recorded in the functional currency at the exchange rate ruling at the date of the transactions. Monetary assets and liabilities (which include all assets and liabilities arising from insurance contracts including unearned premiums and deferred acquisition costs) denominated in foreign currencies are retranslated into the functional currency at the exchange rate ruling on the reporting date.

Exchange differences are recorded in the non-technical account.

3. Risk management

Effective from 31 December 2022, the RITC process means that Insurance, Financial, Credit, Liquidity, Market and Capital risks are transferred to the accepting 2021 Year of Account of the Syndicate. Accordingly, these Underwriting Year accounts do not have any associated disclosures as required by section 34 of FRS 102 and FRS 103. Full disclosures relating to these risks are provided in the main Annual accounts of the Syndicate.

4. Particulars of business written

An analysis of the underwriting result before investment return is set out below:

	Gross Premiums Written and Earned £'000	Gross Claims Incurred £'000	Net Operating Expenses £'000	Reinsurance Balance £'000	Total £'000
Direct Insurance:					
Third Party Liability	87,328	(50,329)	(28,049)	418	9,368
Total	87,328	(50,329)	(28,049)	418	9,368

All business is written in the United Kingdom. Analysis by destination is not materially different from the analysis above.

Gross operating expenses are the same as net operating expenses.

5. Analysis of result by year of account

	2019 & prior years of account £'000	2020 Pure Year £'000	2020 Total £'000
Technical account balance before allocated investment return and net operating expenses	6,656	30,762	37,418
Brokerage and commission on gross premium	(166)	(16,243)	(16,409)
	6,490	14,519	21,009
Other acquisition costs	–	(1,774)	(1,774)
Net other expenses	(1,567)	(8,299)	(9,866)
Investment income	1,854	1,561	3,415
Balance on technical account	6,777	6,007	12,784

6. Reinsurance to close premium payable net of reinsurance

	Reported £000	IBNR £000	Total £000
Gross outstanding losses	(126,106)	(50,652)	(176,758)
Reinsurance recoveries anticipated	44,888	18,625	63,513
Net outstanding losses	(81,218)	(32,027)	(113,245)

7. Net operating expenses

	£'000
Acquisition costs	(18,182)
Standard personal expenses	(4,126)
Administration expenses	(5,741)
	(28,049)

	£'000
The closed year profit is stated after charging:	
Auditor's remuneration:	
Fees payable to the Syndicate's auditor for the audit of these financial statements	(110)
Fees payable to the Syndicate's auditor and its associates in respect of:	
Other services pursuant to legislation	(58)
	(168)

8. Investment income

	£'000
Income from investments	2,759
Unrealised gains on investments	174
Unrealised losses on investments	(1,105)
Investment expenses and charges	(666)
	1,162

9. Investments

	Fair Value £'000	Cost £'000
Holdings in collective investment schemes	16,735	17,924
Debt securities and other fixed income securities	80,659	81,324
Overseas deposits	13,009	13,009
Lloyd's Central Fund Loan	1,189	1,189
	111,592	113,446

There was no material change in fair value for financial instruments held at fair value attributable to own credit risk.

The following table shows financial investments recorded at fair value analysed between the three levels in the fair value hierarchy.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
31 December 2022				
Shares and other variable yield securities and units in unit trusts	–	16,735	1,189	17,924
Debt securities and other fixed income securities	–	80,659	–	80,659
Overseas deposits	210	12,799	–	13,009
Total	210	110,193	1,189	111,592

Included in the level 1 category are financial assets that are measured by reference to published quotes in an active market. 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 syndicate, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Included in the level 2 category are financial assets measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions. For example, assets for which pricing is obtained via pricing services but where prices have not been determined in an active market, financial assets with fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using the Syndicate's own models whereby the significant inputs into the assumptions are market observable.

The level 3 category is financial assets measured using a valuation technique (model) based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Therefore, unobservable inputs reflect the Syndicate's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are developed based on the best information available, which might include the Syndicate's own data.

Lloyd's Central Fund Loan is categorized as a Level 3 Investment.

10. Non cash consideration received as part of RITC received

	£'000
Portfolio investments	94,400
Debtors	1,953
Creditors	(2,092)
Non cash consideration received	94,261

11. Movement in cash and portfolio investments net of financing

	At 1 January 2020 £'000	Received within RITC Premium £'000	Cash flow £'000	Unrealised losses & foreign exchange £'000	At 31 December 2022 £'000
Cash	–	18,079	(591)	367	17,855
Deposits with ceding undertakings	–	–	211	–	211
Portfolio Investments	–	94,400	13,608	3,584	111,592
	–	112,479	13,228	3,951	129,658

12. Debtors Arising out of direct insurance operations

	£'000
Due within one year – Intermediaries	106
	106

13. Debtors Arising out of reinsurance operations

	£'000
Due within one year – Intermediaries	–
	–

14. Creditors arising out of direct insurance operations

	£'000
Due within one year	(809)
	(809)

15. Creditors arising out of reinsurance operations

	£'000
Due within one year	(1,115)
	(1,115)

16. Disclosure of interests

Managing Agent's interest

During 2022 Asta was the Managing Agent for twelve Syndicates, two Special Purpose Arrangements and six Syndicates in a Box. Syndicates 1609, 1699, 1729, 1980, 1988, 2288, 2525, 2689, 2786, 3268 and 4242 as well as Special Purpose Arrangements 1416 and 6131 and Syndicates in a Box 4747, 1796, 1902, 2880, 3456 and 5183 were managed on behalf of third party capital providers.

On 1 January 2022, Asta took on the management of Syndicate 1699

On 1 January 2022, Asta took on the management of Syndicate in a box 1902

On 10 February 2022, Asta took on management of Syndicate in a box 2880

On 10 February 2022, Asta reinsured to close Syndicate 1980 into Riverstone Syndicate 3500

On 22 March 2022, Asta took on the management of Syndicate in a box 3456

On 13 May 2022, Asta migrated the management of 3268 to IQUW

On 10 June 2022, Asta took on the management of Syndicate in a box 5183

On 18 July 2022, Asta took on the management of Syndicate in a box 1796

On 1 October 2022, Asta migrated Syndicate 1729 and SPA 6131 to Dale Managing Agency

On 1 January 2023, Asta took on the management of Syndicate 1985

On 1 January 2023, Asta took on the management of Syndicate 1322

17. Related parties

The ultimate parent company of Asta Managing Agency Ltd is Tennessee Topco Ltd following the acquisition of Asta Capital Ltd by the Davies Group Ltd on the 13th July 2022.

Asta provides services and support to Syndicate 2525 in its capacity as Managing Agent. The 2020 year of account was charged managing agency fees of £0.800m. Asta also recharged £2.3m worth of service charges to the 2020 year of account. As at 31 December 2022, nothing was owed to Asta in respect of this service.

There was no residual inter-company balance at the period end.

Syndicate 2525 has recorded £2.711m for profit commission.

From time to time, Syndicates managed by Asta enter into (re)insurance contracts with one another. All such transactions are subject to Asta's internal controls which ensure that all are compliant with Lloyd's Related Party Byelaw provisions. All transactions are entered into on an arms length basis.

18. Post balance sheet event

The 2020 underwriting year result, less members' agents' fees, of £12.3m will be distributed to members during 2023.

Summary of Closed Year Results (Unaudited)

as at 31 December 2022

	2013	2014	2015	2016	2017	2018	2019	2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Syndicate allocated capacity	41,987	42,000	42,203	49,827	47,990	64,365	69,625	79,359
Number of Underwriting members	547	547	542	544	538	583	600	613
Aggregate net premiums	25,501	27,510	30,558	33,193	34,880	46,636	49,957	51,069
Results for an illustrative share of £10,000								
	£	£	£	£	£	£	£	£
Gross premiums	9,415	10,246	11,221	10,095	11,464	11,635	11,495	11,004
Net premiums	6,074	6,550	7,241	6,662	7,268	7,246	7,175	6,435
Reinsurance to close from an earlier account	13,656	13,928	14,596	12,855	14,895	12,296	13,355	13,180
Net claims	(2,446)	(3,467)	(4,304)	(3,068)	(3,967)	(3,527)	(2,966)	(2,922)
Reinsurance to close	(13,764)	(14,642)	(15,225)	(14,391)	(16,489)	(14,480)	(14,741)	(14,270)
Profit/(Loss) on exchange	(32)	37	—	(124)	(52)	(28)	(9)	284
Syndicate operating expenses	(959)	(1,095)	(1,153)	(1,080)	(1,260)	(825)	(941)	(723)
Balance on technical account	2,529	1,311	1,155	854	395	683	1,873	1,984
Investment income less investment expenses and charges and investment gains less losses	116	177	122	109	281	277	90	147
Profit on ordinary activities	2,645	1,488	1,277	963	676	960	1,963	2,131
Illustrative personal expenses								
Managing agent's fee	100	100	100	100	104	101	42	38
Profit commission	432	229	191	137	85	135	100	101
Other personal expenses (excluding members' agents fees)	75	81	87	80	87	85	43	39
	607	410	378	317	276	322	185	178
Profit on ordinary activities after illustrative managing agent's fee and profit commission and illustrative personal expenses	2,038	1,078	900	646	399	638	1,777	1,968
Total of Syndicate operating expenses, managing agent's fee and profit commission	1,491	1,423	1,443	1,317	1,449	1,061	1,083	862
Capacity utilised	76.6%	83.5%	91.2%	82.8%	93.8%	94.4%	93.9%	89.4%
Net capacity utilised	60.7%	65.5%	72.4%	66.6%	72.7%	72.5%	71.8%	64.4%
Underwriting profit ratio	26.8%	12.8%	10.3%	8.5%	3.4%	5.9%	16.3%	18.0%

Notes

1. The summary of closed year results has been prepared from the audited accounts of the Syndicate.
2. Personal expenses have been stated at the amount which would be incurred pro rata by individual Names writing the illustrative premium income in the Syndicate irrespective of any minimum charge applicable. Corporate members may be charged at different rates. Foreign tax, which may be treated as a credit for personal tax purposes, has been excluded.
3. As regards the 2020 year of account, an illustrative share of £10,000 represents 0.0126% of the respective allocated capacity.

Designed and
printed by:



perivan.com