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AmTrust at Lloyd's Limited: Syndicate 44

Syndicate Annual Accounts

31 December 2015

Contents

Directors and advisers

Managing Agent

Managing Agent	AmTrust at Lloyd's Limited
Directors	Donal Barrett Jeremy Cadle Max Caviet Histasp Contractor Peter Dewey Joanne Fox Brian Jackson Bjorn Jansli Michael Sibthorpe George Sweatman Gary Ross (resigned 20 May 2015) Elisabetta Tenenti (resigned 31 March 2015)
Secretary	Donal Barrett
Registered Office	1 Great Tower Street London EC3R 5AA
Registered Number	3043923

Syndicate:

Active Underwriter	Martin Herrick
Bankers	Barclays Bank PLC Citibank N.A.
Independent Auditors	BDO LLP

Report of the directors of the Managing Agent

The directors of the Managing Agent present their report for the year ended 31 December 2015.

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 ("the Regulations").

Managing Agent

The Managing Agent of the Syndicate, together with its capital provider AmTrust Corporate Member Two Limited are wholly owned by AmTrust International Limited, a subsidiary of AmTrust Financial Services Inc. The change of control of the Managing Agent took place on 23 December 2013 and 2014 and 2015 have been years of transition and consolidation.

Being part of a major financial institution has provided greater capital flexibility and work continues to capitalise on efficiencies and opportunities that the group provides.

Members' balances

The members' balances on the balance sheet show a deficit of £216k (2014: deficit £1,361k). The Syndicate does not hold sufficient capital to cover the members' balances net liability position and the solvency adjustment required for regulatory purposes in accordance with the PRA handbook. However, the sole corporate member, AmTrust Corporate Member Two Limited, holds funds at Lloyd's of £9,181k on behalf of the Syndicate, which in accordance with GENPRU 2.3.34 R can be used to support the solvency position of the Syndicate. The ability of the Syndicate to meet its obligations as they fall due is underpinned by the support provided by the Lloyd's solvency process and its chain of security.

Business review

Principal Activities

The principal activity of the Syndicate is the transaction of term life assurance business. The portfolio consists of life business written mainly within the United Kingdom and Europe with a small number of risks written internationally. The maximum term written by the life syndicate is 10 years.

For 2015, the Syndicate continued to concentrate its activities on writing group life and life schemes with a minimal emphasis on writing individual business.

The total capacity for the 2015 underwriting year was £12.5 million (2014 - £10million). Following the encouraging signs witnessed during 2015 with new business shown to the Syndicate, the capacity for 2016 has been increased to £15.0 million.

AmTrust Corporate Member Two Limited is the sole capital provider for Syndicate 44 from the 2008 underwriting year of account onwards.

Results

	2015	2014
	£000	£000
Gross premiums written	**16,870**	15,267
Earned premiums, net of reinsurance	**16,220**	14,669
Claims incurred, net of reinsurance	**(6,549)**	(4,140)
Changes in Technical Provisions	**69**	(1,527)
Net operating expenses	**(7,599)**	(6,955)
Investment return	**1**	-
Other non-technical income	**120**	61
Profit for the period	**2,262**	2,108

Report of the directors of the Managing Agent *(continued)*

The result for the calendar year 2015 is a profit of £2,262k (2014 – £2,108k).

The Syndicate continues to grow and meet or exceed its plans. Having made profits on a Year of Account basis since 2010 it is pleasing to see this being represented again in the Annual Accounts with a respectable profit to income ratio. The factors behind our continuing good results are:

- Our income continues to grow year on year.
- The increased income reduces the impact of the expenses which have not increased by as much in percentage terms.
- The loss ratios on all Years of Account remain below those allowed for in the Syndicate Business Forecasts.
- The long term plan of moving scheme renewal dates to earlier in the year to avoid the majority of the business being 'written' in December continues to be implemented, which means the increase in business written is recognised earlier on an annually accounted basis.
- The Syndicate continues to hold its investments in cash and money market funds and therefore we derive our result from underwriting profit rather than investment income.

This result will allow us to broaden our risk appetite in the future whilst still maintaining a combined loss ratio within plan, given the decreasing impact of the expense base as we continue to grow.

Development of underwriting years of account

The 2013 underwriting year closed with a profit after all expenses of £1,107k (2012 - a profit of £1,117k), being 15.82% of capacity. This result will be paid to the capital provider in June 2016.

Principal risks and uncertainties

AmTrust at Lloyd's Limited has a formal risk management programme to analyse its risk profile and adopt risk mitigation strategies. Risk identification, assessments and control reviews are updated and refreshed regularly to ensure that risk management adapts to changing conditions and that risk mitigation is continuously strengthened.

The Managing Agent has a risk committee which meets regularly to review and update the risk register, risk appetite and monitor performance of risk controls and reports to the Board on a quarterly basis. Reportable changes to the risk profile being defined within the Syndicate's risk management policy.

The risk management programme is controlled by the Chief Risk Officer ("CRO") who provides guidance and support for risk management practice across the entity. Responsibility for risk management is spread throughout the organisation and is embedded in the operational responsibilities of each executive director. The CRO works together with Actuarial on the risk based capital modelling; and with Compliance and Internal Audit on other specific initiatives to evaluate and address risk.

During 2015, the implementation of Solvency II has been progressed in line with the regulatory timetables and guidelines.

The principal risks and uncertainties facing the Syndicate, as detailed in Note 4 to the financial statements, are as follows:

- Insurance risk
- Investment risk
- Credit risk
- Market risk
- Liquidity risk
- Operational risk
- Regulatory risk

Report of the directors of the Managing Agent *(continued)*

Future development

The Syndicate's capacity for 2016 has been increased to £15.0 million. In order to minimise new business strain the intention is to continue focusing on Group and Scheme business which are more short term in nature and thereby reducing the reserve requirements. It should be recognised that opening up to new business, even with the majority of it being short term, will have capital and reserving implications in respect of the profitability of the Syndicate for the next 2 to 3 years. This is an inevitable consequence of the new business strain and is accepted by the capital provider and the Life Syndicate as part of its long term plans.

Directors and directors' interests

The names of persons who were members of the Board of directors at any time during the period are given on page 1. None of the directors had any direct interest in the Syndicate during the year. Previously, the executive directors indirectly participated in the Syndicate through their shareholdings in AmTrust Lloyd's Holdings Limited, the parent company of AmTrust Corporate Member Two Limited, the capital provider. All directors' and employee shareholdings in AmTrust Lloyd's Holdings Limited were reduced to nil before the acquisition by AmTrust International Limited.

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 auditor in connection with its report, of which the auditor is unaware. Having made enquiries of fellow directors of the Agency and the Syndicate's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

The Managing Agent, AmTrust at Lloyd's Limited, intends to reappoint BDO LLP as the Syndicate's auditors.

Syndicate's Annual General Meeting

AmTrust at Lloyd's Limited does not propose to hold an annual general meeting of members of the Syndicate to re-appoint the existing Syndicate auditors, BDO LLP. Members are asked to note that any objections to this proposal should be submitted, in writing, to AmTrust at Lloyd's Limited within 21 days of this notice.

By Order of the Board.

Donal Barrett
Secretary

15 March 2016

Statement of Managing Agent's responsibilities

The Managing Agent is responsible for preparing the Syndicate annual report and accounts in accordance with applicable law and regulations.

The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 ("the Regulations") require the Managing Agent to prepare financial statements at 31 December each year which 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 year.

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

1. select suitable accounting policies which are applied consistently, with the exception of changes arising on the adoption of new accounting standards in the year;
2. make judgements and estimates that are reasonable and prudent;
3. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
4. prepare the financial statements on the basis that the Syndicate will continue to write future business unless it is inappropriate to presume that there will be future years of account of the Syndicate.

The Managing Agent is responsible for keeping proper accounting records that are sufficient to show and explain the Syndicate's transactions and diclose with reasonable accuracy at any time the financial position of the Syndicate and enable it to ensure that the Syndicate financial statements comply with the Regulations. 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 directors confirm that they have complied with the above requirements in preparing the financial statements of Syndicate 44.

By Order of the Board

Donal Barrett
Secretary

15 March 2016

Independent auditor’s report to the members of Syndicate 44

We have audited the Syndicate annual accounts for the year ended 31 December 2015 which comprise the Income Statement: Technical Account, Income Statement: Non-technical Account, the Statement of Financial Position, the Statement of Changes in Members’ Balances, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland’ and Financial Reporting Standard 103 Insurance Contracts.

This report, including the opinions, has been prepared for and only for the Syndicate’s members as a body in accordance with section 10 of part 2 of The Insurance Accounts Directive (Lloyd’s Syndicate and Aggregate Accounts) Regulations 2008 and for no other purpose. 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.

Respective responsibilities of the Managing Agent and the auditors

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 annual accounts which give a true and fair view. Our responsibility is to audit and express an opinion on the Syndicate annual accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council’s Ethical Standards for Auditors.

Scope of the audit of the Syndicate annual accounts

An audit involves obtaining evidence about the amounts and disclosures in the Syndicate annual accounts sufficient to give reasonable assurance that the Syndicate annual accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Syndicate’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Managing Agent; and the overall presentation of the Syndicate annual accounts. In addition, we read all the financial and non-financial information in the ‘Report of the directors of the Managing Agent’ to identify material inconsistencies with the audited Syndicate annual accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the Syndicate’s annual accounts

In our opinion the Syndicate annual accounts:

- give a true and fair view of the state of the Syndicate’s affairs as at 31 December 2015 and of its profit and cash flows 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.

Opinion on other matter prescribed by the Insurance Accounts Directive (Lloyd’s Syndicate and Aggregate Accounts) Regulations 2008

In our opinion the information given in the Report of the directors of the Managing Agent for the financial year in which the Syndicate annual accounts are prepared is consistent with the Syndicate annual accounts.

Matters on which we are required to report by exception

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:

- adequate accounting records have not been kept; or
- the Syndicate annual accounts are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

David Roberts (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
15 March 2016

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

Income statement: Technical account – Long term business

For the year ended 31 December 2015

	Notes	Year Ended 31 December 2015 £000	Year Ended 31 December 2015 £000	Year Ended 31 December 2014 £000	Year Ended 31 December 2014 £000
Earned premiums, net of reinsurance					
Gross premiums written	5		**16,870**		15,267
Outward reinsurance premiums			**(650)**		(598)
			16,220		14,669
Investment return			**1**		-
Total technical income			**16,221**		14,669
Claims incurred, net of reinsurance					
Claims paid					
Gross amount		**(6,368)**		(3,773)	
Reinsurers' share		**-**		-	
Net claims paid		**(6,368)**		(3,773)	
Change in the provision for reported claims					
Gross amount		**(181)**		(367)	
Reinsurers' share		**-**		-	
Change in the net provision for reported claims		**(181)**		(367)	
Claims incurred, net of reinsurance			**(6,549)**		(4,140)
Changes in other technical provisions, net of reinsurance					
Long term business provision					
Gross amount		**34**		(1,251)	
Reinsurers' share		**35**		(276)	
			69		(1,527)
Net operating expenses	7		**(7,599)**		(6,955)
Total technical charges			**(14,079)**		(12,622)
Balance on the technical account for long term business			**2,142**		2,047

All operations relate to continuing activities.

The notes on pages 13 to 26 form part of these financial statements.

Income statement: Non-technical account
For the year ended 31 December 2015

	Year Ended 31 December 2015	Year Ended 31 December 2014
	£000	£000
Balance on the long term business technical account	**2,142**	2,047
Profit on foreign exchange	**120**	61
Profit for the financial year	**2,262**	2,108

There were no recognised gains or losses relating to the current or preceding year other than those included in the income statement. Therefore no statement of other comprehensive income has been presented.

The notes on pages 13 to 26 form part of these financial statements.

Statement of financial position – Assets

As at 31 December 2015

		2015		2014	
	Notes	**£000**	**£000**	£000	£000
Investments					
Other financial investments	10		**1,544**		1,394
Reinsurers' share of technical provisions					
Long term business provision		**397**		372	
Claims outstanding		**-**		-	
	13		**397**		372
Debtors					
Debtors arising out of direct insurance operations	11	**4,271**		3,229	
Other debtors	12	**206**		1	
Total debtors			**4,477**		3,230
Other assets					
Cash at bank and in hand			**1,132**		1,837
Total assets			**7,550**		6,833

The notes on pages 13 to 26 form part of these financial statements.

Statement of financial position – Liabilities
As at 31 December 2015

		2015		2014	
	Notes	**£000**	**£000**	£000	£000
Members' balances			**(216)**		(1,361)
Technical provisions					
Long term business provision		**5,747**		5,865	
Claims outstanding		**1,113**		969	
	13		**6,860**		6,834
Creditors					
Creditors arising out of direct insurance operations	15	**262**		131	
Creditors arising out of reinsurance operations	16	**270**		104	
Other creditors	17	**-**		423	
Accruals		**374**		702	
Total creditors			**906**		1,360
Total liabilities			**7,550**		6,833

These Syndicate financial statements were approved by the Board of AmTrust at Lloyd's Limited on 15 March 2016 and were signed on its behalf by:

Peter Dewey
Director

Histasp Contractor
Director

The notes on pages 13 to 26 form part of these financial statements.

Statement of changes in members' balances

As at 31 December 2015

	2015 £000	2014 £000
Members' balances brought forward at 1 January	**(1,361)**	(2,915)
Profit for the financial year	**2,262**	2,108
Payments of profit to members' personal reserve funds	**(1,117)**	(554)
Members' balance carried forward at 31 December	**(216)**	(1,361)

Members participate on syndicates by reference to years of account 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 13 to 26 form part of these financial statements.

Statement of cash flows

For the year ended 31 December 2015

	Notes	2015 £000	2014 £000
Cash flows from operating activities:			
Profit for the financial year		**2,262**	2,108
Adjustments:			
Investment return		**(1)**	-
Movements in operating assets and liabilities:			
Increase in net technical provisions		**1**	1,862
Increase in debtors		**(1,247)**	(1,780)
Decrease in creditors		**(454)**	(191)
Net cash flow from operating activities		**561**	1,999
Net cash flow from investing activities:			
Investment income received		1	-
Net cash flow from financing activities:			
Transfer to members in respect of underwriting participations		**(1,117)**	(554)
Net (decrease)/increase in cash and cash equivalents		**(555)**	1,445
Cash and cash equivalents at 1 January		**3,231**	1,786
Cash and cash equivalents at 31 December	18	**2,676**	3,231

The notes on pages 13 to 26 form part of these financial statements.

Notes to the financial statements
For the year ended 31 December 2015

1. Basis of preparation

The financial statements have been prepared in accordance with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 ("the Regulations"), Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK ("FRS 102") as issued in August 2014, and Financial Reporting Standard 103 Insurance Contracts ("FRS 103") as issued in March 2014.

These financial statements for the year ended 31 December 2015 are the first financial statements that comply with FRS102. The date of transition is 1 January 2014.

The transition to FRS102 has resulted in a small number of changes in accounting policies to those used previously. There has been no impact on the previously reported financial position.

The members' balances on the statement of financial position show a deficit of £216k (2014: deficit £1,361k). The Syndicate does not hold sufficient capital to cover the members' balances net liability position and the solvency adjustment required for regulatory purposes in accordance with the PRA handbook. However, the sole corporate member, AmTrust Corporate Member Two Limited holds funds at Lloyd's of £9,181k on behalf of the Syndicate, which in accordance with GENPRU 2.3.34 R can be used to support the solvency position of the Syndicate. The ability of the Syndicate to meet its obligations as they fall due is underpinned by the support provided by the Lloyd's solvency process and its chain of security.

2. Judgements and estimates

In preparing these financial statements, the directors of the Managing Agent have made judgements, estimates and assumptions that effect the application of the Syndicate's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and revisions to estimates are recognised as they occur. The following are the key sources of estimation uncertainty:

Estimates of future premium

For certain insurance contracts, premium is initially recognised based on estimates of ultimate premiums, on the assumption that past premium development can be used to project future premium development. These estimates are judgemental and could result in misstatements of revenue recorded in the accounts.

Insurance contract technical provisions

The provision for outstanding claims comprises the estimated cost of settling all claims incurred but unpaid at the balance sheet date. The long term business provision as described in Note 3 a) below also involves the use of judgemental estimates.

3. Accounting policies

The financial statements 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) Basis of Accounting

Premiums written

Premiums, including reinsurance premiums, are accounted for when due for payment. Premiums are shown gross of brokerage payable and exclude taxes and duties levied on them.

Single premium contracts consist of those contracts under which there is no expectation of continuing premiums being paid at regular intervals. Additional single premiums paid in respect of existing individual contracts are also included within single premiums.

Periodic premium contracts include those contracts under which premiums are payable at regular intervals during the policy year, including repeated or recurrent single premiums where the level of premiums is defined.

Notes to the financial statements

For the year ended 31 December 2015 *(continued)*

3. Accounting policies *(continued)*

Claims

Death claims and all other claims are accounted for when notified. Claims payable include related internal and external claims handling costs. Reinsurance recoveries are accounted for in the same period as the related claim.

Long term reassurance contracts

Long term business is ceded to reassurers under contracts to transfer part or all of one or more of the following risks: mortality, investment and expenses. Such contracts are accounted for as insurance contracts within the technical account.

Long term business provision

The long term business provision is determined following an annual investigation of the long term fund in accordance with the requirements of EU Directive 92/96/EEC, under which certain contingency and other reserves required by insurance company regulations are excluded from the long term business provision. The basis of calculation is as follows:

Individual Life - Reserves are calculated using the gross premium method. The principle for the calculation of the reserve is, for each policy separately, to calculate the discounted value of expected future claims less the discounted value of expected future premium as received by the Syndicate (i.e. net of commission) plus an allowance for expenses.

Group Life (including schemes) - The reserves are calculated as the unexpired proportion at the valuation date of the premium received net of commission. Additional reserves are included to allow for claims that have been incurred but not reported (IBNR) based on a reporting delay of eight to twelve weeks. Reserves are also held for some policies that have expired, but claims may still arise in the future due to reporting delays. The Syndicate actuary is satisfied that this method of reserving is prudent.

Long term insurance provisions, together with related reinsurance recoveries, are established on the basis of current information. Such provisions are subject to subsequent reassessment as changes to underlying factors such as mortality occur. These factors are discussed in more detail in Note 13.

b) Foreign currencies

The functional currency is Sterling. Income and expenditure in US dollars and Euros are translated at the average rates of exchange for the period. Underwriting transactions denominated in other foreign currencies are included at the rate of exchange ruling at the date the transaction is processed.

Assets and liabilities are translated into Sterling at the rates of exchange at the balance sheet dates. Differences arising on translation of opening balances and transactions during the year, denominated in foreign currency amounts in the Syndicate, are recognised in the non-technical account.

c) Financial assets and liabilities

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

The accounting classification of financial assets and liabilities determines the way in which they are measured and changes in those values are presented in the income statement. Financial assets and liabilities are classified on their initial recognition and subsequent reclassifications are permitted only in restricted circumstances. Financial assets and financial liabilities at fair value through profit and loss comprise financial assets and financial liabilities held for trading and those designated as such on initial recognition. Purchases and sales of financial assets are recognised and derecognised on the trade date, i.e. the date that the Syndicate commits itself to purchase or sell the asset.

Financial assets at fair value through profit or loss are measured at fair value plus, for a financial asset or liability not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue. Financial assets at fair value through profit or loss are measured at fair value with fair value changes recognised immediately in profit or loss. Net gains or net losses on financial assets measured at fair value through profit or loss includes foreign exchange gains/losses arising on their translation to the functional currency, but excludes interest.

Notes to the financial statements

For the year ended 31 December 2015 *(continued)*

3. Accounting policies *(continued)*

Investments in shares and other variable yield securities, units in unit trusts and debt and other fixed income securities are managed on a fair value basis in accordance with the Syndicate's investment strategy. Deposits with credit institutions, debtors and accrued interest are classified as loans and receivables. Financial assets at fair value through profit and loss are stated at fair value at the balance sheet date. For this purpose listed investments are stated at mid-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.

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

d) Investment return

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

Realised gains and losses on investments carried at market value are calculated as the difference between sale proceeds and purchase price. Unrealised gains and losses on investments represent the difference between the valuation at the balance sheet date and their valuation at the previous balance sheet date, or purchase price, if acquired during the year, together with the reversal of unrealised gains and losses recognised in earlier accounting periods in respect of investments disposals in the current period.

The investment return is credited to the technical account. No transfer is made to the non-technical account as all investment assets relate to the technical account.

e) 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 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 United States Federal Income Tax payable on underwriting results or investment earnings. Any payments on account made by the Syndicate during the year on behalf of the members are included in the balance sheet under the heading 'other debtors'.

No provision has been made for any overseas tax payable by members on underwriting results.

f) Pension costs

AmTrust Syndicate Holdings Limited ("ASH"), the parent company of the managing agent, or other group companies employ all individuals working on the Syndicate. ASH operates a defined contribution scheme. Pension contributions relating to Syndicate staff are charged to the Syndicate and included within net operating expenses.

4. Risk and capital management

The Managing Agent has overall responsibility for the establishment and oversight of the Syndicate's risk management framework. It has established a Risk Committee to oversee the operation of the Syndicate's risk management framework and to review and monitor the management of the risks to which the Syndicate is exposed. These risk management policies are established to identify and analyse the risks faced by the Syndicate, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

Notes to the financial statements

For the year ended 31 December 2015 *(continued)*

4. Risk and capital management *(continued)*

a) Insurance risk

Management of insurance risk

Insurance risk includes the risks that a policy will be written for too low a premium or provide inappropriate cover (underwriting risk), that the frequency or severity of insured events will be higher than expected (claims risk), or that estimates of claims subsequently prove to be insufficient (reserving risk). The Board manages insurance risk by agreeing its appetite for these risks annually through the business plan, which sets out targets for volumes, pricing, line sizes and retention by class of business. The Board then monitors performance against the business plan.

Reserve adequacy is monitored through half yearly reviews by an external actuary.

Binding authority arrangements are an important part of the business and present operational risk to the Syndicate. The Agency has established a dedicated Product Governance Committee to oversee pre-appointment reviews and on-going annual reviews including periodic on-site third party audits.

Concentration of insurance risk

The Syndicate's exposure to insurance risk is diversified as shown by the following table which provides an analysis of the geographical breakdown of its written premiums by destination.

	2015	2014
	£000	£000
UK	**14,383**	11,925
Other EU Countries	**484**	596
Other Worldwide	**2,003**	2,746
	16,870	15,267

Sensitivity to insurance risk

The liabilities established could be significantly lower or higher than the ultimate cost of settling the claims arising. This level of uncertainty varies between the nature of the risk being underwritten and can arise from developments in case reserving for large losses or from changes in the level of attritional losses. A five per cent increase or decrease in the ultimate cost of settling gross claims arising is considered to be reasonably possible at the reporting date and would have the following approximate effect on the result of the Syndicate.

	2015		2014	
	5% Increase	**5% Decrease**	5% Increase	5% Decrease
	£000	**£000**	£000	£000
Gross claims	**(343)**	**343**	(342)	342
Reinsurer's share	**20**	**(20)**	19	(19)
Net impact on member's balances	**(323)**	**323**	(323)	323

b) Investment risk

The key aspect of investment risk is the risk of the Syndicate's investments not meeting their anticipated returns. All investments are managed under the direction of the Investment Committee. The broad investment strategy adopted is focused on capital preservation and in that context on maximising return while maintaining a low risk portfolio. Investment management has been outsourced to professional fund managers whose performance is monitored by the Investment Committee.

c) Credit risk

Credit risk is the risk of financial loss to the Syndicate if a counterparty fails to discharge a contractual obligation. The Syndicate is exposed to credit risk in respect of the following:

- Participation in listed investment pools
- Cash at bank
- Reinsurers' share of insurance liabilities
- Amounts due from reinsurers in respect of settled claims
- Amounts due from group undertakings
- Amounts due from insurance intermediaries

Notes to the financial statements

For the year ended 31 December 2015 *(continued)*

4. Risk and capital management *(continued)*

The Syndicate’s credit risk in respect of its participation in listed investment pools is managed by placing limits on its exposure to a single counterparty, by reference to the credit rating of the counterparty. The Syndicate also limits the amount of cash and cash equivalents that can be deposited with a single counterparty.

The Syndicate’s exposure to reinsurance counterparties is managed by the Executive Committee which establishes standards applicable to all reinsurers and the reinsurance department which monitors the financial status of reinsurance debtors. The Board’s policy is that the Syndicate will only reinsure with businesses rated A- or higher unless collateralised by means of a Letter of Credit.

The credit rating of financial assets, all of which are neither past due or impaired, is as follows:

31 December 2015	**AAA £000**	**AA £000**	**A £000**	**BBB £000**	**Not rated £000**	**Total £000**
Participation in investment pools	**-**	**-**	**-**	**1,544**		**1,544**
Cash at bank and in hand	**-**	**-**	**1,132**	**-**	**-**	**1,132**
Reinsurers’ share of insurance liabilities	**-**	**-**	**397**	**-**	**-**	**397**
Reinsurance debtors	**-**	**-**	**-**	**-**	**-**	**-**
Total credit risk	**-**	**-**	**1,529**	**1,544**	**-**	**3,073**

31 December 2014	AAA £000	AA £000	A £000	BBB £000	Not rated £000	Total £000
Participation in investment pools	-	-	-	1,394	-	1,394
Cash at bank and in hand	-	-	1,837	-	-	1,837
Reinsurers’ share of insurance liabilities	-	-	372	-	-	372
Reinsurance debtors	-	-	-	-	-	-
Total credit risk	-	-	2,209	1,394	-	3,603

d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument or insurance contract will fluctuate because of changes in market prices which could be caused by movements in interest rates or exchange rates. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return on risk.

Interest rate risk arises primarily from the Syndicate’s financial investments and cash. The risk of change in the fair value of these assets is managed by primarily investing in short-duration financial investments and cash and cash equivalents. The Investment Committee monitors the duration of these assets on a regular basis. An analysis of the Syndicate’s sensitivity to interest rate changes on the result and net assets of the Syndicate is presented in the table below.

Interest rate risk	**2015 £000**	2014 £000
Impact of 50 basis point increase on result	**1**	-
Impact of 50 basis point decrease on result	**(1)**	-
Impact of 50 basis point increase on net assets	**1**	-
Impact of 50 basis point decrease on net assets	**(1)**	-

The key aspect of exchange rate risk is that the Syndicate incurs losses on foreign exchange movements as a result of mismatches between the currencies in which assets and liabilities are denominated. The Managing Agent’s Chief Financial Officer (“CFO”) reviews currency matching quarterly. Where there is a significant mismatch, appropriate risk mitigation techniques to minimise the effects of currency movements are considered such as the use of currency forward contracts. The table overleaf summarises the carrying value of the Syndicate’s assets and liabilities at the reporting date.

Notes to the financial statements
For the year ended 31 December 2015 *(continued)*

4. Risk and capital management *(continued)*

31 December 2015	**GBP £000**	**USD £000**	**EUR £000**	**NOK £000**	**Total £000**
Financial investments	**-**	**1,544**	**-**	**-**	**1,544**
Reinsurers' share of technical provisions	**327**	**12**	**58**	**-**	**397**
Insurance and reinsurance receivables	**4,056**	**130**	**101**	**(16)**	**4,271**
Cash at bank and in hand	**578**	**172**	**282**	**100**	**1,132**
Other assets	**206**	**-**	**-**	**-**	**206**
Total assets	**5,167**	**1,858**	**441**	**84**	**7,550**
Technical provisions	**(6,001)**	**(291)**	**(320)**	**(248)**	**(6,860)**
Insurance and reinsurance payables	**(520)**	**(4)**	**(8)**	**-**	**(532)**
Other creditors	**(374)**	**-**	**-**	**-**	**(374)**
Total liabilities	**(6,895)**	**(295)**	**(328)**	**(248)**	**(7,766)**
Net assets / (liabilities)	**(1,728)**	**1,563**	**113**	**(164)**	**(216)**

31 December 2014	GBP £000	USD £000	EUR £000	NOK £000	Total £000
Financial investments	-	1,394	-	-	1,394
Reinsurers' share of technical provisions	236	26	110	-	372
Insurance and reinsurance receivables	3,062	94	(3)	76	3,229
Cash at bank and in hand	1,581	88	81	87	1,837
Other assets	(1,088)	(13)	1,102	-	1
Total assets	3,791	1,589	1,290	163	6,833
Technical provisions	(4,966)	(705)	(426)	(737)	(6,834)
Insurance and reinsurance payables	(223)	(1)	(11)	-	(235)
Other creditors	(1,125)	-	-	-	(1,125)
Total liabilities	(6,314)	(706)	(437)	(737)	(8,194)
Net assets / (liabilities)	(2,523)	883	853	(574)	(1,361)

If the exchange rates of all non-GBP currencies moved by a foreseeable 5% either to the benefit or detriment of the Syndicate at the same time, the impact on both the result for the year and the members' balances would be £92,000 (2014: £115,000).

e) Liquidity risk

This is the risk that the Syndicate will not be able to meet its liabilities as they fall due, owing to a shortfall in cash. The CFO monitors cash flows and manages liquid assets to ensure that cash is available to meet obligations and operational liquidity needs. The table overleaf summarises the maturity profile of the Syndicate's financial liabilities based on the estimated timing of claims payments and other undiscounted contractual obligations.

Notes to the financial statements

For the year ended 31 December 2015 *(continued)*

4. Risk and capital management *(continued)*

31 December 2015	**No stated maturity**	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Technical provisions	**6,860**	**-**	**-**	**-**	**-**	**6,860**
Insurance and reinsurance payables	**-**	**532**	**-**	**-**	**-**	**532**
Other creditors	**-**	**374**	**-**	**-**	**-**	**374**
Total liabilities	**6,860**	**906**	**-**	**-**	**-**	**7,766**

31 December 2014	No stated maturity	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
	£000	£000	£000	£000	£000	£000
Technical provisions	6,834	-	-	-	-	6,834
Insurance and reinsurance payables	-	235	-	-	-	235
Other creditors	-	1,125	-	-	-	1,125
Total liabilities	6,834	1,360	-	-	-	8,194

f) Operational risk

This is the risk that errors caused by people, processes or systems lead to losses to the Syndicate. The Managing Agent seeks to manage this risk through the use of detailed procedures manuals and a structured programme of testing of processes and systems by internal audit. The internal audit process is designed to provide management and the Board, through its Audit Committee, with reasonable assurance that the controls and procedures are able to contain the risks within acceptable limits.

g) Regulatory risk

Regulatory risk is the risk of loss owing to a breach of regulatory requirements or failure to respond to regulatory change. The Managing Agent is required to comply with the requirements of the Financial Conduct Authority and Lloyd's. Lloyd's requirements include those imposed on the Lloyd's market by overseas regulators, particularly in respect of US Situs business. The Managing Agent has a compliance officer who monitors regulatory developments and assesses the impact on the Managing Agent's policy.

h) Capital management

The Managing Agent's objectives in managing the capital of the Syndicate, consistent with the risk profile and the regulatory and market requirements of its business are:

- To match the profile of assets and liabilities, taking account of the risks inherent in the business;
- To satisfy the requirements of the policyholders, regulators and rating agencies; and
- To manage exposure to movements in exchange rates.

Capital framework at Lloyd's

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

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 only respectively, not at syndicate level. Accordingly, the capital requirement in respect of Syndicate 44 is not disclosed in these financial statements.

Notes to the financial statements
For the year ended 31 December 2015 *(continued)*

4. Risk and capital management *(continued)*

Lloyd's capital setting process

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

A syndicate may be comprised of one or more underwriting members of Lloyd's. Each member is liable for its own share of underwriting liabilities on the syndicates on which it participates though not other members' shares. Accordingly, the capital requirement that Lloyd's sets for each member operates on a similar basis. Each member's SCR is therefore determined by the sum of the member's shares of the syndicates' 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 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 2016 was 35% of the member's SCR to ultimate.

Provision of capital by members

Each member may provide capital to meet its ECA either by assets held in trust by Lloyd's specifically for that member (funds at Lloyd's), assets held and managed within a syndicate (funds in syndicate), or as the member's share of the members' balances on each syndicate on which it participates. Accordingly, all of the assets less liabilities of the Syndicate, as represented in the members' balances reported on the statement of financial position on page 10, represent resources available to meet members' and Lloyd's capital requirements.

Funds at Lloyd's

Funds at Lloyd's ("FAL") are intended primarily to cover circumstances where syndicate assets prove insufficient to meet participating members underwriting liabilities. The level of FAL that Lloyd's requires a member to maintain is determined by Lloyd's based on PRA requirements and resource criteria. FAL has regard to a number of factors including the nature and amount of risk to be underwritten by the member and the assessment of the reserving risk in respect of business that has been underwritten. Since FAL is not under the management of the Managing Agent, no amount has been shown in these financial statements by way of such capital resources. However, the Managing Agent is able to make a call on the member's FAL to meet liquidity requirements or to settle losses.

Restrictions on available capital reserves

The available resources of the Syndicate's trust fund are described below. Members' balances are distributed to members on the closure of an underwriting year subject to meeting Lloyd's and other regulatory requirements. Such amounts cannot be distributed without an up to date actuarial valuation.

	2015 **£000**	2014 £000
UK other life business		
Member's balances	**(216)**	(1,361)
Adjustments on regulatory basis:	**(1,151)**	(1,138)
Other disallowance under GENPRU	**-**	-
Funds at Lloyd's	**9,181**	8,591
Total available capital resources	**7,814**	6,092
Liabilities:		
Non-participating life assurance	**6,860**	6,834
Technical provisions in the statement of financial position	**6,860**	6,834

Notes to the financial statements
For the year ended 31 December 2015 *(continued)*

4. Risk and capital management *(continued)*

Movements in capital resources	2015 £000	2014 £000
Balance at 1 January	**6,092**	2,728
Decrease in provision for closure costs	**(13)**	697
New business and other factors	**1,145**	1,554
Funds at Lloyd's	**590**	1,113
Balance at 31 December	**7,814**	6,092

Capital resource sensitivities

The capital position is sensitive to changes in market conditions due to both changes in the value of the assets and the effect that change in investment conditions may have on the value of the liabilities. It is also sensitive to assumptions and experience relating to mortality and morbidity and to a lesser extent, expenses and persistency. The most significant sensitivities arise from the following risks:

- Market risk, which would arise if the return from the fixed interest investments supporting this business were lower than that assumed for reserving; and
- Mortality risk, which would arise if mortality of the lives insured were heavier than that assumed, possibly because of an epidemic or catastrophe.

The timing of any impact on capital would depend on the interaction of past experience and assumptions about future experience. In general, if experience had deteriorated or was expected to deteriorate and management actions were not expected to reduce the future impact, then assumptions relating to future experience would be changed to reflect it. In this way, liabilities would be increased to anticipate the future impact of the worse experience with immediate impact on the capital position.

5. Segmental analysis

In the opinion of the directors of the Managing Agent, the Syndicate operates in one business segment being that of long term insurance business.

All premiums were written in the UK and are in respect of non-participating contracts.

a) Business split

	2015 £000	2014 £000
New business written	**484**	3,755
Renewal business written	**16,386**	11,512
Total	**16,870**	15,267

b) Gross business type split

	2015 £000	2014 £000
Scheme business written	**8,901**	9,006
Group business written	**7,935**	6,126
Individual business written	**34**	135
Total	**16,870**	15,267

The renewal business written amount includes new business written under existing schemes.

c) Reinsurance balance

The reinsurance balance amounted to a debit to the long term business technical account at 31 December 2015 of £615k (2014 – debit of £875k).

Notes to the financial statements
For the year ended 31 December 2015 *(continued)*

6. Currency rates of exchange

The rates of exchange applied in these accounts are:

	31 December 2015	**Average for 2015**	31 December 2014	Average for 2014
US Dollar	**1.50**	**1.53**	1.56	1.65
Euro	**1.42**	**1.38**	1.26	1.24
Norwegian Krone	**13.07**	**12.35**	11.00	10.37

7. Net operating expenses

	2015 £000	2014 £000
Acquisition costs	**4,721**	4,033
Administration expenses	**2,878**	2,922
	7,599	6,955

	2015 £000	2014 £000
Auditors' remuneration		
Audit Services		
Audit services-fees payable to the Syndicate's auditor, BDO LLP, for the audit of the Syndicate accounts	**46**	36
Fees payable to BDO LLP for other services:		
Other services pursuant to legislation, including the audit of the regulatory return	**10**	13
	56	49

8. Staff numbers and costs

All staff (including directors) are employed by AmTrust Syndicate Holdings Limited ("ASH") or other group companies and their costs recharged to the Managing Agent. The following amounts were recharged to the Syndicate in respect of staff costs:

	2015 £000	2014 £000
Wages and salaries	**1,385**	1,671
Social security costs	**208**	229
Other pension costs	**110**	145
	1,703	2,045

The average number of employees (including directors) employed by ASH or other group companies but working for the Syndicate during the year was as follows:

	2015 Number	2014 Number
Administration and finance	**8**	8
Underwriting	**6**	6
Technical support	**12**	10
	26	24

Notes to the financial statements

For the year ended 31 December 2015 *(continued)*

9. Emoluments of the directors of AmTrust at Lloyd's and the active underwriter

AmTrust at Lloyd's Limited recharged the Syndicate £520k (2014 - £536k) in respect of emoluments and pension costs paid to its directors and the active underwriter of the Syndicate. This included pension contributions and also included remuneration received by the active underwriter and charged to the Syndicate of £318k (2014 - £296k).

10. Other financial investments

	Market Value 2015 £000	**Cost 2015 £000**	Market Value 2014 £000	Cost 2014 £000
Participation in investment pools	**1,544**	**1,544**	1,394	1,394
	1,544	**1,544**	1,394	1,394

The participation in investment pools comprises the Lloyd's American Trust Fund (LATF). All investments are Level 1 category, financial assets that are measured by reference to published quotes in an active market where quoted prices are readily available from an exchange and those prices represent actual and regularly occurring market transactions on an arm's length basis.

11. Debtors arising out of direct insurance operations

	2015 £000	2014 £000
Due within one year		
Intermediaries	**4,271**	3,229
	4,271	3,229

12. Other Debtors

	2015 £000	2014 £000
Due within one year		
Due from Managing Agent	**206**	-
Other debtors	**-**	1
	206	1

13. Long term business provision

Technical Provisions

	2015		2014	
	LTBP Gross Reserves and O/S Claims £000	**LTBP Reinsurers' Share £000**	LTBP Gross Reserves and O/S Claims £000	LTBP Reinsurers' Share £000
Balance at 1 January	**6,834**	**372**	5,255	655
Exchange Adjustments	**(121)**	**(10)**	(39)	(7)
	6,713	**362**	5,216	648
Movement in Provision	**147**	**35**	1,618	(276)
Balance at 31 December	**6,860**	**397**	6,834	372

Notes to the financial statements
For the year ended 31 December 2015 *(continued)*

13. Long term business provision *(continued)*

The long term business provision of individual life businesses is calculated based on the discounted value of expected future claims less discounted value of expected future premiums (net of commissions) plus allowance for expenses. Where the reserve for a policy as calculated above would be negative the reserve has been taken as 50% of this negative reserve. The technical provisions have been calculated on actuarial bases considered most appropriate by the Board.

The portfolio of the Syndicate is too small to carry out a quantitative analysis of mortality experience. The assumptions used are based on standard industry tables with a rating to ensure that the reserves remain prudent.

The principal assumptions underlying the calculation of the long term business provision are as follows:

	2015	2014
Mortality table	TMN00/TFN00 for non-smokers, TMS00/TFS00 for smokers, TMC00/TFC00 where status unknown 5 year select.	TMN00/TFN00 for non-smokers, TMS00/TFS00 for smokers, TMC00/TFC00 where status unknown 5 year select.
Mortality rating	125% for Italian binder, 140% for Think Money.	125% for Italian binder, 140% for Think Money.
Discount rate	Nil	Nil

Long term business provisions for group life risks and scheme business are calculated based on the unexpired premium at year end plus a claims 'incurred but not reported' reserve.

As the assets are all in cash, and we have used a zero discount rate, we have not considered it necessary to hold any additional resilience reserve. An increase in the discount rate would not impact the discounting on the long term business provision, as a zero per cent investment income is assumed and therefore no discounting is applied.

If a lower mortality rate were assumed to apply, the long term business provision would decrease. A 5% reduction in mortality would not decrease the liability materially.

The level of expenses included in the valuation is based on a prudent assessment of the cost of running off the Syndicate's existing business. The estimate is based on the Syndicate's assumption of the proportion of policies in force at 31 December 2015 that will still be in force at each future year end.

14. Claims development

Claims development is shown in the tables below on an underwriting year basis both gross and net of reinsurance ceded. Balances have been translated at 31 December 2015 rates of exchange.

Underwriting year - gross	**2011 £000**	**2012 £000**	**2013 £000**	**2014 £000**	**2015 £000**	**Total £000**
Estimate of gross incurred claims						
At the end of underwriting year	2,150	2,080	3,080	3,389	4,394	
One year later	3,046	3,058	4,942	6,686		
Two years later	2,083	3,079	4,077			
Three years later	1,954	2,700				
Four years later	1,949					
Less gross claims paid	1,949	2,699	3,968	4,133	197	
Gross claims reserve	-	1	109	2,553	4,197	6,860
Gross claims reserve for 2010 and prior years						-
Gross claims reserve						6,860

Notes to the financial statements
For the year ended 31 December 2015 *(continued)*

14. Claims development *(continued)*

Underwriting year - net	**2011 £000**	**2012 £000**	**2013 £000**	**2014 £000**	**2015 £000**	**Total £000**
Estimate of net incurred claims						
At the end of underwriting year	1,238	1,631	2,488	3,054	4,013	
One year later	2,348	2,900	4,916	6,672		
Two years later	1,449	2,937	4,076			
Three years later	1,320	2,556				
Four years later	1,315					
Less net claims paid	1,315	2,556	3,968	4,133	197	
Net claims reserve	-	-	108	2,539	3,816	6,463
Net claims reserve for 2010 and prior years						-
Net claims reserve						6,463

15. Creditors arising out of direct insurance operations

	2015 £000	2014 £000
Direct business - Intermediaries	**262**	131
	262	131

16. Creditors arising out of reinsurance operations

	2015 £000	2014 £000
Reinsurance ceded	**270**	104
	270	104

17. Other Creditors

	2015 £000	2014 £000
Due within one year		
Due to Managing Agent	**-**	423
	-	423

18. Cash and cash equivalents

	2015 £000	2014 £000
Cash at bank and in hand	**1,132**	1,837
Deposits with credit institutions	**1,544**	1,394
	2,676	3,231

Notes to the financial statements

For the year ended 31 December 2015 *(continued)*

19. Related Parties

Syndicate 44 is managed by AmTrust at Lloyd's Limited, a subsidiary of AmTrust Syndicate Holdings Limited. Messrs. Barrett, Cadle, Contractor, Dewey, Jansli, Sibthorpe, and Sweatman are and Mr Ross and Ms Tenenti were directors of AmTrust Syndicate Holdings Limited. During the year Managing Agents fees of £125,000 (2014 - £100,000) were charged by the Managing Agent to the Syndicate. AmTrust at Lloyd's Limited is also the Managing Agent for Syndicate 1206 and, from 1 April 2015, Syndicate 2526. During the year Syndicate 44 lent funds to Syndicate 1206. The amount outstanding at 31 December 2015 was £Nil (2014 - £Nil).

Employment of staff, provision of accommodation and related services are provided by AmTrust Syndicate Holdings Limited to the Syndicate on a non-profit basis and recharges of £2,852,016 were recharged to the Syndicate by AmTrust Syndicate Holdings, and paid on the Syndicate's behalf by AmTrust at Lloyd's Limited (2014 - £2,156,286). At 31 December 2015 the amount due from AmTrust at Lloyd's Limited was £205,564 (2014 - £422,567 due to AmTrust at Lloyd's).

Syndicate 44's entire capital is provided by AmTrust Corporate Member Two Limited, a subsidiary of AmTrust Lloyd's Holdings Limited, itself the parent company of AmTrust Syndicate Holdings Limited. Messrs Barrett, Cadle, Contractor, Dewey, Jansli, Sibthorpe, and Sweatman are and Mr Ross and Ms Tenenti were directors of AmTrust Corporate Member Two Limited.

The ultimate holding company is AmTrust Financial Services Inc. (AFSI), a company incorporated in Delaware and listed on NASDAQ Global Market. A copy of AFSI's consolidated accounts can be obtained from that company's registered office, which is located at 59 Maiden Lane, 43rd Floor, New York, New York, USA.

20. Post Balance Sheet Events

The following amounts are proposed to be transferred to members' personal reserve funds as part of the normal distribution process.

	2015 £000	2014 £000
2013 Year of account (2012 Year of account)	**1,107**	1,117