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SYNDICATE 6050

ANNUAL REPORT AND ACCOUNTS

YEAR ENDED
31 DECEMBER 2019

CONTENTS

SYNDICATE 6050
31 DECEMBER 2019

STRATEGIC REPORT OF THE MANAGING AGENT

Overview
Syndicate 6050 (the 'syndicate') was established in 2015 as a special purpose syndicate to write a whole account quota share of syndicates 2623 and 623. It wrote business on the 2015, the 2016 and 2017 years of account.

The capacities of the syndicates managed by Beazley Furlonge Ltd are as follows:

Syndicate Number	Capacity 2019	Capacity 2018
2623	£1,624.0m	£1,554.0m
623	£366.2m	£351.0m
3623	£69.3m	£213.0m
6107	£67.6m	£55.1m
3622	£25.0m	£23.0m
5623	£63.1m	£22.5m
6050	**-**	**-**

The result for syndicate 6050 for the year ended 31 December 2019 is a loss of $25.9k (2018: profit of $2,795.2k).

Year of account results
Syndicate 6050 was established to write a whole account quota share of syndicates 2623 and 623. The cession percentage on the 2017 year of account was 0.85%. There is no contract in place on the 2018 or 2019 year of account. During 2018 the quota share reinsurance contracts between syndicate 6050 and syndicates 2623 and 623 on the 2016 and 2017 year of account were commuted, leaving no technical balances on the syndicate 6050 balance sheet at 31 December 2019.

The 2017 year of account declares a loss on capacity of 2.0%.

Rating environment
Syndicate 6050 did not underwrite any business on the 2019 year of account.

Combined ratio
The combined ratio of an insurance provider is a common measure of its operating performance and represents the ratio of its total costs (excluding foreign exchange movements) to net earned premium. The syndicates combined ratio for 2019 was zero as there were no insurance transactions in the year (2018: 70%).

Claims
The claims ratio of an insurance provider is a measure of the claims experience and represents the ratio of its net insurance claims to net earned premium. The syndicates claim ratio in 2019 was zero (2018: 48%).

Net operating expenses
Net operating expenses, including business acquisition costs and administrative expenses, were nil for 2019 (2018: $2,061.5k). The expense ratio of an insurance provider is a measure of the net operating expenses to net earned premium. The syndicate incurred no expenses in 2019 (2018: 22%). The breakdown of these costs is shown below:

	2019 $'000	2018 $'000
Brokerage costs	-	2,061.5
Total acquisition costs	**-**	**2,061.5**
Administrative and other expenses	-	-
Net operating expenses*	**-**	**2,061.5**

*A further breakdown of net operating expenses can be found in note 4.

Brokerage costs as a percentage of net earned premiums are nil for 2019 (2018: 22%). Brokerage costs are deferred and expensed over the life of the associated premiums in accordance with accounting guidelines.

Administrative expenses comprise primarily IT costs, facilities costs, Lloyd's central costs and other support costs (including foreign exchange gains and losses). No such costs were allocated to the syndicate for 2019 following the commutation.

STRATEGIC REPORT OF THE MANAGING AGENT (continued)

Reinsurance
During 2019, there was no outwards reinsurance spend. In 2018, the amount spent on outward reinsurance was $9.0k.

Reinsurance is purchased for a number of reasons, including;

- to mitigate the impact of catastrophes such as hurricanes; and
- to manage capital to lower levels.

Solvency II
The Solvency II regime came into force on 1 January 2016. Beazley continues to provide Solvency II pillar 3 reporting to Lloyd's for the syndicate. Under Solvency II requirements, the syndicate is required to produce a Solvency Capital Requirement ('SCR') which sets out the amount of capital that is required to reflect the risks contained within the business.

Solvency capital requirement
The current SCR has been established using our Solvency II approved internal model which has been run within the regime as prescribed by Lloyd's. In order to perform the capital assessment, we have made significant investments in both models and process:

- we use sophisticated mathematical models that reflect the key risks in the business allowing for probability of occurrence, impact if they do occur, and interaction between risk types. A key focus of these models is to understand the risk posed to individual teams, and to the business as a whole, of a possible deterioration in the underwriting cycle; and
- the internal model process is embedded so that teams can see the direct and objective link between underwriting decisions and the capital allocated to that team. This gives a consistent and comprehensive picture of the risk/reward profile of the business and allows teams to focus on strategies that improve return on capital.

Outlook
The 2017 underwriting year is the syndicates last year of participation in underwriting the whole account quota share reinsurance of syndicate 623 and 2623. The 2017 year of account will reinsure to close with syndicate 2623.

…………………………
A P Cox
Active underwriter

2 March 2020

SYNDICATE 6050
31 DECEMBER 2019

MANAGING AGENT'S REPORT

The managing agent presents its report for the year ended 31 December 2019.

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 and applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ('FRS102') and Financial Reporting Standard 103: Insurance Contracts ('FRS103').

Principal activities
The principal activity of syndicate 6050 was the transaction of whole account quota share reinsurance with syndicates 623 and 2623 at Lloyd's.

Business review
A review of the syndicate's activities is included in the strategic report.

Risk governance and reporting
Beazley Furlonge Limited's board of directors has the responsibility for defining and monitoring the risk appetite within which Beazley Furlonge Limited and the syndicates operate, with key individuals and committees accountable for day-to-day management of risks and controls. Regular reporting by the risk management team in board meetings and senior management committees ensures that risks are monitored and managed as they arise.

2019 in review
During 2018, the syndicate commuted all outstanding contracts to which it was a party. It is now consequently only exposed to credit risk via a settlement of residual sums due from/(to) syndicates 623 and (2623).

Directors
A list of directors of the managing agent who held office during the year and to the date of this report can be found on page 29. As 2017 is the last year of account on which syndicate 6050 participated and this year of account has reinsured to close with syndicate 2623, these will be the last accounts for 6050. As disclosed in note 1, because 2017 is the last year on which syndicate 6050 participated the accounts have not been prepared on the going concern basis. However this does not impact the valuation of the assets and liabilities.

Disclosure of information to the auditor
The directors of the managing agent who held office at the date of approval of this Managing Agent's Report confirm that, so far as they are each aware, there is no relevant audit information of which the syndicate's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the syndicate's auditor is aware of that information.

Auditor
As there will be no future accounts for syndicate 6050 there is no reappointment of the auditor.

On behalf of the board

…………………………
C C W Jones
Finance director

2 March 2020

STATEMENT OF MANAGING AGENT'S RESPONSIBILITIES

The directors of the managing agent are responsible for preparing the syndicate financial statements in accordance with applicable law and regulations.

The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 requires the directors of the managing agent to prepare their syndicates annual accounts for each financial year. Under that law they have elected to prepare the annual accounts in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

Under Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 the directors of the managing agent must not approve the annual accounts unless they are satisfied that they give a true and fair view of the state of affairs of the syndicate and of the profit or loss of the syndicate for that period. In preparing these financial statements, the directors of the managing agent are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the annual accounts;
- assess the syndicate's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to cease trading, or have no realistic alternative but to do so.

The syndicate is not a going concern, therefore the accounts have not been prepared on a going concern basis, however, there is no impact as a result of this on the valuation of the assets or liabilities of the syndicate.

The directors of the managing agent are responsible for keeping adequate accounting records that are sufficient to show and explain the syndicate's transactions and disclose with reasonable accuracy at any time the financial position of the syndicate and enable them to ensure that the financial statements comply with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors of the managing agent are responsible for the maintenance and integrity of the syndicate and financial information included on the syndicate's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board

....
C C W Jones
Finance director

2 March 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SYNDICATE 6050

Opinion

We have audited the syndicate annual accounts of syndicate 6050 ('the syndicate') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Statement of Changes in Member Balances, Balance Sheet, the Cashflow Statement and the related notes 1 to 10, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including 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 syndicate's affairs as at 31 December 2019 and of its loss 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 below. 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 FRC'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 the 2017 year of account

We draw attention to the Basis of Preparation which explains that syndicate 6050's final year of account (2017) will be closing and all assets and liabilities transferred through a third-party reinsurance to close arrangement. The reinsurance to close of the 2017 year of account occurred in the normal course of business for a syndicate year of account at the 36 months stage of development.

The syndicate has no successor year of account and as a result, syndicate 6050 is no longer a going concern. The syndicate Annual Accounts have been prepared on the basis that the recorded assets and liabilities will be realised and discharged in the normal course of business

Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SYNDICATE 6050

Other information

The other information comprises the information included in the annual report, set out on pages 3 through 6, other than the syndicate annual accounts and our auditor's report thereon. The directors of the managing agent are responsible for the other information.

Our opinion on the syndicate annual accounts does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the syndicate annual accounts, 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on 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 in 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 the 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 where 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 agents' 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 directors of the managing agent

As explained more fully in the Statement of Managing Agent's Responsibilities set out on page 6, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SYNDICATE 6050

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 these syndicate annual accounts.

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

Use of our report

This report is made solely to the 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.

Stuart Wilson (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

2nd March 2020

SYNDICATE 6050
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2019

	Notes	2019 $'000	2018 $'000 (restated)
Gross premiums written		-	256.4
Outward reinsurance premiums		-	(9.0)
Net premiums written		**-**	**247.4**
Change in the gross provision for unearned premiums	7	-	10,610.9
Change in the provision for unearned premiums, reinsurers' share	7	-	(1,487.9)
Change in the net provision for unearned premiums		-	9,123.0
Earned premiums, net of reinsurance		**-**	**9,370.4**
Allocated investment return transferred from the non-technical account	5	-	-
Gross claims paid		-	(20,558.6)
Reinsurers' share of claims paid		-	3,608.7
Claims paid net of reinsurance		-	(16,949.9)
Change in the gross provision for claims	7	-	16,023.6
Change in the provision for claims, reinsurers' share	7	-	(3,608.7)
Change in the net provision for claims		-	12,414.9
Claims incurred, net of reinsurance		**-**	**(4,535.0)**
Net operating expenses	4	**-**	**(2,061.5)**
Balance on the technical account		**-**	**2,773.9**
Investment income	5	-	-
Allocated investment return transferred to general business technical account		-	-
(Loss)/gain on foreign exchange		(25.9)	21.2
(Loss)/gain for the financial year		**(25.9)**	**2,795.1**

All of the above operations have been discontinued.

The notes on pages 14 to 28 form part of these financial statements.

SYNDICATE 6050
STATEMENT OF CHANGES IN MEMBER BALANCES
31 DECEMBER 2019

	2019 $'000	2018 $'000
Member balance brought forward at 1 January	**466.1**	**28.2**
Total comprehensive (loss)/income in the year	(25.9)	2,795.1
Profit distribution before members agent's fees – 2015 YOA	-	(2,357.2)
Profit distribution before members agent's fees – 2016 YOA	(793.5)	
Member balance carried forward at 31 December	**(353.3)**	**466.1**

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 14 to 28 form part of these financial statements.

SYNDICATE 6050
BALANCE SHEET
31 DECEMBER 2019

		2019	2018
ASSETS	**Notes**	**$'000**	**$'000**
Reinsurers' share of technical provisions			
Provision for unearned premiums, reinsurers' share	7	-	-
Claims outstanding, reinsurers' share	7	-	-
		-	**-**
Debtors			
Debtors arising out of reinsurance operations		-	-
Other debtors	6	50.9	466.1
		50.9	**466.1**
Deferred acquisition costs		**-**	**-**
TOTAL ASSETS		**50.9**	**466.1**
LIABILITIES, CAPITAL AND RESERVES			
Capital and reserves			
Member's balances attributable to underwriting participations		(353.3)	466.1
Technical provisions			
Provision for unearned premiums	7	-	-
Claims outstanding	7	-	-
		-	**-**
Creditors			
Creditors arising out of reinsurance operations		-	-
Other Creditors	8	404.2	
		-	**-**
TOTAL LIABILITIES, CAPITAL AND RESERVES		**50.9**	**466.1**

The notes on pages 14 to 28 form part of these financial statements.

The syndicate annual accounts on pages 10 to 28 were approved by the board of Beazley Furlonge Limited on 2 March 2020 and were signed on its behalf by

....
A P Cox (Active underwriter)

....
C C W Jones (Finance director)

SYNDICATE 6050
CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2019

	2019 $'000	2018 $'000
Reconciliation of (loss)/profit for the year to net cash outflow from operating activities		
Total comprehensive (loss)/income in the year	(25.9)	2,795.1
Decrease in net technical provisions	-	(21,519.7)
Decrease in debtors	415.2	20,171.2
Increase/(decrease) in creditors	404.2	(1,137.9)
Decrease in deferred acquisition charges	-	2,048.5
Transfer to members in respect of underwriting participants	(793.5)	(2,357.2)
Net cash inflow from operating activities	**-**	**-**
Cash and cash equivalents at the start of year	**-**	**-**
Cash and cash equivalents at the end of the year	**-**	**-**

The notes on pages 14 to 28 form part of these financial statements.

1. Accounting policies

Basis of preparation

Syndicate 6050 ('the syndicate') comprises a member of the Society of Lloyd's that underwrites insurance business in the London Market. The address of the syndicate's managing agent is given on page 29.

Syndicate 6050 has commuted all (re)insurance contracts it was a party to on all years of account on which it participated. In respect of the 2017 year of account, the syndicate's final year of account, syndicate 6050 is entering into a reinsurance to close arrangement with syndicate 2623. On this basis the syndicate is no longer a going concern. This does not affect the balance sheet valuations in this return.

These syndicate annual accounts have been prepared in accordance with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 ('the Regulations') and applicable Accounting Standards in the United Kingdom and the Republic of Ireland, Financial Reporting Standard 102 'FRS 102' and the applicable Accounting Standard on insurance contracts Financial Reporting Standard 103 'FRS 103'.

The financial statements have been prepared on the basis of other than going concern. While these syndicate accounts have not been prepared on a going concern basis, there is no impact on the valuation of the assets or liabilities of the syndicate. The principal accounting policies applied in the preparation of these syndicate annual accounts are set out below. All amounts presented are stated in US dollars, being the syndicate's functional currency, and in thousands, unless noted otherwise.

Use of estimates and judgements
The preparation of syndicate annual accounts requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the syndicate annual accounts are described in this statement of accounting policies.

The most critical estimate included within the syndicate's financial position is the estimate for losses incurred but not reported. The total estimate as at 31 December 2019 is included within claims outstanding in the balance sheet.

The syndicate annual accounts have been prepared on an annual basis of accounting, whereby the incurred cost of claims, commission and related expenses are charged against the earned proportion of premiums, net of reinsurance as follows:

(a) Premiums
Gross premiums written represent premiums on business commencing in the financial year together with adjustments to premiums written in previous accounting periods and estimates for premiums from contracts entered into during the course of the year. Gross premiums written are stated before deduction of brokerage, taxes, duties levied on premiums and other deductions.

(b) Unearned premiums
The provision for unearned premiums comprises the proportion of premiums written which is estimated to be earned in the following or subsequent financial periods, computed separately for each insurance contract using the daily pro rata method, adjusted if necessary to reflect any variation in the incidence of risk during the period covered by the contract.

(c) Claims
Claims incurred represent the cost of claims and claims handling expenses paid during the financial year, together with the movement in provisions for outstanding claims, claims incurred but not reported ('IBNR') and future claims handling provisions. Reinsurance recoveries are accounted for in the same period as the incurred claims for the related business.

1. Accounting policies (continued)

(c) Claims (continued)

The provision for claims comprises amounts set aside for claims advised and IBNR. The IBNR amount is based on estimates calculated using widely accepted statistical techniques (e.g. chain ladder) which are reviewed annually by external actuaries. The techniques generally use projections, based on past experience of the development of claims over time, to form a view on the likely ultimate claims to be experienced. For more recent underwriting, regard is given to the variations in the business portfolio accepted and the underlying terms and conditions. Thus, the critical assumptions used when estimating claims provisions are that the past experience is a reasonable predictor of likely future claims development and that the rating and other models used to analyse current business are a fair reflection of the likely level of ultimate claims to be incurred.

The reinsurers' share of provisions for claims is based on calculated amounts for 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.

(d) Liability adequacy testing

At each reporting date, liability adequacy tests are performed to ensure the adequacy of the claims liabilities net of DAC and unearned premium reserves. In performing these tests, current best estimates of future contractual cash flows, claims handling and administration expenses as well as investment income from the assets backing such liabilities are used. Any deficiency is immediately charged to the income statement initially by writing off DAC and by subsequently establishing a provision for losses arising from liability adequacy tests ('unexpired risk provision'). There is currently no unexpired risk provision.

(e) Acquisition costs

Acquisition costs comprise brokerage, premium levy and staff-related costs of the underwriters acquiring new business and renewing existing contracts. The proportion of acquisition costs in respect of unearned premiums is deferred at the balance sheet date and recognised in later periods when the related premiums are earned.

(f) Foreign currencies

Foreign currency transactions are translated into the functional currency using average exchange rates applicable to the period in which the transactions take place and where the syndicate considers these to be a reasonable approximation of the transaction rate. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at the period end of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Non-monetary items recorded at historical cost in foreign currencies are translated using the exchange rate on the date of the initial transaction.

In previous years, amounts arising from foreign exchange translation between the converted sterling balances reported to Lloyd's of London and the converted US dollar balances reported in the statutory accounts were recognised in other comprehensive income in order to achieve consistency between the two reports. A more direct interpretation of the requirements of FRS 102 would require these amounts to be recognised through profit or loss.

This revised interpretation has been applied in the current and prior period. For the year ended 31 December 2018, a reclassification of $97.0k has been made between gain on foreign exchange in the profit and loss account and foreign exchange loss on brought forward reserves in the statement of other comprehensive income. Subsequently the statement of other comprehensive income is no longer required as the loss on brought forward reserves is nil, therefore we have applied a change in accounting policy to combine the profit and loss account and statement of other comprehensive income into a single statement of comprehensive income.

1. Accounting policies (continued)

(g) 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 US Federal Income Tax payable 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'. No provision has been made for any other overseas tax payable by members on underwriting results.

(h) Ceded reinsurance
These are contracts entered into by the syndicate with reinsurers under which the syndicate is compensated for losses on contracts issued by the syndicate and that meet the definition of an insurance contract. Insurance contracts entered into by the syndicate under which the contract holder is another insurer (inwards reinsurance) are included with insurance contracts.

Any benefits to which the syndicate is entitled under its reinsurance contracts held are recognised as reinsurance assets. These assets consist of balances due from reinsurers and include reinsurers' share of provisions for claims. These balances are 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 period and the current security rating of the reinsurer involved. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

The syndicate assesses its reinsurance assets for impairment. If there is objective evidence of impairment, then the carrying amount is reduced to its recoverable amount and the impairment loss is recognised in profit or loss.

(i) Insurance debtors and creditors
Insurance debtors and creditors are recognised when due. These include amounts due to and from agents, brokers and insurance contract holders. These are classified as insurance debtors and creditors as they are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. Insurance debtors are measured at amortised cost less any provision for impairments. Insurance creditors are stated at amortised cost less any impairment losses.

(j) Other debtors
Other debtors are carried at amortised cost less any impairment losses.

(k) Other creditors
Other creditors are stated at amortised cost determined on the effective interest rate method.

2. Risk management

The syndicate has identified the risks arising from its activities and has established policies and procedures to manage these items in accordance with its risk appetite. The sections below outline the syndicate's risk appetite and explain how it defines and manages each category of risk. These risks closely relate to the risks experienced by syndicates 2623 and 623, of which syndicate 6050 wrote a whole account quota share.

2.1 Insurance risk
The syndicate's insurance business assumed the risk of loss from persons or organisations that are directly exposed to an underlying loss. Insurance risk arises from this risk transfer due to inherent uncertainties about the occurrence, amount and timing of insurance liabilities. The four key components of insurance risk are underwriting, reinsurance, claims management and reserving. Each element is considered below.

2. Risk management (continued)

a) Underwriting risk

Underwriting risk comprises four elements that apply to all insurance products offered by the syndicate:

- cycle risk – the risk that business is written without full knowledge as to the (in)adequacy of rates, terms and conditions;
- event risk – the risk that individual risk losses or catastrophes lead to claims that are higher than anticipated in plans and pricing;
- pricing risk – the risk that the level of expected loss is understated in the pricing process; and
- expense risk – the risk that the allowance for expenses and inflation in pricing is inadequate.

We manage and model these four elements in the following three categories: attritional claims, large claims and catastrophe events.

The host syndicate's underwriting strategy is to seek a diverse and balanced portfolio of risks in order to limit the variability of outcomes. This is achieved by accepting a spread of business over time, segmented between different products, geography and size.

The annual business plans for each underwriting team reflect the syndicate's underwriting strategy, and set out the classes of business, the territories and the industry sectors in which business is to be written. These plans are approved by the board of Beazley Furlonge Limited and monitored by the underwriting committee.

The host syndicate's underwriters calculate premiums for risks written based on a range of criteria tailored specifically to each individual risk. These factors include but are not limited to the financial exposure, loss history, risk characteristics, limits, deductibles, terms and conditions and acquisition expenses.

The syndicate also recognises that insurance events are, by their nature, random, and the actual number and size of events during any one year may vary from those estimated using established statistical techniques.

To address this, the host syndicate sets out the exposure that it is prepared to accept in certain territories to a range of events such as natural catastrophes and specific scenarios which may result in large industry losses. This is monitored through regular calculation of realistic disaster scenarios ('RDS'). The aggregate position is monitored at the time of underwriting a risk, and reports are regularly produced to highlight the key aggregations to which the syndicate is exposed.

The syndicate uses a number of modelling tools to monitor its exposures against the agreed risk appetite set and to simulate catastrophe losses in order to measure the effectiveness of its reinsurance programmes.

Stress and scenario tests are also run using these models. The range of scenarios considered include natural catastrophes, cyber, marine, liability, political, terrorism and war events.

One of the largest types of event exposure relates to natural catastrophe events such as windstorm or earthquake. Where possible the syndicate measures geographic accumulations and uses its knowledge of the business, historical loss behaviour and commercial catastrophe modelling software to assess the expected range of losses at different return periods. Upon application of the reinsurance coverage purchased, the key gross and net exposures are calculated on the basis of extreme events at a range of return periods.

To manage underwriting exposures, the syndicate has developed limits of authority and business plans which are binding upon all staff authorised to underwrite and are specific to underwriters, classes of business and industry. In 2019, the normal maximum line that any one underwriter could commit the managed syndicates to was nil.

These authority limits are enforced through a comprehensive sign-off process for underwriting transactions including dual sign-off for all line underwriters and peer review for all risks exceeding individual underwriters authority limits. Exception reports are also run regularly to monitor compliance.

2. Risk management (continued)

All underwriters also have a right to refuse renewal or change the terms and conditions of insurance contracts upon renewal. Rate monitoring details, including limits, deductibles, exposures, terms and conditions and risk characteristics are also captured and the results are combined to monitor the rating environment for each class of business.

Binding Authority contracts
A proportion of the host syndicate's insurance risks are transacted by third parties under delegated underwriting authorities. Each third party is thoroughly vetted by our coverholder approval group before it can bind risks, and is subject to rigorous monitoring to maintain underwriting quality and confirm on-going compliance with contractual guidelines.

Operating divisions
In 2019, the syndicate had no written premiums.

b) Reinsurance risk
Reinsurance risk to the syndicate arises where reinsurance contracts put in place to reduce gross insurance risk do not perform as anticipated, result in coverage disputes or prove inadequate in terms of the vertical or horizontal limits purchased. Failure of a reinsurer to pay a valid claim is considered a credit risk which is detailed separately below.

The syndicate's reinsurance programmes complement the underwriting team business plans and seek to protect syndicate capital from an adverse volume or volatility of claims on both a per risk and per event basis. In some cases the syndicate deems it more economic to hold capital than purchase reinsurance. These decisions are regularly reviewed as an integral part of the business planning and performance monitoring process.

The group's reinsurance security committee ('RSC') examines and approves all reinsurers to ensure that they possess suitable security. The syndicate's ceded reinsurance team ensures that these guidelines are followed, undertakes the administration of reinsurance contracts, monitors and instigates our responses to any erosion of the reinsurance programmes.

c) Claims management risk
Claims management risk may arise within the syndicate in the event of inaccurate or incomplete case reserves and claims settlements, poor service quality or excessive claims handling costs. These risks may damage the Beazley brand and undermine its ability to win and retain business or incur punitive damages. These risks can occur at any stage of the claims life-cycle.

The syndicate's claims teams are focused on delivering quality, reliability and speed of service to both internal and external clients. Their aim is to adjust and process claims in a fair, efficient and timely manner, in accordance with the policy's terms and conditions, the regulatory environment, and the business's broader interests. Case reserves are set for all known claims liabilities, including provisions for expenses, as soon as a reliable estimate can be made of the claims liability.

d) Reserving and ultimate reserves risk
Reserving and ultimate reserves risk occurs within the syndicate where established insurance liabilities are insufficient through inaccurate forecasting, or where there is inadequate allowance for expenses and reinsurance bad debts in provisions.

To manage reserving and ultimate reserves risk, our actuarial team uses a range of recognised techniques to project gross premiums written, monitor claims development patterns and stress test ultimate insurance liability balances. An external independent actuary also performs an annual review to produce a statement of actuarial opinion for the syndicate.

The objective of the syndicate's reserving policy is to produce accurate and reliable estimates that are consistent over time and across classes of business. The estimates of gross premiums written and claims prepared by the actuarial department are used through a formal quarterly peer review process to independently test the integrity of the estimates produced by the underwriting teams for each class of business. These meetings are attended by senior management, senior underwriters, actuarial, claims, and finance representatives.

2. Risk management (continued)

A five percent increase or decrease in total claims liabilities would have the following effect on profit or loss and equity:

Sensitivity to insurance risk (claims reserves)	**5% increase in net claims reserves 2019 $'000**	**5% increase in net claims reserves 2018 $'000**	**5% decrease in net claims reserves 2019 $'000**	**5% decrease in net claims reserves 2018 $'000**
Impact on profit and equity	-	-	-	-

The syndicate also monitors its exposure to insurance risk by location. The below table provides an analysis of the geographical breakdown of the written premiums of syndicate 623 and 2623, of which syndicate 6050 writes a whole account quota share. The syndicate did not underwrite any business on the 2019 year of account.

Concentration of insurance risk

	2019 %	**2018 %**
US	-%	63%
Europe	-%	15%
Other	-%	22%
Total	**-%**	**100%**

2.2 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.

2.3 Strategic risk
This is the risk that Beazley Furlonge Limited's strategy is inappropriate or that Beazley Furlonge Limited is unable to implement its strategy. Where events supersede the strategic plan this is escalated at the earliest opportunity through Beazley Furlonge Limited's monitoring tools and governance structure.

2.4 Market risk
Market risk arises where the value of assets and liabilities changes as a result of movements in foreign exchange rates, interest rates and market prices.

Foreign exchange risk
The functional currency of the syndicate is US dollar and the presentation currency in which the syndicate reports its results is US dollar. The effect of this on foreign exchange risk is that the syndicate is exposed to fluctuations in exchange rates for non-dollar denominated transactions and net assets.

The syndicate deals in four main currencies: US dollars, sterling, Canadian dollars and euros. Transactions in all currencies are converted to US dollars on initial recognition and revalued at the reporting date.

2. Risk management (continued)

The following table summarises the carrying value of total assets and total liabilities categorised by currency:

31 December 2019	UK £ $'000	CAD $ $'000	EUR € $'000	Subtotal $'000	US $ $'000	Total $'000
Total assets	(72.9)	19.9	-	(53.0)	103.9	50.9
Total liabilities	(783.2)	-	-	(783.2)	379.0	(404.2)
Net assets	**(856.1)**	**19.9**	**-**	**(836.2)**	**482.9**	**(353.3)**

31 December 2018	UK £ $'000	CAD $ $'000	EUR € $'000	Subtotal $'000	US $ $'000	Total $'000
Total assets	(36.1)	19.3	-	(16.8)	482.9	466.1
Total liabilities	-	-	-	-	-	-
Net assets	**(36.1)**	**19.3**	**-**	**(16.8)**	**482.9**	**466.1**

The majority of the syndicates assets and liabilities are in USD. The syndicate is exposed to changes in net assets resulting from changes in foreign exchange rates.

Sensitivity analysis
Fluctuations in the syndicate's trading currencies against the US dollar would result in a change to profit and net asset value. The table below gives an indication of the impact on profit and net assets of a percentage change in relative strength of US dollar against the value of sterling, Canadian dollar and euro, simultaneously. The analysis is based on the current information available.

Change in exchange rate of sterling, Canadian dollar and euro relative to US dollar	Impact on profit for the year ended 2019 $'000	Impact on profit for the year ended 2018 $'000	Impact on net assets 2019 $'000	Impact on net assets 2018 $'000
Dollar weakens 30% against other currencies	(250.9)	(5.0)	(250.9)	(5.0)
Dollar weakens 20% against other currencies	(167.2)	(3.4)	(167.2)	(3.4)
Dollar weakens 10% against other currencies	(83.6)	(1.7)	(83.6)	(1.7)
Dollar strengthens 10% against other currencies	83.6	1.7	83.6	1.7
Dollar strengthens 20% against other currencies	167.2	3.4	167.2	3.4
Dollar strengthens 30% against other currencies	250.9	5.0	250.9	5.0

Interest rate risk
Interest rate risk is not a material risk for the syndicate.

Price risk
Price risk is not a material risk to the syndicate.

2. Risk management (continued)

2.5 Operational risk

Operational risk arises from the risk of losses due to inadequate or failed internal processes, people, systems, service providers or from external events.

There are a number of business activities for which the syndicate uses the services of a third-party company, such as data entry and credit control. These service providers are selected against rigorous criteria and formal service level agreements are in place, and regularly monitored and reviewed.

Beazley Furlonge Limited also recognises that it is necessary for people, systems and infrastructure to be available to support the syndicate's operations and has therefore taken significant steps to mitigate the impact of business interruption which could follow a variety of events, including the loss of key individuals and facilities. The syndicate operates a formal disaster recovery plan which, in the event of an incident, allows the movement of critical operations to an alternative location within 24 hours.

Beazley Furlonge Limited actively manages operational risks and minimises them where appropriate. This is achieved by implementing and communicating guidelines to staff and other third parties. Beazley Furlonge Limited also regularly monitors the performance of its controls and adherence to these guidelines through the risk management reporting process.

Key components of Beazley Furlonge Limited's operational control environment include:

- solvency capital requirement (SCR) modelling of operational risk exposure and scenario testing;
- management review of activities;
- documentation of policies and procedures;
- preventative and detective controls within key processes;
- contingency planning; and
- other systems controls.

2.6 Credit risk

Credit risk arises from the failure of another party to perform its financial or contractual obligations to the syndicate in a timely manner. The primary sources of credit risk for the syndicate are:

- reinsurers – whereby reinsurers may fail to pay valid claims against a reinsurance contract held by the syndicate;
- brokers and coverholders – whereby counterparties fail to pass on premiums or claims collected or paid on behalf of the syndicate;

The syndicate's core business is to accept significant insurance risk and the appetite for other risks is low. This protects the syndicate's capital from erosion so that it can meet its insurance liabilities.

The syndicate limits exposure to a single counterparty or a group of counterparties and analyses the geographical locations of exposures when assessing credit risk.

An approval system also exists for all new brokers, and broker performance is carefully monitored. Regular exception reports highlight trading with non-approved brokers, and the syndicate's credit control function frequently assesses the ageing and collectability of debtor balances. Any large, aged items are prioritised and where collection is outsourced, incentives are in place to support these priorities.

The syndicate has developed processes to formally examine all reinsurers before entering into new business arrangements. New reinsurers are approved by the RSC, which also reviews arrangements with all existing reinsurers at least annually. Vulnerable or slow-paying reinsurers are examined more frequently.

To assist in the understanding of credit risks, A.M. Best, Moody's and Standard & Poor's (S&P) ratings are used. These ratings have been categorised below as used for Lloyd's reporting:

	A.M. Best	Moody's	S&P
Tier 1	A++ to A-	Aaa to A3	AAA to A-
Tier 2	B++ to B-	Baa1 to Ba3	BBB+ to BB-
Tier 3	C++ to C-	B1 to Caa	B+ to CCC
Tier 4	D,E,F,S	Ca to C	R,(U,S) 3

2. Risk management (continued)

The following tables summarise the syndicate's concentrations of credit risk:

31 December 2019	**Tier 1 $'000**	**Tier 2 $'000**	**Tier 3 $'000**	**Tier 4 $'000**	**Unrated $'000**	**Total $'000**
Reinsurance debtors	-	-	-	-	-	-
Reinsurers' share of outstanding claims	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

31 December 2018	**Tier 1 $'000**	**Tier 2 $'000**	**Tier 3 $'000**	**Tier 4 $'000**	**Unrated $'000**	**Total $'000**
Reinsurance debtors	-	-	-	-	-	-
Reinsurers' share of outstanding claims	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

Based on all evidence available, debtors arising out of insurance operations and other debtors have not been impaired and no impairment provision has been recognised in respect of these assets. The syndicate has no insurance debtors and reinsurance assets that are past due but not impaired at the reporting date.

2.7 Regulatory and legal risk
Regulatory and legal risk is the risk arising from not complying with regulatory and legal requirements. The operations of Beazley Furlonge Limited are subject to legal and regulatory requirements within the jurisdictions in which it operates and Beazley Furlonge Limited's compliance function is responsible for ensuring that these requirements are adhered to.

2.8 Liquidity risk
Liquidity risk arises where cash may not be available to pay obligations when due at a reasonable cost. As syndicate 6050 is a special purpose syndicate and has no cash at the balance sheet date, liquidity risk is not material to the syndicate.

2.9 Senior management responsibilities
Management stretch is the risk that business growth might result in an insufficient or overly complicated management team structure, thereby undermining accountability and control within the syndicate. As the syndicate expands its worldwide business in the UK, US, Europe and Asia, management stretch may make the identification, analysis and control of risks more complex.

On a day-to-day basis, Beazley Furlonge Limited's management structure encourages organisational flexibility and adaptability, while ensuring that activities are appropriately co-ordinated and controlled. By focusing on the needs of their customers and demonstrating both progressive and responsive abilities, staff, management and outsourced service providers are expected to excel in service and quality. Individuals and teams are also expected to transact their activities in an open and transparent way. These behavioural expectations reaffirm low risk tolerance by aligning interests to ensure that routine activities, projects and other initiatives are implemented to benefit and protect resources of both local business segments and the syndicate as a whole.

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

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

2. Risk management (continued)

Although, as described below, 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 respectively, not at syndicate level. Accordingly the capital requirement in respect of syndicate 6050 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 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(s) 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 2019 was 35% (2018:35%) 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) and/or as the member's share of the solvency II members' balances on each syndicate on which it participates.

3. Segmental analysis

The syndicate has not undertaken any activity during the year.

4. Net operating expenses

	2019 $'000	2018 $'000
Acquisition costs	-	11.2
Change in deferred acquisition costs	-	2,050.3
Administrative expenses	-	-
	-	**2,061.5**

Administrative expenses paid by Beazley Management Limited on behalf of syndicate 6050 include:

	2019 $'000	2018 $'000
Fees payable to the syndicate's auditor for the audit of these syndicates accounts	12.2	12.9
Fees payable to the syndicate's auditor and its associates in respect of:		
Other services pursuant to legislation	21.6	36.0
	33.8	**48.9**

5. Net investment income

	2019 $'000	2018 $'000
Allocated investment income *	-	-

* The above investment income is allocated to syndicate 6050 by syndicates 2623 and 623 under the quota share agreements in place.

6. Other Debtors

	2019 $'000	2018 $'000
Amount due from members	35.6	69.0
Amount due from syndicate 623	15.3	18.1
Amount due from syndicate 2623	-	379.0
Total Debtors	**50.9**	**466.1**

7. Technical provisions

	Provision for unearned premium $'000	Claims outstanding $'000
Gross technical provisions		
As at 1 January 2019	-	-
Movement in the provision	-	-
Exchange adjustments	-	-
As at 31 December 2019	**-**	**-**
Reinsurers' share of technical provisions		
As at 1 January 2019	-	-
Movement in the provision	-	-
Exchange adjustments	-	-
As at 31 December 2019	**-**	**-**
Net technical provisions		
As at 1 January 2019	-	-
As at 31 December 2019	**-**	**-**

	Provision for unearned premium $'000	Claims outstanding $'000
Gross technical provisions		
As at 1 January 2018	10,601.8	16,012.0
Movement in the provision	(10,610.9)	(16,023.6)
Exchange adjustments	9.1	11.6
As at 31 December 2018	**-**	**-**
Reinsurers' share of technical provisions		
As at 1 January 2018	1,487.4	3,606.7
Movement in the provision	(1,487.9)	(3,608.7)
Exchange adjustments	0.5	2.0
As at 31 December 2018	**-**	**-**
Net technical provisions		
As at 1 January 2018	9,114.4	12,405.3
As at 31 December 2018	**-**	**-**

7. Technical Provisions (continued)

Gross Claims Development

	2015 %	2016 %	2017 %	Total
12 months	63.0	63.8	72.6	
24 months	57.8	63.1	67.7	
36 months	54.3	58.1	67.7	
48 months	54.3	58.1	-	
60 months	54.3	-	-	
Total ultimate losses	9,276.6	11,553.7	12,825.8	33,656.1
Less paid claims	(9,276.6)	(11,553.7)	(12,825.8)	(33,656.1)
Less unearned portion of ultimate losses	-	-	-	-
Gross claims liabilities	**-**	**-**	**-**	**-**

Net Claims Development

	2015 %	2016 %	2017 %	Total
12 months	60.4	61.0	67.9	
24 months	56.0	61.0	68.1	
36 months	52.6	55.4	68.1	
48 months	52.6	55.4	-	
60 months	52.6	-	-	
Total ultimate losses	7,437.4	9,337.8	11,023.3	27,798.5
Less paid claims	(7,437.4)	(9,337.8)	(11,023.3)	(27,798.5)
Less unearned portion of ultimate losses	-	-	-	-
Net claims liabilities	-	-	-	-

Syndicate 6050 did not underwrite any business on the 2018 and 2019 years of account.

8. Other Creditors

	2019 $'000	2018 $'000
Amount due to syndicate 2623	404.2	-
Total Creditors	**404.2**	**-**

9. Related parties transactions

The business written by syndicate 6050 was ceded from syndicates 2623 and 623. As at the balance sheet date, the syndicate has no intercompany balances outstanding with the managing agent. The intercompany positions with other syndicates managed by Beazley Furlonge Limited at 31 December 2019 are disclosed above in note 6 (other debtors) and note 8 (other creditors).

Syndicate 6050 entered into a commutation agreement with syndicate 623 and syndicate 2623 during 2018 on the 2016 and 2017 year of account contracts.

Beazley Furlonge Limited, the managing agent of syndicate 6050, is a wholly-owned subsidiary of Beazley plc. The directors of Beazley Furlonge Limited during the period covered by these syndicate annual accounts who participated on syndicate 623, managed by the managing agent, indirectly through Beazley Staff Underwriting Limited are as follows:

	2018 year of account underwriting capacity £	2019 year of account underwriting capacity £
M R Bernacki*	400,000	n/a
M L Bride*	400,000	n/a
A P Cox	400,000	400,000
D A Horton	400,000	400,000
A S Pryde	n/a	300,000
I Fantozzi	n/a	300,000

* M R Bernacki and M L Bride stepped down from the board in 2019.

9. Related parties transactions (continued)

	Shareholding of Beazley plc as at 31 December 2019	Shareholding of Beazley plc as at 31 December 2018
D L Roberts* - chairman	50,750	41,300
M R Bernacki (resigned 30/04/2019)	n/a	293,443
G P Blunden*	27,000	40,000
M L Bride (resigned 27/06/2019)	n/a	169,643
S M Lake (appointed 14/06/2019)	50,000	n/a
A P Cox - active underwriter	905,082	785,756
A Crawford-Ingle* (resigned 31/05/2019)	n/a	34,207
N H Furlonge*	355,584	355,584
D A Horton – chief executive officer	1,834,136	1,716,766
R Stuchbery*	62,500	62,500
K W Wilkins*	14,000	14,000
C C W Jones (appointed finance director 27/06/2019)	43,384	n/a
A S Pryde (appointed 11/06/2019)	130,227	n/a
A J Reizenstein* (appointed 09/04/2019)	10,000	n/a
I Fantozzi (appointed 13/03/2019)	115,376	n/a

* Non-executive director

Beazley plc has the following service companies (managing general agents):
• Beazley Solutions Limited – (UK & Europe);
• Beazley Solutions International Limited – (Europe);
• Beazley Underwriting Pty Ltd – (Australia);
• Beazley Leviathan Limited – (UK & Europe);
• Beazley USA Services, Inc. – (USA);
• Beazley Canada Limited – (Canada);
• Beazley Limited – (Hong Kong); and
• Beazley Pte Limited – (Singapore).

All of the above companies are coverholders for syndicates 623 and 2623 (the 'syndicates') and write business either directly for the syndicates or via Lloyd's Brussels. Beazley Underwriting Pty Ltd is also a coverholder for syndicate 3623.

The syndicates are charged commissions for the type of business underwritten by these companies. The commission is based on the costs incurred by these service companies in generating the business on behalf of the syndicates. As Beazley plc owns 100% of the share capital, it could receive profits from these entities in the future from the business underwritten by the names on syndicate 623.

10. Exchange Rates

The syndicate used the following exchange rates to translate foreign currency assets, liabilities, income and expenses into US dollars, being the syndicate's presentational currency:

	2019		2018	
	Average	Year end spot	Average	Year end spot
Sterling	0.79	0.76	0.75	0.78
Canadian dollars	1.33	1.32	1.29	1.36
Euro	0.89	0.90	0.84	0.87

SYNDICATE 6050
MANAGING AGENT CORPORATE INFORMATION
YEAR ENDED 31 DECEMBER 2019

Beazley Furlonge Limited has been the managing agent of syndicate 6050 throughout the period covered by this report and the registered office is Plantation Place South, 60 Great Tower Street, London EC3R 5AD.

Directors

D L Roberts*- chairman
M R Bernacki (resigned 30/04/2019)
G P Blunden*
M L Bride (resigned 27/06/2019)
S M Lake (appointed 14/06/2019)
A P Cox - active underwriter
A Crawford-Ingle* (resigned 31/05/2019)
N H Furlonge*
D A Horton - chief executive officer
R Stuchbery*
K W Wilkins*
C C W Jones (appointed finance director 27/06/2019)
A S Pryde (appointed 11/06/2019)
A J Reizenstein (appointed 09/04/2019)
I Fantozzi (appointed 13/03/2019)

* Non-executive director.

Secretary
C P Oldridge

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