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asta

AG Dore & Others Syndicate 2526

Financial Statements

for the 36 Months Ended 31 December 2014

2012 Closing Year Report and Accounts

Contents

Directors and Administration

MANAGING AGENT:

Managing Agent

Asta Managing Agency Ltd

Directors

T A Riddell (Chairman)*
Y A Bouman
G M J Erulin*
L Harfitt
A J Hubbard*
D J G Hunt
D F C Murphy*
S P A Norton
J W Ramage*
J M Tighe

Non Executive Directors *

Company Secretary

C Chow

Managing Agent's Registered Office

5th Floor
Camomile Court
23 Camomile Street
London
EC3A 7LL

Managing Agent's Registered Number

1918744

SYNDICATE:

Active Underwriter

D J Frost	Appointed 1 January 2014
A G Dore	Resigned 31 December 2013

Bankers

Barclays Plc
Citibank N.A,
RBC Dexia

Investment Managers

Amundi (UK) Limited

Registered Auditors

KPMG LLP, London

Underwriter's Report for the 2012 Closing Year of Account

for the 36 months ended 31 December 2014

2012 Closing Year

I am disappointed to report that for the 2012 year of account the Syndicate has produced a £21m loss before member agent fees, which equates to 38.08% of the capacity.

2012 Year of Account in 2014

Headlines:-

Allocated Capacity	£55.2m
Capacity Utilisation	61.4%
Estimated GWPI (after deduction of brokerage)	£33.9m
Gross Incurred Loss Ratio @ 36 months	46.1%
Net Incurred Loss Ratio @ 36 months	48.5%

Incurred Loss Ratios exclude Incurred but not Reported (IBNR) losses.

The 2012 year of account has been closed with a loss of £21.0m, equating to a 38.1% loss as a percentage of capacity. £3.6m of the loss is in respect of 2012 pure year and £17.4m is from 2011 and prior.

The causes of this loss are numerous and complex but largely arise from loss information on closed years manifesting itself in Q3 and Q4 of 2014 calendar year.

In addition, during the first half of the year it became clear that more recent years of account, in particular the primary PI book, were demonstrating later claims development than had been the case for earlier years. This prompted the ultimate gross claims position to move out by £17.0m.

The PI excess of loss account saw a negative gross incurred claims movement of £4.0m and D&O deteriorated by £6.8m. The D&O performance is attributable to one London market MGA, where the syndicate's exposure was materially reduced in 2012 and was discontinued at the end of 2013. Reinsurance mitigates the impact but additional adjustment premiums are payable.

In light of the above, the Syndicate Board commissioned an independent actuarial review at Q3 and Q4 and an independent review of PI and D&O claims. Both exercises supported the work carried out by the signing actuaries and syndicate claims team, respectively.

More generally, claims deterioration during 2014 seems attributable to those years impacted by the Global Credit Crunch (GCC) and ensuing detrimental economic conditions. However, we need a prolonged period of more stable and lower claims deterioration to evidence this. Nevertheless, from the additional reserving and claims work carried out, we have more confidence in our information on the volatility of the Syndicate's claims portfolio.

D J Frost
Active Underwriter
24 March 2015

Managing Agent's Report for the 2012 Closing Year of Account

for the 36 months ended 31 December 2014

The directors of the Managing Agent present its report at 31 December 2014 for the 2012 closed year of account.

This report is prepared in accordance with the Lloyd's Syndicate Bylaw (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 2012 year of account performance is given in the accompanying Underwriters Report on page 3.

Disclosure of Information to the Auditors

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 auditors are unaware. Having made enquiries of fellow Directors of the agency and the Syndicate's auditors, each Director has taken all the steps that he/she is obliged to take as a Director in order to make he/she aware of any relevant audit information and to establish that the auditors are aware of that information.

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

C Chow
Company Secretary
24 March 2015

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 which are applied consistently and where there are items which affect more than one year of account, ensure a treatment which is equitable between the members of the Syndicate affected. In particular, the amount charged by way of premium in respect of the reinsurance to close shall, where the reinsuring members of the same Syndicate for different years of account, be equitable between them, having regard to the nature and amount of the liabilities reinsured;

- 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 annual 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 Auditors' Report to the Members of Syndicate 2526

2012 Closed Year of Account

We have audited the syndicate underwriting year accounts for the 2012 year of account of syndicate 2526 for the three years ended 31 December 2014, as set out on pages 8 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of the Managing Agent and the auditor

As explained more fully in the Statement of Managing Agent's Responsibilities set out on page 5, the Managing Agent is responsible for the preparation of syndicate underwriting year accounts under the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and in accordance with the Lloyd's Syndicate Accounting Byelaw (no. 8 of 2005), which give a true and fair view.

Our responsibility is to audit, and express an opinion on, the syndicate underwriting year accounts in accordance with applicable legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the syndicate underwriting year accounts

A description of the scope of an audit of accounts is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on syndicate underwriting year accounts

In our opinion the syndicate underwriting year accounts:

- give a true and fair view of the loss for the 2012 closed year of account;
- have been properly prepared in accordance with UK 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).

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; or
- we have not received all the information and explanations we require for our audit.

Mark Taylor (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
London
24 March 2015

Profit and loss account: Technical account – General Business

for the 36 months ended 31 December 2013

	Notes	£'000	£'000
Earned premiums, net of reinsurance			
Gross premiums written	3	42,535	
Outward reinsurance premiums		(10,325)	
			32,210
Reinsurance to close premiums received, net of reinsurance			44,895
Allocated investment return transferred from the non-technical account			870
Claims incurred, net of reinsurance			
Claims paid - gross amount		(29,583)	
- Reinsurers' share		7,910	
Net claims paid		(21,673)	
Reinsurance to close premium payable net of reinsurance	5	(62,618)	
			(84,291)
Net operating expenses	6		(14,699)
Balance on the technical account – general business	4		**(21,015)**

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

The notes on pages 11 to 18 form an integral part of these financial statements.

Profit and loss Account: Non-Technical Account

	Notes	£'000
Balance on the technical account – general business		**(21,015)**
Investment Income	7	1,637
Unrealised gains on investments		25
Unrealised losses on investments		(375)
Investment expenses and charges	7	(417)
		(20,145)
Allocated investment return transferred to general business technical account		870
Loss for the closed year of account		**(21,015)**

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

There are no recognised gains or losses in the accounting period other than those dealt with in the technical and non-technical accounts.

The notes on pages 11 to 18 form an integral part of these financial statements.

Balance sheet

At 31 December 2014

	Notes	£'000	£'000
ASSETS			
Investments	8		30,160
Debtors			
Debtors arising out of direct insurance operations		-	
Debtors arising out of reinsurance operations	9	1,597	
Other debtors, prepayments and accrued income		544	
			2,141
Reinsurance recoveries anticipated on gross reinsurance premiums payable to close the account	5		31,309
Other assets			
Cash at bank and in hand			2,894
Overseas deposits			10,115
TOTAL ASSETS			**76,619**
LIABILITIES			
Amounts due from members	10		(21,319)
Reinsurance to close premiums payable to close the Account – gross amount	5		93,927
Creditors			
Creditors arising out of direct business	11	3,826	
Accruals		185	
			4,011
TOTAL LIABILITIES			**76,619**

The notes on pages 11 to 18 form an integral part of these financial statements.

The Syndicate underwriting year accounts were approved by the Board of Asta Managing Agency Ltd on 13 March 2015 and were signed on its behalf by

D J G Hunt
Director
24 March 2015

Notes to the Financial Statements

for the 36 months ended 31 December 2014

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 and applicable Accounting Standards in the United Kingdom.

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 2012 year of account which has been closed by reinsurance to close at 31 December 2014. Consequently, the balance sheet represents the assets and liabilities of the 2012 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.

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

2. Accounting Policies

Underwriting Transactions

a. 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.

b. 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)

Underwriting Transactions continued

c. The reinsurance to close premium is determined by reference to the outstanding technical provisions (including those for outstanding claims, 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.

d. 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 used 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.

2. Accounting Policies (Continued)

Underwriting Transactions continued

e. 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.

f. 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.

Investment and Investment Return

g. Investment return comprises investment income, realised investment gains and losses and movements in unrealised gains and losses, net of investment expenses and charges. Investment return arising in each calendar year on all the Syndicate's investments is allocated to open years of account in proportion to the average funds available for investment attributable to those years. Investment returns in respect of overseas deposits are allocated to the year of account which funded these deposits.

Realised gains and losses on investments carried at market value are calculated as the difference between sale proceeds and purchase price. Movements in unrealised gains and losses on investments represent the difference between their valuation at the balance sheet date and their purchase price or, if they have been previously valued, their valuation at the end of the previous calendar year, together with the reversal of unrealised gains and losses recognised in earlier calendar years in respect of investment disposals in the current period.

Investment return is initially recorded in the non-technical account. A transfer is made from the non-technical account to the general business technical account to reflect the investment return on funds supporting underwriting business. All investment return is considered to arise on such funds.

Investments are stated at current value at the balance sheet date. For this purpose, listed investments are stated at bid-market value and deposits with credit institutions and overseas deposits are stated at cost. Unlisted investments for which a market exists are stated at the average price at which they were traded on the balance sheet date, or the last trading day before that date.

2. Accounting Policies (Continued)

Syndicate Operating Expenses & Profit Commission

h. 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 15% 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.

Taxation

i. 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 of 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.

2. Accounting Policies (Continued)

Basis of Currency Translation

j. Transactions in US dollars, Canadian dollars and Euros are translated at the date of the transaction or at an approximate average rate. Underwriting transactions denominated in other foreign currencies are included at the rate of exchange at the date the transaction is processed.

Assets and liabilities are re-translated into sterling at the rate of exchange at the balance sheet date.

Although transactions are translated as described above, the final result for the year of account is calculated with US dollars, Canadian dollars and Euros translated at the balance sheet rates of exchange.

Differences arising on the re-translation of foreign currency amounts are included in the technical account under net operating expenses.

Where Euros are sold or bought relating to the profit or loss of a closed underwriting account after 31 December, any exchange profit or loss arising is reflected in the underwriting account into which the liabilities of that year have been reinsured. Where US dollars and Canadian dollars relating to the profit or loss of a closed underwriting account are bought or sold by members on that year, any exchange profit or loss accrues to those members.

3. 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	39,793	(118,947)	(13,900)	72,139	(20,915)
Credit & Suretyship	135	(113)	(53)	6	(25)
	39,928	(119,060)	(13,953)	72,145	(20,940)
Reinsurance	2,607	(4,451)	(746)	1,645	(945)
Total	42,535	(123,511)	(14,699)	73,790	(21,885)

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.

4. Analysis of Result by Year of Account

	2011 & prior years of account £'000	2012 Pure Year £'000	2012 Total £'000
Technical account balance before allocated investment return and net operating expenses	(17,864)	10,678	(7,186)
Brokerage and commission on gross premium	(25)	(8,433)	(8,458)
	(17,889)	2,245	(15,644)
Other acquisition costs	-	(900)	(900)
Other expenses	332	(5,673)	(5,341)
Investment income	104	766	870
Balance on technical account	(17,453)	(3,562)	(21,015)

5. Reinsurance to Close Premium Payable Net of Reinsurance

	Reported £000	IBNR £000	Total £000
Gross outstanding losses	(54,577)	(39,350)	(93,927)
Reinsurance recoveries anticipated	18,961	12,348	31,309
Net outstanding losses	(35,616)	(27,002)	(62,618)

6. Net Operating Expenses

	£'000
Acquisition costs	9,358
Standard personal expenses	859
Administration expenses	4,642
Gain on foreign exchange	(160)
	14,699

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	125
Fees payable to the Syndicate's auditor and its associates in respect of:	
Other services pursuant to legislation	5
	130

The auditor did not receive any other remuneration other than that stated above.

7. Investment Income

	£'000
Income from investments	1,632
Realised gains on investments	5
	1,637
Investment management expense	(34)
Realised losses on investments	(383)
	(417)

8. Investments

	£'000
Shares and other variable yield securities	3,345
Debt securities and other fixed income securities	26,815
	30,160

All debt securities and other fixed income securities are listed on a recognised stock exchange.

All investments are rated AAA to A by external rating agencies.

9. Debtors Arising out of Reinsurance Operations

	£'000
Due within one year	1,597
	1,597

10. Amounts due from Members

	£'000
Loss for the closed year of account	(21,015)
Members' agents' fees paid on behalf of members	(304)
Amounts due from members at 31 December 2014	(21,319)

11. Creditors Arising out of Direct Insurance Operations

	£'000
Due within one year	3,826
	3,826

12. Disclosure of Interests

Managing Agent's interest

Asta is currently the Managing Agent for nine Lloyd's Syndicates. Syndicates 1686, 1729, 1897, 1910, 2357, 2525, 2526, 4242 and 6117 are managed on behalf of third party capital providers.

The agency also provides administrative services to Syndicates and undertakes a number of ancillary roles for clients.

The Financial Statements of the Managing Agency can be obtained by application to the Registered Office (see page 2).

13. Related Parties

Asta provides service and support to Syndicate 2526 in its capacity as Managing Agent. Asta received £0.6m in managing agent's fees and £2.1m in service fees for the 2012 year of account. As at 31 December 2014 nothing was owed to Asta in respect of this service.

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.

Syndicate 2526 uses a service company, Dore Underwriting Services, to write premiums that are not processed through Lloyd's. The service company is owned by AmTrust Group which participates on the Syndicate. AmTrust Group receives no commission for this service.

During 2014 Syndicate 2526 wrote £2.8m in premium income through the service company, £0.3m was to be paid at 31 December 2014, none of this relates to the 2012 year of account.

14. Post Balance Sheet Event

The 2012 underwriting year result, less member's agent's fees, of £21.3m will be called from members during 2015.

Summary of Closed Year Results

	2006 £'000	2007 £'000	2008 £'000	2009 £'000	2010 £'000	2011 £'000	2012 £'000
Syndicate Allocated Capacity	31,775	31,797	31,689	31,815	31,792	50,000	55,188
Number of Underwriting Members	228	244	240	243	277	370	391
Aggregate net premiums	20,945	20,291	21,032	21,495	19,486	25,076	22,852
Results for an illustrative share of £10,000	£	£	£	£	£	£	£
Gross premiums	9,874	10,076	10,551	11,147	10,313	8,634	7,707
Net premiums	6,599	6,381	6,637	6,756	6,129	5,015	4,140
Reinsurance to close from an earlier account	4,801	7,441	8,410	10,184	12,777	7,908	8,135
Net claims	(1,699)	(2,704)	(3,121)	(4,548)	(5,162)	(3,905)	(3,927)
Reinsurance to close	(7,446)	(8,381)	(10,202)	(12,910)	(12,698)	(9,246)	(11,346)
Profit on exchange	763	(123)	(44)	(11)	53	21	29
Syndicate operating expenses	(140)	(148)	(124)	(279)	(514)	(798)	(841)
Balance on technical account	2,878	2,466	1,556	(808)	585	(1,005)	(3,810)
Investment income less investment expenses and charges and investment gains less losses	835	589	301	289	867	159	158
Profit/(loss) on ordinary activities	3,713	3,055	1,857	(519)	869	846	(3,652)
Illustrative personal expenses							
Managing agent's fee	60	60	60	75	75	75	108
Profit commission	575	427	256	-	3	-	-
Other personal expenses (excluding members' agents fees)	100	150	88	92	88	72	48
	735	637	404	167	165	147	156
Profit/(loss) on ordinary activities after illustrative managing agent's fee and profit commission and illustrative personal expenses	2,978	2,418	1,453	(686)	702	(992)	(3,808)
Total of Syndicate operating expenses, managing agent's fee and profit commission	775	635	440	354	592	873	949
Capacity utilised	85.10%	83.98%	88.36%	92.5%	84.8%	67.7%	60.1%
Net capacity utilised	70.36%	70.01%	72.11%	67.6%	61.3%	50.2%	41.4%
Underwriting profit ratio	29.15%	24.17%	14.52%	-7.3%	5.7%	-11.6%	-49.4%

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 2012 year of account, an illustrative share of £10,000 represents 0.02%.