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SYNDICATE 779

ANNUAL REPORT AND ACCOUNTS

For the year ended 31 December 2015

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Directors and Advisers

Managing Agent
ANV Syndicates Limited

Registered Office
47 Mark Lane
London EC3R 7QQ

Managing Agent's Registered No. 4434499

FCA Firm Registration No. 226696

Lloyd's Registration No. 2073D

Syndicate
779

Directors

J M P Taylor (Non-Executive Chairman)	
N C T Pawson (Non-Executive Director)	
A P Hulse (Non-Executive Director)	
J G M Verhagen (Non-Executive Director)	Appointed 17 March 2015
R M Fairfield	Appointed 20 February 2015, Resigned 21 April 2015
A S W Hall	Appointed 16 July 2015
S J Helson	Appointed 22 January 2016
B Gilman	
J M Hamilton	
A C Barker	
L J Cross	
G M van Loon	

Active Underwriter
C Garner

Bankers
Lloyds Bank plc
City Office
Bailey Drive
Gillingham Business Park
Kent ME8 0LS

Investment Manager
Goldman Sachs International Limited
Peterborough Court
133 Fleet Street
London EC4A 2BB

Statutory Auditor
PKF Littlejohn LLP
1 Westferry Circus
Canary Wharf
London E14 4HD

Strategic Report

ANV Group
ANV's mission is to be a globally diversified specialty (re)insurance group recognised for its expertise, operational excellence and strong culture. Through its Lloyd's Managing Agency wholesale operations and Managing General Underwriter ('MGU') domestic distribution platform, ANV targets client segments that demand specialist insurance products, market know-how, specialist claims handling expertise and cutting edge information technology capability.

ANV Holdings BV, the parent company of the ANV Group, is a privately held and Dutch registered holding company and its lead investor is the Canadian pension fund, Ontario Teachers' Pension Plan ('OTPP').

ANV Syndicates
ANV's Lloyd's platform ('ANV Syndicates') is the cornerstone of the company's wholesale operations, allowing ANV to access profitable specialty business on a worldwide basis.

ANV Syndicates are managed by ANV Syndicates Limited ('ASL'), which operated as a single combined Managing Agency for the first full year in 2015, following completion of the programme to fully integrate the Flagstone and Jubilee Managing Agencies in 2014. Further significant investment was also made during 2015 to strengthen the infrastructure within which the business operates to provide a scalable platform on which to grow the business.

ASL manages Lloyd's Syndicates 1861, 5820 and 779 writing a globally diversified risk portfolio with twelve diverse and scalable lines of business, which have been selected based on ANV's strategic position and the market opportunity within Lloyd's, the portfolio diversification and capital benefits these classes offer.

The following lines of business have been identified as core to ASL:

- Accident & Health and Special Risks
- Aviation
- Consumer Products
- Cyber
- Energy
- Life
- Marine
- Non-Marine Liability
- Property
- Political Risks and Political Violence
- Professional Lines
- Specialty Reinsurance

ANV will continue to develop the Life class to critical mass and seek to position itself as a leading market participant in the segments it targets. In growing the book, the Syndicate will continue to work closely with the underwriting teams across ANV Syndicates to develop one-stop solutions for our clients.

ASL continued to act as the Managing Agency for Apollo Syndicate 1969 until August 2015, at which point the syndicate management was novated to Apollo Syndicate Management Limited successfully concluding the turnkey arrangement started 5 years ago. ANV Central Bureau of Services Limited ('CBS'), a group company, continues to provide various IT and administrative services to Apollo.

Underwriting Review
Syndicate 779 writes 100% Term Life Insurance and ancillary covers in the UK and international territories, offering both bespoke and tabulated rating solutions for risk durations from 1 day to 10 years. Historically the majority of business was written through Lloyd's coverholders under binding authority arrangements; however, during 2014 the Syndicate was repositioned to focus equally on driving open market growth as a lead market.

During 2015, significant time was spent refocusing and invigorating 779's new business development drive, and putting together the right team to grow the Syndicate. New underwriting talent was recruited in the form of Hala Tohme from XL Catlin and Sue Clark from Tokio Marine Kiln, both highly experienced underwriters with well-established and complementary market relationships. A review of rates, wordings and manuals took place; and an extensive programme of broker and coverholder contact was instigated. The reinsurance programme was completely overhauled, achieving support from new markets, allowing the team to write niche and overseas business that has a natural home in Lloyd's and is fundamental to the strategic direction of the Syndicate.

The sum of this activity in 2015, against the backdrop of the softest niche term life market for at least two decades, represented a challenging year for the Syndicate. In the meantime, a number of good opportunities were lost during the first quarter while the team continued to be restricted by the previous reinsurer's risk appetite, until the new reinsurance programme incepted on 1 April 2015. The Syndicate also experienced unprecedented levels of competition from other life syndicates, new and meaningful competition from overseas markets, and significant mergers of broking houses causing distraction for both placers and producers.

It was identified during the year that new accounts written for the 2014 year of account would not achieve their original income budgets. Alongside the ongoing portfolio management, this resulted in the Syndicate writing down premium estimates on the year. The resulting reduction in the renewal base for the 2015 year of account, coupled with less new business being written than forecast (due to the factors described above) compounded the premium reduction for 2015. In order to address the resulting high expense ratio, it was necessary to make three syndicate roles redundant during the year.

In light of all this, it was very encouraging to see an increase in written business over plan in the last quarter, within an increase in the percentage of new business written for the year at over 15%, compared with 4% in 2014.

Key Performance Indicators

The Syndicate's key financial performance indicators below relate to the results for the Syndicate on an annual accounting basis.

	2015 £m	2014 £m
Gross premium written	14.1	15.9
Net premium written	11.4	11.7
Net premium earned	15.1	20.9
Result for the year	(3.6)	1.4
Cash, investments and overseas deposits	11.0	17.7
	%	%
Claims ratio (net)	47.7	26.5
Acquisition ratio (net)	56.6	56.2
Expense ratio (net)	19.7	11.7
Combined ratio	124.0	94.4

Note: The combined ratio is the ratio of net claims incurred and net operating expenses to net premiums earned.

Gross premium written

The 2015 financial year saw aggressive pricing from other life syndicates along with overseas markets' increased appetite for niche life business. An extensive, scheme-by-scheme review was performed on the Syndicate's portfolio which led to reduced premium income forecasts for both the 2014 and 2015 years of account. Two new underwriters were recruited during the year to add to the momentum on new business development in 2016.

Net premium written

A new reinsurance programme was purchased with effect from 1st April 2015. This replacement programme is significantly different in structure and security from that in force for the prior period. The prior programme had extensive quota share covers which have now been replaced predominantly by excess of loss protection. As a consequence, the variance in net premiums written is less than on gross written premiums.

Net premium earned

There has been a reduction in net premium earned of £5.8m. This is largely driven by the £10.5m reduction in gross written premium during the 2014 financial year impacting the earned position in the 2015 financial year. This gross written premium reduction was due to the decision to move away from mainstream group life business towards specialty risk and distribution. This impact has been exacerbated by the premium reforecasts discussed above.

Loss for the year

Overall the Syndicate has reported a loss of £3.6m representing a combined ratio of 124.0% (after excluding investment income of £0.1m). The expense ratio has increased by 8 percentage points from 2014, 5.5 percentage points due to the decrease in net premium earned, 1.0 percentage point due to unfavourable foreign exchange movements year on year and 1.5 percentage points predominantly due to investment in the underwriting team and higher than expected professional fees. The acquisition ratio is broadly consistent. The claims ratio has increased by 21.2 percentage points with claims incurred increasing by £1.7m. This reflects worse than expected development primarily on legacy European creditor and Group business.

Cash and investments

The Syndicate has seen a reduction in cash and investments of £6.7m during the year reflective both of the reduction in net premium written, significant shortening of the tail of continuing business written, and the rate of claims payments on legacy business. Consequently there was strengthening of technical provisions on legacy accounts which led to the 2013 year of account closing at a loss.

Investments and Investment Return

	2015 £m	2014 £m
Average amount of syndicate funds available for investment during the year		
Sterling	8.8	10.3
US Dollar	0.5	0.6
Euro	5.4	10.0
Norwegian Krone	0.2	0.5
Combined Sterling	14.9	21.4
Gross aggregate investment return for the calendar year in sterling	0.1	0.2
Gross calendar year investment return:	%	%
Sterling	0.75	1.93
US Dollar	0.24	0.10
Euro	0.00	0.37
Norwegian Krone	0.12	0.37
Combined Sterling	0.46	1.12

The investment manager during the year was Goldman Sachs International Limited.

It is the Managing Agency's policy to actively monitor the Syndicate's currency exposures, and where possible, it seeks to match the Syndicate's assets and liabilities to the extent that regulatory restrictions allow.

The above investment returns are calculated using average funds based on the monthly balances and investments as revalued to month-end market prices including accrued interest.

The Syndicate's invested funds have reduced considerably during the period as the tail of continuing business has shortened and the rate of claims payments on legacy business combined with reinsurance spend and expenses has exceeded the cash inflow from premiums. As a consequence the Syndicate principally holds its funds in money market funds whilst maintaining a modest holding of corporate bonds to maturity. Until such time as the premium income exceeds the cash outflows and liquidity improves the Syndicate will not pursue an active investment policy.

The investment returns of the Syndicate during the year, whilst disappointing, are reflective of the restrictions upon the investment opportunities available to the Syndicate and the wider market conditions. The investment return of 0.46% (2014: 1.12%) also reflects the effects of the interest rate environment on the Syndicate's debt portfolio.

Underwriting Results Overview

2013 Account

The 2013 year of account closed at a loss of £1.7m at 36 months, before members' agents' fees, representing a loss on stamp of 7.9%.

The loss at 36 months is the result of a very disappointing 2015 calendar year where a loss of £2.5m was realised driven by the development of the 2012 & Prior years of account principally in relation to the European Creditor business. There was a profit of £0.3m on the 2013 pure year of account over 36 months.

The unfavourable claims experience on the Syndicate's long-tailed legacy portfolio resulted mainly from a lengthening of reporting timing by claimants. This further delay in reporting, coupled with no offsetting reduction in the expected payment period for existing claims has resulted in significant reserve strengthening on the legacy European creditor business.

2014 Account
The 2014 year of account is forecast to make an ultimate loss of £1.6m, before members' agents' fees, representing a loss on stamp of 7.3%.

The 2014 year recorded a second year profit of £0.7m taking the cumulative result at 24 months to a loss of £1.1m. The tail of the business has substantially shortened from previous years and consequently the year is significantly more earned at 24 months than was the case for previous years of account.

The key challenge for the Syndicate has been achieving the desired level of premium volume - the performance of the underlying core business has been favourable on an underwriting basis but insufficient in scale to achieve the desired results after operating expenses. Notwithstanding the premium write-downs on the 2014, with the appointment of Cathy Garner as active underwriter in November 2014 we are confident in the strategic objective to build a profitable life proposition.

2015 Account
Much of the premium remains unearned at the end of the first calendar year, which is similar to that of the 2014 year of account at the same period. It is therefore too early to assess accurately the likely ultimate outcome. The first public forecast will be at the 15 month stage.

Significant Events
On 21 April 2015, R. Matthew Fairfield stepped down as the Chief Executive Officer ('CEO') of ANV Group and ASL, at which point Andrew Hall was appointed as interim Managing Director of ASL.

On 19 October 2015 Janet Helson took up the role of CEO of ASL, with Andrew Hall becoming Deputy CEO. Janet brings to the role of CEO over 30 years' experience in the London insurance market, having held Director positions at Randall & Quilter, Chaucer, Kiln and Crowe. In October 2015, Gerard van Loon, who took on the role of ASL Director of Underwriting in 2014 during the integration of ANV and Jubilee, resumed his previous role of ANV Group Chief Underwriting Officer.

Two new Senior Underwriters with well-established and complementary market relationships were recruited during the year to strengthen the team:

- In July 2015, Sue Clark joined as Senior Underwriter for the Syndicate from Tokio Marine Kiln Life (Syndicate 308), responsible for the underwriting of the Individual Life Portfolio with special focus on high risk, non-standard lives.
- Hala Tohme joined in January 2015 as Senior Underwriter, bringing extensive experience in the industry gained most recently at XL Catlin, Jardine Lloyd Thompson and Miller Insurance.

On 23 February 2016 Sheldon Lacy joined ASL as the Chief Risk Officer, subject to regulatory approval, bringing extensive experience to the role from his roles of Risk Director at Validus and Head of Group Financial Risk at RSA.

In March 2015, ASL was rated Red for Solvency II Pillar 2 compliance by Lloyd's, in respect of Governance and Risk Management, which ASL has worked with Lloyd's to resolve. Consequently, ASL's managed syndicates are affected at the time of writing by a 20% capital loading. The impact of capital loadings on individual members will vary depending on the individual circumstances and participations of each member.

ANV Group has initiated a process to identify a strategic partner as part of its mission to be a globally diversified (re) insurance group. This process is ongoing at the date of this report.

Principal Risks and Uncertainties
For a detailed description of the principal risks and uncertainties facing the Syndicate, please refer to the Report of the Directors of the Managing Agent.

Going Concern
After making enquiries, the Directors have a reasonable expectation that continued capital support will be in place such that the Syndicate will continue to write new business in future underwriting years of account. Accordingly, they continue to adopt the going concern basis in preparing the annual accounts.

Future Developments
The substantial increase in the percentage of new business during 2015 provides reassurance that the Syndicate is a profitable Term Life proposition. There will always be a need for cover for those risks which fall outside the mass market appetite, and the Syndicate has a respected team that is actively promoting itself to potential clients. The team constantly and dynamically reviews its underwriting stance - although it does not believe it should be competing with those who are clearly writing for top line growth, always aiming to improve terms and conditions, rather than competing solely on price.

The Syndicate's strategy and underwriting philosophy will therefore be unchanged for 2016, and focus will be to:

- Develop Lloyd's box and international business: The "High Life" high-value proposition has shown pleasing growth since the arrival of Sue Clark. The intention is to capitalise on the momentum of this, but the Syndicate has also been winning new Group business since the introduction of its new Group rates.

- Continue to target UK affinity business: although growth in this segment has been slow, it is starting to develop, and the Syndicate continues to work on several opportunities. Management believes that ANV's approach and capability to manage affinity business gives them a significant advantage, as many competitors do not have the appropriate processes and controls in place to be able to write this business correctly.

The team knows that it must be instrumental in bringing new business into Lloyd's, and continues to be proactive about this. Underwriters will continue to travel to market the brand to potential clients. Wherever possible and appropriate, the aim is to introduce new business to existing coverholders, to maximise scale and improve expense efficiency.

Overall, the priority is to grow the business profitably, since the core re-underwritten portfolio has an attractive loss ratio but the Syndicate lacks scale. Management will maintain its programme of regular Lloyd's broker contact and visibility, continue its close work with the ANV A&H team to provide a one-stop solution for clients, and continue to promote its underwriting expertise.

Finally, this is an opportunity for syndicate management to thank its valued capital once again for its continuing support during a period of change for the Syndicate. This is also an opportunity to thank all employees for their continued commitment and hard work during what has been a demanding, but stimulating, year in the Agency.

S J Helson
Chief Executive Officer
ANV Syndicates Limited
15 March 2016

C Garner
Active Underwriter
ANV Syndicates Limited
15 March 2016

Report of the Directors of the Managing Agent

Year Ended 31 December 2015
The syndicate's Managing Agent is a company registered in England and Wales. The Directors of the Managing Agent present their annual report for the year ended 31 December 2015. This report is in respect of Syndicate 779.

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

These Financial Statements and related notes have been prepared in accordance with the requirements of Financial Reporting Standard ('FRS') 100 ('Application of Financial Reporting Requirements'), FRS 102 ('The Financial Reporting Standard Applicable in the UK and Republic of Ireland') and FRS 103 ('Insurance Contracts') as promulgated by the Financial Reporting Council ('FRC') and mandated for accounting periods beginning on, or after, 1 January 2015.

As a consequence of adopting these reporting standards for the first time, comparative information for the 2014 year end has been restated. There has been no overall impact on the results of the Syndicate however significant additional disclosures have been included within the notes to the Financial Statements on page 20 onwards. Please refer to note 22 for further information on the effects of implementing these new standards.

A set of underwriting year accounts has been prepared on the traditional three year accounting basis in accordance with the Lloyd's Syndicate Accounting Byelaw (No. 8 of 2005) for the closed 2013 year and is included after the Annual Report.

Principal activity
The Syndicate's principal activity continued to be the transaction of Term Life Assurance and ancillary covers.

The Syndicate capacity for the 2015 year of account is £22.3m. The capacity has remained unchanged for the 2016 year of account.

Results
The result for the 2015 calendar year is a loss of £3.6m (2014 profit of £1.4m) after currency translation. Profits/losses will be distributed or collected by reference to the results of individual underwriting years. An analysis of the results for the year has been included within the Strategic Report.

Principal risks and uncertainties
The Syndicate's activities expose the Managing Agent to a number of key risks which have the potential to affect the Managing Agent's ability to achieve its and the Syndicate's objectives. The risk appetite is set annually as part of the Syndicate business planning and syndicate capital requirement assessment process. The Managing Agent recognises that the Syndicate's business is to accept risk which is appropriate to enable it to meet its objectives and that it is neither realistic nor possible to eliminate risk entirely.

The principal risks and uncertainties facing the Syndicate are as follows:

- **Insurance risk** - Insurance risk refers to the risk of loss or adverse change in the value of insurance liabilities, due to inadequate pricing and reserving practices. These risks may be caused by the fluctuations in timing, frequency and severity of insured events and claim settlements in comparison to the expectation at the time of underwriting. The Syndicate manages insurance risk by agreeing the appetite for these risks annually through the business plan, which sets out targets for volumes, pricing and retention by class of business and aggregate levels of exposure to catastrophe events. The Managing Agent monitors performance against the business plan throughout the year. Reinsurance is a key mitigation tool for insurance risk, and risks are considered on a gross and net basis (with default and dispute risks considered within Credit Risk). Reserve adequacy is monitored by the Syndicate's appointed actuary, Reserving Committee and by the Board of the Managing Agency.

- **Credit risk** - In addition to the insurance terms of trade offered as part of normal business operation, the Syndicate is exposed to a certain amount of credit risk. Key aspects of credit risk are default by a reinsurer, the granting of risk transfer to brokers and coverholders for the collection of premiums and certain financial instruments within the investment portfolio that include an element of credit exposure to the issuers of the security. The Syndicate seeks to limit exposure by placing its reinsurance programme with reinsurers rated A or higher and through limiting exposure to reinsurers for single events. Broker and coverholder credit risk is mitigated through assimilation and attestation of credit information prior to contract inception and ensuring that appropriate terms of business arrangements are in place. Investment credit risk is mitigated through detailed investment guidelines which include minimum credit quality and counterparty limits that are monitored continuously.

- **Market risk** - The exposure to financial market risk arises from the investment decisions made in relation to the Syndicate funds and adverse movements in foreign exchange rates and interest rates. The Managing Agent sets the investment strategy. Exposure to foreign exchange movements is mitigated through currency matching of assets and liabilities to the extent possible given the regulatory restrictions under which the syndicate operates. Limits to the mean modified duration of invested assets are in place to limit the adverse effect of interest rate movements. Exposure to market risk is managed through the Managing Agent's Finance and Investment Committee which applies the 'Prudent Person Principle' criteria under Solvency II.

- **Liquidity risk** - This is the risk that a syndicate will not be able to meet its liabilities as they fall due, owing to a shortfall in liquid funds. To mitigate this risk, minimum levels of cash are maintained, all investments are readily marketable and cash flow is monitored.

  In the event of extreme adverse claims experience, it is possible that the Syndicate may not be able to settle claim liabilities out of its own funds.

  In that event, the capital structure underpinning a syndicate is such that any deficits can be called from the Syndicate's capital providers in accordance with Lloyd's rules. In the event of any member being unable to fulfil its share of such a call, Lloyd's Central Guarantee Fund may, at Lloyd's discretion, be called upon to make good any deficits for the benefit of policyholders. The Managing Agent monitors solvency requirements, to ensure the Syndicate maintains adequate capital.

- **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 (FCA), the Prudential Regulation Authority (PRA), the Council of Lloyd's and overseas authorities. Lloyd's requirements include those imposed on the Lloyd's market by overseas regulators.

  Key regulatory developments worldwide in the last few years have centred on customer outcomes, including in the UK where the FCA has highlighted, among a number of items, delegated authority business as a focus area. The Syndicate relies heavily on delegated distribution and we will continue to respond to this increased focus during 2016.

  The Managing Agent has a compliance officer who monitors developments and assesses the impact on the Managing Agent's objectives and policies.

  Conduct Risk is the risk that customers experience poor outcomes in their engagement with ASL and is part of Regulatory Risk. This risk applies to all of the Syndicate's business but is particularly focused where the Syndicate insures retail risks especially using delegated underwriting. This has been an area of particular emphasis by the FCA and by Lloyd's, with the introduction of new minimum standards in this area. ASL has a Conduct Committee which oversees its response to these requirements operates a conduct framework designed to ensure that appropriate outcomes are delivered to customers.

- **Strategic risk** - This is the risk of loss arising from the Syndicate's market position, strategic direction and commercial interests and includes capital availability for future underwriting. Market position and strategic direction are reviewed at least annually as part of the business planning process. The Executive Committee monitors performance and market position. The Board meets at least quarterly each year to review results and opportunities.

- **Operational risk** - This is the risk of loss from inadequate or failed internal and outsourced processes, people and systems, or from external events. The Managing Agent seeks to manage this risk through policies and procedures and systems and controls, which are regularly reviewed and updated. Regular reviews of changes to the Syndicate's risk environment, limits of authority granted to employees, the recruitment and retention of experienced personnel, staff training assessment and plans are reported. The internal audit function reports on the effectiveness of operational controls, and the Audit & Compliance Committee reviews the findings from both internal and external audits and monitors key findings and associated actions.

Supplementing and informing the assessment of risk in the categories identified above, management receive regular risk reports highlighting the material areas of risk, uncertainty and comparison with appetite as well as risk events, near misses and emerging risks.

Corporate Governance
The ASL Board is chaired by Max Taylor, who is supported by three further non-executive directors. R. Matthew Fairfield was the Chief Executive Officer until 21 April 2015, with Andrew Hall stepping in as interim Managing Director until Janet Helson joined as Chief Executive Officer on 19 October 2015. ASL has six further Executive Directors.

A defined operational and management structure is in place as are terms of reference for all Board committees.

The ASL Board meets at least four times a year and more frequently when business needs require. The Board has a schedule of matters reserved for its decision and has appointed an Executive Committee to manage the operations of the business. The Board and the Executive Committee are supported by an Audit & Compliance Committee and a Risk Committee. The Committee Framework includes a number of other Committees, including a dedicated Conduct Committee to manage conduct risk issues.

Future Developments
The expected significant future developments of the Syndicate are included in the Strategic Report.

Staff matters
ASL considers its staff to be a key resource and the retention of fundamental to the success of the business. The strategy adopted by ASL is designed to ensure that the terms and conditions offered to employees, as part of their overall remuneration package, remain competitive with the rest of the London Market insurance industry.

The Managing Agent seeks to provide a good working environment for its staff that is safe and complies with appropriate legislation. During the year, there has been no significant injury to staff in the workplace or any significant actions taken by any regulatory bodies with regard to staff matters.

Directors and Directors' interests
The Directors who held office during the year are shown on page 2. Directors' interests are shown in note 21 as part of the related parties note to the accounts.

Annual General Meeting
The Directors do not propose to hold an Annual General Meeting for the Syndicate. If any direct corporate supporter of the Syndicate wishes to meet with them the Directors will be prepared to do so.

Disclosure of information to auditors
Each Director who held office at the date of the approval of this Report of the Directors of the Managing Agent confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Syndicate's auditor is unaware; and
- the Director has taken all the steps that one 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.

Auditors
PKF Littlejohn LLP has signified its willingness to continue in office as the Syndicate's auditor.

Approved by Order of the Board

Janet Helson.

S J Helson
Chief Executive Officer
ANV Syndicates Limited
15 March 2016

Company number: 4434499

Statement of Managing Agent's Responsibilities

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

The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 require the managing agent to prepare syndicate annual accounts at 31 December each year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The Syndicate annual accounts are required by law to give a true and fair view of the state of affairs of the Syndicate as at that date and of its profit or loss for that year.

In preparing the Syndicate annual accounts, the Managing Agent is 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 notes to the Syndicate annual accounts; and
- prepare the Syndicate annual accounts on the basis that the syndicate will continue to write future business unless it is inappropriate to presume that the syndicate will do so.

The Managing Agent is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Syndicate and enable it to ensure that the syndicate annual accounts comply with the 2008 Regulations. It is also responsible for safeguarding the assets of the syndicate and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

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

Report of the Auditors

Independent Auditor's Report to the Members of Syndicate 779

We have audited the Syndicate Annual Financial Statements for the year ended 31 December 2015 as set out on pages 14 to 45. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and FRS 103 "Insurance Contracts."

This report is made solely to the Members of the Syndicate as a body, in accordance with The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the Syndicate's Members those matters that we are required to state to them in an auditors' 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 opinion we have formed.

Respective Responsibilities of the Managing Agent and the Auditor

As explained more fully in the Statement of Managing Agent's Responsibilities, the Managing Agent is responsible for the preparation of the Syndicate Annual Financial Statements which give a true and fair view. Our responsibility is to audit and express an opinion on the Syndicate Annual Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the Syndicate Annual Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the Annual Financial Statements sufficient to give reasonable assurance that the Annual Financial Statements 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 Annual Financial Statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Syndicate Annual Financial Statements

In our opinion the Annual Financial Statements:

- give a true and fair view of the state of the Syndicate's affairs as at 31 December 2015 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 Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008.

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

In our opinion the information given in the Strategic Report and the Report of the Directors of the Managing Agent for the financial year for which the Annual Financial Statements are prepared is consistent with the Annual Financial Statements.

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:

- the Managing Agent in respect of the Syndicate has not kept adequate accounting records; or
- the Syndicate Annual Financial Statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

N A Coulson

Neil Coulson (Senior statutory auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
1 Westferry Circus
Canary Wharf
London E14 4HD
15 March 2016

One Company. One Focus - Managing Global Risk

Statement of Profit and Loss: Technical Account – Long Term Business

Year Ended 31 December 2015

	Note	2015 £'000	2015 £'000	Restated 2014 £'000	Restated 2014 £'000
Earned premiums, net of reinsurance					
Gross premiums written	6	14,100		15,916	
Outward reinsurance premiums		(2,744)		(4,238)	
			11,356		11,678
Change in the provision for unearned premiums					
Gross amount	7	3,899		10,091	
Reinsurers' share	7	(192)		(908)	
			3,707		9,183
Earned premiums, net of reinsurance			15,063		20,861
Allocated investment return transferred from the non-technical account			68		237
Claims incurred, net of reinsurance					
Claims paid					
Gross amount		(8,413)		(11,301)	
Reinsurers' share		1,741		3,026	
Net claims paid		(6,672)		(8,275)	
Change in the provision for claims					
Gross amount	7	(108)		1,823	
Reinsurers' share	7	(410)		931	
Change in the net provision for claims		(518)		2,754	
Claims incurred, net of reinsurance			(7,190)		(5,521)
Net operating expenses	8		(11,496)		(14,156)
Balance on the technical account - for long term business			(3,555)		1,421

All of the Syndicate's activities are classed as continuing.

Profit and Loss Account: Non-Technical Account

Year Ended 31 December 2015

	Note	2015 £'000	Restated 2014 £'000
Balance on the Long Term Business Technical Account		(3,555)	1,421
Investment income	11	299	592
Unrealised gains on investments		-	-
Investment expenses and charges	11	(88)	(123)
Unrealised losses on investments	11	(143)	(232)
Allocated investment return transferred to the long term business technical account		(68)	(237)
(Loss) / Profit for the Financial Year		(3,555)	1,421

There is no other comprehensive income and consequently no Statement of Other Comprehensive income has been presented.

Balance Sheet - Assets

At 31 December 2015

Assets	**Note**	**2015 £'000**	**2015 £'000**	**2014 £'000**	**2014 £'000**
Investments					
Other financial investments	12		9,028		16,533
Reinsurers' Share of Technical Provisions - Long-Term Business Provision					
Provision for unearned premiums	7	1,504		1,698	
Claims outstanding	7	2,120		2,618	
			3,624		4,316
Debtors					
Debtors arising out of direct insurance operations	13	3,512		3,542	
Debtors arising out of reinsurance operations	14	1,309		1,750	
Other debtors	12	167		1	
			4,988		5,293
Other Assets					
Cash and cash equivalents		1,524		667	
Other	15	479		453	
			2,003		1,120
Prepayments and Accrued Income					
Deferred acquisition costs	7	4,039		6,427	
Other prepayments and accrued interest		140		69	
			4,179		6,496
Total Assets			23,822		33,758

Balance Sheet – Liabilities

At 31 December 2015

Liabilities	**Note**	**2015 £'000**	**2015 £'000**	**2014 £'000**	**2014 £'000**
Capital and Reserves					
Members' balances			(4,981)		(2,116)
Technical Provisions - Long-Term Business Provision					
Provision for unearned premiums	7	9,622		14,077	
Claims outstanding	7	14,168		14,697	
			23,790		28,774
Creditors					
Creditors arising out of direct insurance operations	16	4,991		6,211	
Creditors arising out of reinsurance operations	17	22		622	
Other creditors	12	-		267	
			5,013		7,100
Total Liabilities			23,822		33,758

The Syndicate annual accounts on pages 14 to 45 were approved by the Board of ANV Syndicates Limited on 15 March 2016 and were signed on its behalf by:

J M Hamilton
Director

Statement of Changes in Members' Balances

Year Ended 31 December 2015

	2015 £'000	2014 £'000
Members' balances brought forward at 1 January	(2,116)	(1,539)
(Loss) / Profit for the financial year	(3,555)	1,421
(Transfer to)/receipt from personal reserve funds	796	(1,892)
Members' agents' fees advances	(106)	(106)
Members' balances carried forward at 31 December	(4,981)	(2,116)

Members participate on Syndicates by reference to years of account and the ultimate result therefrom. Assets and liabilities are determined by reference to policies incepting in that year of account in respect of their membership of a particular year.

Cash Flow Statement

Year Ended 31 December 2015

	2015 £'000	Restated 2014 £'000
Cash flows from operating activities		
(Loss)/Profit for the year	(3,555)	1,421
Decrease in gross technical provisions	(4,984)	(13,969)
Decrease in reinsurers' share of gross technical provisions	692	140
Decrease in debtors	305	7,251
Decrease in creditors	(2,087)	(8,571)
Decrease in other assets	2,317	5,438
Investment return	(68)	(237)
Net cash inflow/(outflow) from operating activities	(7,380)	(8,527)
Cash flows from investing activities		
Net sale of equity and debt instruments	7,505	12,702
Purchase of other financial instruments	-	(6,005)
Investment income received	68	237
Decrease/(increase) in overseas deposits	(26)	444
Net cash inflow/(outflow) from investing activities	7,547	7,378
Net cash flow from financing activities:		
Receipt from / (transfer to) members in respect of underwriting participations	796	(1,893)
Members' agents' fees paid on behalf of members	(106)	(106)
Net cash inflow / (outflow) from financing activities	690	(1,999)
Net increase / (decrease) in cash and cash equivalents	857	(3,148)
Cash and cash equivalents at 1 January	667	3,815
Cash and cash equivalents at 31 December	1,524	667

Notes to the Financial Statements

1. Basis of preparation
The Syndicate comprises a group of members of the Society of Lloyd's that underwrites insurance business in the London Market. The address of the Syndicate's managing agent is 47 Mark Lane, London, EC3R 7QQ.

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

The financial statements have been prepared on the historical cost basis, except for financial assets measured at fair value through profit or loss.

The financial statements are presented in Pound Sterling ("GBP"), which is the Syndicate's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

After making enquiries, the Directors have a reasonable expectation that continued capital support will be in place such that the Syndicate will continue to write new business in future underwriting years of account. Accordingly, the annual accounts have been prepared on the going concern basis.

2. Change to accounting policies
These are the first set of financial statements prepared by the Syndicate in accordance with FRS 102. In its transition to FRS 102 from old UK GAAP, the Syndicate has restated certain balances following changes to the treatment of foreign exchange gains and losses. An explanation of how the transition to FRS 102 has affected the comparative information in these financial statements is included in note 22.

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

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised in the period in which they are identified.

The Syndicate's principal estimates are for claims provisions and related recoveries included within the Long-term Business Provision, estimates of gross premiums written and earned, outwards reinsurance premium ceded and earned, acquisition costs and the valuation of investments. Management regularly reviews and revises these estimates as appropriate based on current information. Any adjustments made to these estimates are reflected in the period the estimates are revised. Any adjustments made to these estimates are reflected in the period the estimates are revised.

The measurement of the Long-term Business Provision involves judgements and assumptions about the future that have the most significant effect on the amounts recognised in the financial statements.

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

The amount included in respect of IBNR is based on statistical techniques of estimation applied by the Syndicate Managing Agent's in-house actuaries and reviewed by external consulting actuaries. These techniques generally involve projecting from past experience the development of claims over time to estimate the likely ultimate claims to be experienced and for more recent underwriting years, having regard to variations in business accepted and the underlying terms and conditions. The provision for claims also includes amounts in respect of internal and external claims handling costs. Bespoke techniques are employed for the legacy European Creditor account where the significant majority of IBNR is held. This account also contains a significant level of IBNER to allow for case reserve uncertainty and statistical techniques are used for this element as well. For the most recent years, estimates may be based in part on output from rating and other models of business accepted and assessments of underwriting conditions.

In arriving at the level of claims provisions a margin may be applied over and above the actuarial best estimate in line with the Syndicate's Reserving Policy to address the risk of un-modelled claims development.

Further information about the risk that the provision for claims outstanding could be materially different from the ultimate cost of claims settlement is included in note 5.

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

Gross premiums written
Premiums written comprise premiums on contracts of insurance incepted during the financial year as well as adjustments made in the year to premiums incepted in prior accounting periods. Premiums are shown gross of brokerage payable and are exclusive of taxes and duties thereon. Estimates are made for pipeline premiums, representing amounts due to the Syndicate not yet received.

Additional or return premiums are treated as a re-measurement of the initial premium.

Outwards reinsurance premiums
Written outwards reinsurance premiums comprise the total premiums payable for contracts entered into during the period and are recognised on the date on which the policy incepts. Premiums include any adjustments arising in the accounting period in respect of reinsurance contracts incepting in prior accounting periods.

Under some policies, reinsurance premiums payable are adjusted retrospectively in the light of claims experience. Where written premiums are subject to a re-measurement retrospectively, it is recognised as soon as there is an obligation to the reinsurer.

Outwards reinsurance premiums are accounted for and earned in the same accounting period as the premiums for the related direct or inwards business being reinsured.

Technical provisions
Technical provisions comprise claims outstanding whether reported or not, provisions for unearned premiums and provisions for unexpired risk.

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 and included in technical provisions for solvency purposes are excluded from the long term business provision for financial reporting purposes.

In order to enable members of the Syndicate to consolidate the results of the Syndicate with their other Lloyd's participations on a consistent basis, movements in the unearned premium reserve are shown as part of earned premiums rather than as movements in other technical provisions. This is permitted by The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and has no effect on the result of the Syndicate. The separate components are combined within the long-term business provision within the balance sheet.

Gross claims incurred comprise the estimated cost of all claims occurring during the year, whether reported or not, including related direct and indirect claims handling costs and adjustments to claims outstanding from previous years. In addition a provision is included in relation to the estimated future expenses that will be incurred in servicing the existing business.

The provision for claims outstanding is assessed on an individual case by case basis and is based on the estimated ultimate cost of all claims notified but not settled by the balance sheet date, together with the provision for related claims handling costs.

The provision also includes the estimated cost of claims incurred but not reported (IBNR) as well as claims incurred but not enough reported (IBNER) at the balance sheet date based on statistical methods.

These techniques generally involve projecting from past experience of the development of claims over time to form a view of the likely ultimate claims to be experienced for more recent underwriting, having regard to variations in the business accepted and the underlying terms and conditions. The provision for claims also includes amounts in respect of claims handling costs and an expense provision. The expense provision has been calculated as the costs required to continue to run the in force contracts until the date at which they are expected to be fully paid on the basis that the Syndicate is on-going.

For the most recent years, where a high degree of volatility arises from projections, estimates may be based in part on output from rating and other models of the business accepted and assessments of underwriting conditions.

For individual life business, an additional analysis is carried out based on underlying mortality expectations taking into account the CMI mortality rates. This individual life analysis is used to determine the transfer premium provision for GAAP reserving. This is a mechanism to deliver equity between years of account, in which later years of account to which long term policies re-sign are provided a share of any excess in earlier years to compensate for the higher mortality in the latter part of the overall policy term. This is calculated by projecting forward future premiums and future expected claims, with a prudent allowance for lapses, and assessing any deficiencies in the future premiums receivable.

The reinsurers' share of provisions for claims is based on amounts of claims outstanding 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. A number of statistical methods are used to assist in making these estimates.

Accordingly the most critical assumptions as regards claims provisions are that the past is a reasonable predictor of the likely level of claims development, that the outstanding claims estimates are reasonable and that the rating and other models used for current business are based on fair reflections of the likely level of ultimate claims to be incurred. The level of uncertainty with regard to the estimations within these provisions generally decreases with the length of time elapsed since the underlying contracts were exposed to new risks.

The assessment of these provisions is usually the most subjective aspect of an insurer's accounts and may result in greater uncertainty within an insurer's accounts than within those of many other businesses. The Directors consider that the provisions for gross claims and related reinsurance recoveries are fairly stated on the basis of the information currently available to them. However, the ultimate liability will vary as a result of subsequent information and events and this may result in significant adjustments to the amounts provided. Adjustments to the amounts of claims provisions established in prior years are reflected in the financial statements for the period in which the adjustments are made. The provisions are not discounted for the investment earnings that may be expected to arise in the future on the funds retained to meet the future liabilities. The methods used, and the estimates made, are reviewed regularly.

Provisions for unearned premiums

Written premiums are recognised as earned according to the risk profile of the policy. Unearned premiums represent the proportion of premiums written that relate to unexpired terms of policies in force at the balance sheet date, calculated on the basis of established earnings patterns, including consideration of mortality expectations for individual life business, or time apportionment as appropriate.

Unexpired risks provision

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

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

Net operating expenses (including acquisition costs)

Net operating expenses include acquisition costs, profit or loss on exchange and amounts charged to members through the Syndicate.

Certain contracts between the Syndicate and its producing agents and brokers include the requirement to pay overrider commissions based on the volume of business produced on the Syndicate's behalf. Amounts in relation to this and other commissions are accrued and earned in line with the premium to which they relate and classified as acquisition costs.

Acquisition costs comprise costs arising from the conclusion of insurance contracts. They include both direct costs such as brokerage and commission, and indirect costs such as administrative expenses connected with the processing of proposals and the issuing of policies. Acquisition costs are deferred in line with the earning of the gross premiums to which they relate. The deferred acquisition cost asset represents the proportion of acquisition costs which corresponds to the proportion of gross premiums written that is unearned at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are translated to the functional currency using the exchange rates at the date of the transactions. The Syndicate's monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rates of exchange at the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured at historic cost are translated to the functional currency using the exchange rate at the date of the transaction. For the purposes of foreign currency translation, unearned premiums and deferred acquisition costs are treated as if they are monetary items.

Differences arising on translation of foreign currency amounts relating to the insurance operations of the Syndicate are included in the technical account in accordance with Life accounting requirements.

Financial Assets and Liabilities

The Syndicate has chosen to apply the provisions of Section 11 (Basic Financial Instruments) and Section 12 (Other Financial Instruments Issues) of FRS 102 for the treatment and disclosure of financial assets and liabilities.

The Syndicate's investments comprise debt investments and cash and cash equivalents. The Syndicate does not invest in derivative financial instruments.

Recognition:

Financial assets and liabilities are recognised when the Syndicate becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of an undertaking after deducting all of its liabilities. The Syndicate does not hold any equity instruments.

Initial Measurement:

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. The Syndicate was not party to any financing transactions during the period.

Subsequent measurement:

All debt instruments are measured at fair value through the profit and loss account.

Realised and unrealised gains and losses arising from changes in the fair value of investments are initially presented in the non-technical account in the period in which they arise. Dividend and interest income is recognised when earned. Investment management and other related expenses are recognised when incurred. The overall investment return is subsequently transferred to the Technical Account to reflect the investment return on funds supporting the underwriting business

Derecognition of financial assets and liabilities:

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Syndicate transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Syndicate, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Fair value measurement:
The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the company estimates the fair value by using a valuation technique.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, yield curves, credit spreads, liquidity statistics and other factors.

The use of different valuation techniques could lead to different estimates of fair value.

FRS 102 section 11.27 establishes a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical asset or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

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

- Level 1 – Quoted prices for an identical asset in an active market. Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis.

- Level 2 – When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If it can be demonstrated that the last transaction price is not a good estimate of fair value (e.g. because it reflects the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distress sale), that price is adjusted.

- Level 3 – If the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique. The objective of using a valuation technique is to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations.

Impairment of financial instruments measured at amortised cost or cost:

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. The amount of the reversal is recognised in profit and loss immediately.

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

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

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

Investment return is initially recorded in the Non-Technical Account and subsequently transferred to the Technical Account to reflect the investment return on funds supporting the underwriting business.

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 United States 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.

Managing Agent's profit commission
ASL has agreed contractual terms with the capital providers to the Syndicate for the payment of profit commissions based on the performance of the individual years of account of the Syndicate. Profit commissions are accrued in line with the contractual terms and the development of the result of the underlying years of account.

Amounts charged to the Syndicate do not become payable until after the appropriate year of account closes, normally at 36 months, although the Managing Agent may receive payments on account of anticipated profit commissions in line with interim profits released to members.

Pension costs
ASL operates a defined contribution scheme through a related company, ANV Central Bureau of Services Limited (CBS). Pension contributions relating to Managing Agency staff working on behalf of the syndicate staff are charged to the syndicate and included within net operating expenses.

5. Risk and capital management

Introduction and overview
This note presents information about the nature and extent of insurance and financial risks to which the Syndicate is exposed, the Managing Agent's objectives, policies and processes for measuring and managing insurance and financial risks, and for managing the Syndicate's capital. It should be read in conjunction with the principle risks and uncertainties disclosed in the managing agents' report.

Risk management framework
The primary objective of the Syndicate's risk and financial management framework is to protect the Syndicate's members from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. All staff providing services to the Syndicate are trained to recognise the critical importance of having efficient and effective risk management systems in place.

The Board of Directors of the Managing Agent has overall responsibility for the establishment and oversight of the Syndicate's risk management framework. The Board 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. Under the Risk Management Framework, the management of insurance risks is the responsibility of the Underwriting Management Committee, Reserving & Claims Committee and Reinsurance Review Group which are responsible for developing and monitoring insurance risk management policies; and the management of aspects of financial risks is the responsibility of the Finance & Investment Committee, which is responsible for developing and monitoring financial risk management policies. In addition, the Syndicate is exposed to Conduct and Operational risks and the management of aspects of these risks is the responsibility of the Conduct Committee and Operations Committee respectively. The Risk Management Function and the Risk Committee are then the second line of defence above these committees.

The Risk Committee reports regularly to the Board of Directors on its activities. The Reserving & Claims Committee, Underwriting Management Committee, Reinsurance Review Group, Finance & Investment Committee, Conduct Committee and Operations Committee report regularly to the Executive Committee and provide regular reports on their activities to the Risk Management Function, Risk Committee and Board of Directors.

ASL has established a risk management function, together with terms of reference for the board of directors, its committees and the associated executive management committees which identify the risk management obligations of each. The function is supported by a clear organisational structure with documented delegated authorities and responsibilities from the board of directors to executive management committees and senior managers. The framework sets out the risk profiles for the Syndicate, including, controls and business conduct standards. The framework has been enhanced during 2015 but the core principles also apply to the 2014 comparative period.

Insurance Risk

Management of insurance risk

The principal risk the Syndicate faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long–term claims.

A key component of the management of underwriting risk for the Syndicate is a disciplined underwriting strategy that is focused on writing quality business and not writing for volume. Product pricing is designed to incorporate appropriate premiums for each type of assumed risk. The underwriting strategy includes underwriting limits on the Syndicate's total exposure to specific risks together with limits on geographical and industry exposures. The aim is to ensure a well-diversified book is maintained with no over exposure in any one geographical region or to any one event.

Contracts can contain a number of features which help to manage the underwriting risk such as the use of deductibles, or capping the maximum permitted loss, or number of claims (subject to local regulatory and legislative requirements).

The Syndicate makes use of reinsurance to mitigate the risk of incurring significant losses linked to one event, including excess of loss, stop loss and catastrophe reinsurance. Where an individual exposure is deemed surplus to the Syndicate's appetite, additional facultative reinsurance is purchased.

The Syndicate limits its exposure to catastrophic events based on the Syndicate's risk appetite as determined by management. The Syndicate uses both its own and commercially available proprietary risk management software to assess catastrophe exposure. However, there is always a risk that the assumptions and techniques used in these models do not exactly model the actual losses that occur or that claims arising from an unmodelled event are greater than those anticipated.

The board sets limits to the syndicate's exposure to catastrophe events both on a gross and net of reinsurance basis and adherence to these limits is regularly monitored by the ASL exposure management team which reports monthly to the Underwriting Management Committee. The maximum limits set for the syndicate's highest realistic disaster scenario (RDS) for 2016 are the following percentages of the 2016 stamp: 12.6 % gross and net.

The Syndicate's exposure to insurance risk is well diversified by class of business and geography. The diversification by class of business is set down in the business class analysis in note 6. The geographical breakdown of its written premiums for 2015 and 2014 is:

Territory	2015 £'000	2014 £'000
United Kingdom	11,696	12,767
Norway	910	2,089
Other Europe	924	520
United States of America	493	272
Other Worldwide	77	268
Total	**14,100**	**15,916**

The Reserving & Claims Committee oversees the management of reserving risk. The use of proprietary and standardised modelling techniques, internal and external benchmarking, and the review of claims development are all instrumental in mitigating reserving risk.

The Syndicate Managing Agent's in-house actuaries perform a reserving analysis on a quarterly basis liaising closely with underwriters, claims and reinsurance technicians. The aim of this exercise is to produce a probability-weighted average of the expected future cash outflows arising from the settlement of incurred claims and claims on unearned premium. These projections include an analysis of claims development compared to the previous 'best estimate' projections. The output of the reserving analysis is reviewed by external consulting actuaries in order for them to provide the Statement of Actuarial Opinion (SAO) on the year-end reserves.

The Reserving & Claims Committee performs a comprehensive review of the projections, both gross and net of reinsurance. Following this review the Reserving & Claims Committee makes recommendations to the Managing Agent's Board of Directors of the claims provisions to be established.

In arriving at the level of claims provisions a margin may be applied over and above the actuarial best estimate.

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 classes of business and the nature of the risk being underwritten and can arise from developments in case reserving for attritional losses, large losses and catastrophes, or from changes in estimates of claims incurred but not reported (IBNR). A five per cent increase or decrease in the ultimate cost of settling claims arising is considered to be reasonably possible at the reporting date.

A five percent increase or decrease in total earned claims liabilities would have the following effect on profit or loss and equity. It is noted that on a net of reinsurance basis, the effects would be more complex depending on the nature of the loss and its interaction with other losses already incurred. The incidence of profit commission payable to intermediaries may also affect the gross and net impact on results and equity.

	2015 £'000		2014 £'000	
	Gross	Net	Gross	Net
5% increase in total claims liabilities	(570)	(434)	(633)	(482)
5% decrease in total claims liabilities	570	434	633	482

Financial risk

The focus of financial risk management for the Syndicate is ensuring that its financial assets are sufficient to fund the obligations arising from its insurance contracts as they fall due. The goal of the investment management process is to optimise the risk-adjusted total return whilst investing in accordance with the syndicate's risk appetite in a diversified portfolio of securities and ensuring that the assets and liabilities are managed on a cash flow and duration basis.

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:

- debt securities;
- reinsurers' share of insurance liabilities;
- amounts due from intermediaries;
- amounts due from reinsurers in respect of settled claims;
- failure of sub-contractors/outsource providers to honour their contractual obligations
- cash and cash equivalents; and
- other debtors and accrued interest.

Management of credit risk

The Syndicate's credit risk in respect of debt securities and reinsurers is managed by placing limits on its exposure to a single counterparty, by reference to the credit rating of the counterparty. Financial assets are graded according to current credit ratings issued by rating agencies. The Syndicate has a policy of investing mainly in government issued and government backed debts. The Syndicate does not currently invest in speculative grade assets (i.e. those rated below BBB).

The Syndicate limits the amount of cash and cash equivalents that can be deposited with a single counterparty, and maintains an authorised list of cash counterparty acceptance criteria.

The Syndicate's exposure to intermediaries and reinsurance counterparties is monitored as part of the credit control processes. On a quarterly basis the Finance & Investment Committee reviews the credit exposures.

All intermediaries must meet minimum requirements established by the Syndicate. The credit ratings and payment histories of intermediaries are monitored on a regular basis.

The Syndicate assesses the creditworthiness of all reinsurers by reviewing public rating information and by internal investigations. The impact of reinsurer default is regularly assessed and managed accordingly. Where reinsurance is transacted with unrated reinsurers the reinsurer is required to fully collateralise their exposure through depositing funds in trust for the Syndicate.

Exposure to credit risk

The carrying amount of financial assets and reinsurance assets represents the maximum credit risk exposure in respect of known liabilities.

The following table analyses the credit rating by investment grade of financial investments, reinsurers' share of technical provisions, cash at bank and in hand, and other debtors and accrued interest that are neither past due, nor impaired. The table excludes debtors arising out of direct insurance and reinsurance operations in relation to intermediaries.

Debtors arising out of direct operations are comprised of pipeline premiums, balances relating to outstanding receipts from Lloyd's Central Accounting ('LCA') and amounts for business settled outside of Xchanging ('settled direct'). By their nature, it is not possible to classify these balances by credit rating. Debtors arising out of reinsurance operations relate to accrued recoveries on gross paid claims.

31 December 2015	**AAA £'000**	**AA £'000**	**A £'000**	**BBB £'000**	**Not rated £'000**	**Total £'000**
Financial investments						
Shares and other variable yield securities	6,008	-	-	-	-	6,008
Debt securities and other fixed income securities	-	886	709	1,424	-	3,019
Participation in investment funds	1	-	-	-	-	1
Overseas Deposits	479	-	-	-	-	479
Reinsurers' share of technical provisions	-	2,120	-	-	-	2,120
Debtors arising out of direct insurance operations	-	-	-	-	3,512	3,512
Debtors arising out of reinsurance operations	-	1,309	-	-	-	1,309
Cash at bank and in hand	-	-	1,524	-	-	1,524
Total	**6,488**	**4,315**	**2,233**	**1,424**	**3,512**	**17,972**

31 December 2014	**AAA £'000**	**AA £'000**	**A £'000**	**BBB £'000**	**Not rated £'000**	**Total £'000**
Financial investments						
Shares and other variable yield securities	8,409	-	-	-	-	8,409
Debt securities and other fixed income securities	-	4,399	2,754	815	-	7,968
Participation in investment funds	154	-	-	-	-	154
Other Investments	-	-	-	2	-	2
Overseas Deposits	453	-	-	-	-	453
Reinsurers' share of technical provisions	-	2,618	-	-	-	2,618
Debtors arising out of direct insurance operations	-	-	-	-	3,542	3,542
Debtors arising out of reinsurance operations	-	1,750	-	-	-	1,750
Cash at bank and in hand	-	-	667	-	-	667
Total	**9,016**	**8,767**	**3,421**	**817**	**3,542**	**25,563**

At 31 December 2015, the largest concentration risk in the Syndicate's debt security portfolio was in relation to corporate debt. The Syndicate's total holding of corporate debt was £3.0m at the balance sheet date. Exposure to peripheral Eurozone countries is monitored and as at the year-end, the Syndicate had no exposure to peripheral Eurozone countries (2014: no exposure to peripheral Eurozone countries). ASL has an Investment Policy that sets limits on the concentrations of investment holdings by product type, counterparty, industry and credit rating. This policy is enforced by the Finance & Investment Committee which may grant an exception to the policy if deemed appropriate for a syndicate's individual circumstances. In the case of Syndicate 779 the Committee decided to hold the portfolio to maturity to avoid frictional costs and realising mark to market losses, acknowledging that this would lead to periods where credit rating concentration limits were exceeded. The majority of the investment portfolio will all mature within the next twelve months.

Financial assets that are past due or impaired

The Syndicate has debtors arising from direct insurance and reinsurance operations that are past due but not impaired at the reporting date. These debtors have been individually assessed for impairment by considering information such as the occurrence of significant changes in the counterparty's financial position, patterns of historical payment information and disputes with counterparties. The Syndicate does not consider these debtors to be impaired on the basis of stage collection of amounts owed to the Syndicate.

An analysis of the carrying amounts of past due or impaired debtors is presented in the table below.

Debtors arising from direct insurance operations	2015 £'000	2014 £'000
Past due but not impaired financial assets:		
Past due by:		
1 to 90 days	5	38
91 to 180 days	13	34
More than 180 days	142	146
Past due but not impaired financial assets	**160**	**218**
Impaired financial assets	-	-
Neither past due nor impaired financial assets	**3,352**	**3,324**
Net carrying value	**3,512**	**3,542**

There are no impaired or past due debtors arising from reinsurance operations.

Liquidity risk

Liquidity risk is the risk that the Syndicate will encounter difficulty in meeting obligations arising from its insurance contracts and financial liabilities as they fall due. The Syndicate is exposed to daily calls on its available cash resources mainly from claims arising from insurance contracts and its ongoing expenses.

The nature of the Syndicate's exposures to liquidity risk and its objectives, policies and processes for managing liquidity risk have not changed significantly from the prior year.

Management of liquidity risk

The Syndicate's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Syndicate's reputation.

The Syndicate's approach to managing its liquidity risk is as follows:

- Forecasts are prepared and revised on a regular basis to predict cash outflows from insurance contracts and overheads over the short, medium and long term;
- The Syndicate purchases assets with durations not greater than its estimated insurance contract liabilities and expense outflows;
- Assets purchased by the Syndicate are required to satisfy specified marketability requirements;
- The Syndicate maintains cash and liquid assets to meet daily calls; and
- The Syndicate regularly updates its contingency funding plans to ensure that adequate liquid financial resources are in place to meet obligations as they fall due in the event of reasonably foreseeable abnormal circumstances.

Shares and other variable yield securities and units in unit trusts represent the Syndicate's interest in money market funds. The categorisation of the fair value of these by level has been determined by looking through the funds to the underlying holdings within the collective investment schemes.

The maturity analysis presented in the table below shows the remaining contractual maturities for the Syndicate's insurance contracts and financial instruments and excludes amounts due from members. For insurance contracts, the contractual maturity is the estimated date when the gross undiscounted contractually required cash flows will occur. For financial assets and liabilities it is the earliest date on which the gross undiscounted cash flows (including contractual interest payments) could be paid assuming conditions are consistent with those at the reporting date. No credit has been taken in the table below for the collection of the closing year loss of £1.9m (after members' agents' fees), any income from investments or any potential profit or loss on unearned premium.

			Undiscounted net cash flows			
31 December 2015	**Carrying amount £'000**	**Total cash flows £'000**	Less than 1 year £'000	1-2 years £'000	2-5 years £'000	More than 5 years £'000
Financial investments						
Shares and other variable yield securities	6,008	6,008	6,008	-	-	-
Debt securities and other fixed income securities	3,019	3,019	2,379	640	-	-
Participation in investment funds	1	1	1	-	-	-
Reinsurers share of technical provisions	3,624	3,624	1,898	1,023	703	-
Debtors and accrued interest	4,821	4,821	4,821	-	-	-
Cash at bank and in hand	2,003	2,003	2,003	-	-	-
Other Assets	4,346	4,346	4,346	-	-	-
Total assets	**23,822**	**23,822**	**21,456**	**1,663**	**703**	**-**
Technical provisions	23,790	23,790	10,979	5,917	5,397	1,497
Creditors	5,013	5,013	3,655	980	367	11
Total liabilities	**28,803**	**28,803**	**14,634**	**6,897**	**5,764**	**1,508**
Net Assets	**(4,981)**	**(4,981)**	**6,822**	**(5,234)**	**(5,061)**	**(1,508)**

			Undiscounted net cash flows			
31 December 2014	**Carrying amount £'000**	**Total cash flows £'000**	Less than 1 year £'000	1-2 years £'000	2-5 years £'000	More than 5 years £'000
Financial investments						
Shares and other variable yield securities	8,409	8,409	8,409	-	-	-
Debt securities and other fixed income securities	7,968	7,968	4,758	2,545	665	-
Participation in investment funds	154	154	154	-	-	-
Deposits with credit institutions	2	2	2	-	-	-
Reinsurers share of technical provisions	4,316	4,316	2,261	1,219	836	-
Debtors and accrued interest	5,292	5,292	5,292	-	-	-
Cash at bank and in hand	1,120	1,120	1,120	-	-	-
Other Assets	6,497	6,497	6,497	-	-	-
Total assets	**33,758**	**33,758**	**28,493**	**3,764**	**1,501**	**-**
Technical provisions	28,774	28,774	13,279	7,156	6,527	1,812
Creditors	6,833	6,833	4,981	1,336	501	15
Other creditors	267	267	195	52	19	1
Total liabilities	**35,874**	**35,874**	**18,455**	**8,544**	**7,047**	**1,828**
Net Assets	**(2,116)**	**(2,116)**	**10,038**	**(4,780)**	**(5,546)**	**(1,828)**

In the above tables debt securities are presented according to their maturity dates. In practice cash could be realised through the sale of these investments which are actively traded. The disclosure does not take account of premiums received from new business written which can be used to pay claims arising.

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 but excludes those that are caused by credit downgrades which are included under credit risk above. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk.

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

Management of market risk
For each of the major components of market risk the Syndicate has policies and procedures in place which detail how each risk should be managed and monitored. The management of each of these major components of market risk and the exposure of the Syndicate at the reporting date to each major component are addressed below.

Interest rate risk
Interest rate risk arises primarily from the Syndicate's financial investments, cash and overseas deposits. The risk of changes in the fair value of these assets is managed by primarily investing in short-duration financial investments and cash and cash equivalents. The Finance & Investment Committee monitors the duration of these assets relative to the duration of its liabilities on a regular basis.

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

The Syndicate writes business primarily in Sterling, Euros, US dollars and Canadian dollars and is therefore exposed to currency risk arising from fluctuations in the exchange rates of its functional currency against these currencies.

The foreign exchange policy is to maintain assets in the currency in which the cash flows from liabilities are to be settled in order to hedge the currency risk inherent in these contracts so far is allowed by regulatory requirements and for any profit or loss to be reflected in the net assets of the functional currency Sterling.

The table below summarises the carrying value of the Syndicate's assets and liabilities, at the reporting date:

As at 31 December 2015	**Sterling £'000**	**Euro £'000**	**US Dollar £'000**	**Other £'000**	**Total £'000**
Total assets	14,407	6,843	845	1,727	23,822
Total liabilities	(13,857)	(12,335)	(392)	(2,219)	(28,803)
Net assets	**550**	**(5,492)**	**453**	**(492)**	**(4,981)**

As at 31 December 2014	**Sterling £000**	**Euro £000**	**US Dollar £000**	**Other £000**	**Total £000**
Total assets	17,152	14,005	458	2,143	33,758
Total liabilities	(15,865)	(16,162)	(114)	(3,733)	(35,874)
Net assets	**1,287**	**(2,157)**	**344**	**(1,590)**	**(2,116)**

Equity price risk
The Syndicate does not hold any equity investments other than through its holding of money market funds. These money market funds are generally low risk investments with lower levels of volatility to market movements. There is a risk that future investments returns will be lower as a result of adverse changes to market conditions.

An analysis of the Syndicate's sensitivity to interest rate, currency and other price risk is presented in the table below. The table shows the effect on profit or loss of reasonably possible changes in the relevant risk variable, assuming that all other variables remain constant, and that change had occurred at the end of the reporting period and had been applied to the risk exposures as at that date. However, the occurrence of a change in a single market factor may lead to changes in other market factors as a result of correlations.

	2015 Profit or loss for the year £'000	**2014 Profit or loss for the year £'000**
Interest rate risk		
+ 50 basis points shift in yield curves	45	83
- 50 basis points shift in yield curves	(45)	(83)
Currency risk		
10 percent increase in GBP/euro exchange rate	(499)	(232)
10 percent decrease in GBP/euro exchange rate	610	204
10 percent increase in GBP/US dollar exchange rate	41	5
10 percent decrease in GBP/US dollar exchange rate	(50)	(74)

The impact of the reasonably possible changes in the risk variables on Members' balances would be the same, since the Syndicate recognises all changes in recognised assets and liabilities in profit and loss.

A 10% increase (or decrease) in exchange rates, a 50 basis point increase or decrease in yield curves have been selected on the basis that these are considered to be reasonably possible changes in these risk variables over the following year.

The sensitivity analyses do not take into consideration that the Syndicate's financial investments are actively managed. Additionally, the sensitivity analysis is based on the Syndicate's financial position at the reporting date and may vary at the time that any actual market movement occurs. As investment markets move past pre-determined trigger points, action would be taken which would alter the Syndicate's position.

This note presents information about the nature and extent of insurance and financial risks to which the Syndicate is exposed, the Managing Agent's objectives, policies and processes for measuring and managing insurance and financial risks, and for managing the Syndicate's capital.

Capital management

Capital framework at Lloyd's

The Society of Lloyd's ('Lloyd's') is a regulated undertaking and subject to supervision by 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 would comply with the 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 requirements 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 the Syndicate is not disclosed in these financial statements.

Lloyd's capital setting process

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

A syndicate may be comprised of one or more underwriting members of Lloyd's. Each member is liable for its own share of underwriting liabilities on the syndicates on which it is participating but not for other members' shares. Accordingly, the capital requirements that Lloyd's sets for each member operates on a similar basis. Each member's SCR is based on the member's share of the syndicate's SCR 'to ultimate'. Where a member participates on more than one syndicate, each syndicate's SCR is summed together but a credit for diversification is allowed to reflect the spread of risk consistent with determining an SCR which reflects the capital requirement to cover a 1 in 200 year loss 'to ultimate' for that member. Life and non-life SCR's are treated separately for this purpose and no offset is permitted. 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'.

Since Lloyd's has rated ASL as red for Solvency II, a loading of 20% has been added to the above figures. The Board is working towards the withdrawal of this loading for the mid-2016 readjustment of members' capital requirements.

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 balance sheet on pages 16 and 17, represent resources available to meet members' and Lloyd's capital requirements.

6. Business class analysis

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

	Note	2015 £'000	2014 £'000
Scheme		6,324	8,640
Individual		1,857	2,261
Group		5,919	5,015
Gross premiums written	(b)	14,100	15,916
Periodic Premiums		10,575	11,937
Single Premiums		3,525	3,979
Gross premiums written	(b)	14,100	15,916
Gross premiums earned		17,999	26,007
Gross claims incurred		(8,521)	(9,478)
Net operating expenses		(11,496)	(14,156)
Reinsurance balance	(a)	(1,605)	(1,189)
Total		(3,623)	1,184
Geographical Origin of business			
Risks concluded in UK		14,100	15,921
Risks concluded in other EU countries		-	(5)
Risks concluded in other countries		-	-
Gross premiums written	(b)	14,100	15,916

Notes:

(a) The reinsurance balance comprises reinsurance recoveries less outward reinsurance premiums. All gross premiums written by the Syndicate are in respect of direct business.

(b) All premiums written are in respect of contracts concluded in the UK and are in respect of term life business and ancillary covers.

Group business written through a coverholder is included in the above table as scheme business. This differs from the Syndicate Business Forecast return where it is defined as group business.

7. Technical Provisions

The Syndicate has applied a similar approach to establishing technical provisions for claims outstanding reserves and reinsurer's share thereof, as included within the Long-Term Business Provision, held at the end of the previous year. The claims incurred, as stated within the financial statements of £7.2m (2014: £5.5m) includes a deterioration of £2.2m on 2013 & prior years and a marginal movement on the other years of account (2014: £0.3m deterioration) in relation to claims incurred at the prior year end principally due to the adverse developments of legacy European creditor reserves.

	Unearned premiums £'000	Claims outstanding £'000	Total £'000
Gross			
At 1 January 2015	14,077	14,697	28,774
Movement in provision	(3,899)	108	(3,791)
Foreign exchange	(556)	(637)	(1,193)
At 31 December 2015	9,622	14,168	23,790
Reinsurance			
At 1 January 2015	1,698	2,618	4,316
Movement in provision	(192)	(410)	(602)
Foreign exchange	(2)	(88)	(90)
At 31 December 2015	1,504	2,120	3,624
Net Long-Term technical provisions			
At 31 December 2015	**8,118**	**12,048**	**20,166**

	Unearned premiums £'000	Claims outstanding £'000	Total £'000
Gross			
At 1 January 2014	25,140	17,603	42,743
Movement in provision	(10,091)	(1,823)	(11,914)
Foreign exchange	(972)	(1,083)	(2,055)
At 31 December 2014	14,077	14,697	28,774
Reinsurance			
At 1 January 2014	2,616	1,840	4,456
Movement in provision	(908)	931	23
Foreign exchange	(10)	(153)	(163)
At 31 December 2014	1,698	2,618	4,316
Net Long-Term technical provisions			
At 31 December 2014	**12,379**	**12,079**	**24,458**

Deferred acquisition costs	**2015 £000**	**2014 £000**
At 1 January	6,427	11,872
Movement in provision	(2,091)	(4,920)
Exchange adjustments	(297)	(525)
At 31 December	4,039	6,427

The basis of calculation of the long-term business provisions is as follows:

- **Individual Life** · Reserves are calculated based on a view of reporting delay (validated against past data) for earned business and loss ratio expectations for unearned business (validated against past performance). For individual life business, an additional analysis is carried out based on underlying mortality expectations taking into account the CMI mortality rates.

  This individual life analysis is used to determine the transfer premium provision for GAAP reserving. This is a mechanism to deliver equity between years of account, in which later years of account to which long term policies re-sign are provided a share of any excess in earlier years to compensate for the higher mortality in the latter part of the overall policy term. This is calculated by projecting forward future premiums and future expected claims, with a prudent allowance for lapses, and assessing any deficiencies in the future premiums receivable.

- **Group & Scheme Life** · 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 the unexpired premium for 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. As explained in the accounting policies, the reserves are not discounted as a zero percent return on investments is assumed.

- **Legacy European Business** · The majority of the Syndicate's reserves relate to a legacy portfolio of predominantly accident & sickness business. The account has terms of up to 10 years, with payment periods for any period of resulting unemployment of up to 5 years, in some instances with an additional 1 year discovery period.

  By its nature this business would not be subject to standard Life reserving methods. As a result, several bespoke methods are applied for this account due to its long tail, complexity, uncertainties in respect of historical reporting delays, average length of payment term and premium earning recognising increasing mortality / morbidity over the term.

The Syndicate actuary is satisfied that this method of reserving is prudent.

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.

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 occur.

8. Net Operating Expenses

	2015 £'000	**Restated 2014 £'000**
Brokerage and commissions	5,602	6,099
Other acquisition costs	839	702
Acquisition costs	6,441	6,801
Change in deferred acquisition costs	2,091	4,920
Administrative expenses	3,182	2,859
(Profit)/loss on exchange	(218)	(424)
	11,496	14,156
Administrative expenses include:		
Fees payable to the Syndicate auditors for:		
· The audit of the Syndicate's accounts	77	74
· Other services pursuant to legislation (e.g. Returns to Lloyd's)	13	16
· Other services relating to taxation	3	3
Members standard personal expenses (Lloyd's subscriptions, New Central Fund contributions, Managing Agent fees and profit commissions)	198	143
	291	236

9. Staff numbers and costs

During the 2015 calendar year, all employee contracts with the Managing Agency were transferred to ANV Central Bureau of Services Limited ('CBS'), a related company. The following amounts were recharged to the Syndicate in respect of salary costs:

	2015 £'000	2014 £'000
Wages and salaries	1,281	1,125
Social security costs	177	180
Other pension costs	142	110
Bonus	216	296
	1,816	1,711

The average number of employees employed by CBS but working for the Syndicate during the year was as follows:

	2015 No.	2014 No.
Administration and finance	6	6
Underwriting	7	7
Claims	1	1
	14	14

10. Key management personnel compensation

The Directors of ANV Syndicates Limited received the following aggregate remuneration charged to the Syndicate and included within net operating expenses:

	2015 £'000	2014 £'000
Emoluments	170	116
Contributions to defined contribution pension schemes	9	5
	179	121

The active underwriter received the following aggregate remuneration including pension contributions of £25k (2014: £21k) charged as a Syndicate expense:

	2015 £'000	2014 £'000
J Clarke	-	168
C Garner	251	139
	251	307

Profit-related remuneration for the directors and Active Underwriters is not charged to the Syndicate. No other compensation was payable to key management personnel.

11. Investment Return

The investment return transferred from the technical account to the non-technical account comprises the following:

	2015 £'000	2014 £'000
Investment income:		
Interest and dividend income	299	592
Realised gains	-	-
Unrealised gains on investments	-	-
Investment expenses and charges:		
Investment management expenses, including interest	(14)	(39)
Losses on the realisation of investments	(74)	(84)
Unrealised losses on investments	(143)	(232)
Investment return transferred to the technical account from the non-technical account	**68**	**237**
Impairment losses on debtors recognised in administrative expenses in technical account	-	-
Total investment return	68	237

The total income, expenses, net gains or losses, including changes in fair value, recognised on all financial assets and financial liabilities comprises the following:

	2015 £'000	2014 £'000
Financial assets at fair value through profit or loss	82	276
Financial assets at amortised cost:		
Interest income	-	-
Impairment losses on debtors	-	-
Financial liabilities at amortised cost:		
Interest expense	-	-
Investment management expenses, excluding interest	(14)	(39)
Total investment return	68	237

12. Financial instruments

The carrying values of the Syndicate's financial assets and liabilities are summarised by category below:

	2015 £'000	2014 £'000
Financial assets		
Measured at fair value through profit and loss		
Shares and other variable yield securities and units in unit trusts	6,008	8,409
Debt securities and other fixed income securities	3,019	7,968
Participation in investment pools	1	154
	9,028	16,531
Measured at cost		
Cash and cash equivalents	1,524	667
Deposits with credit institutions	-	2
Overseas deposits (note 15)	479	453
	2,003	1,122
Measured at undiscounted amount receivable		
Other debtors	167	1
Total Financial Assets	11,198	17,654
Financial Liabilities		
Measured at undiscounted amount payable		
Other creditors	-	267
Total Financial Liabilities	-	267

Shares and other variable yield securities and units in unit trusts and debt securities and other fixed income securities are all listed on recognised stock exchanges. The cost on acquisition of debt securities and other fixed income securities was £3.1m (2014: £8.2m). The cost on acquisition of other financial instruments is the same as the carrying value.

All investments are measured at fair value through profit or loss. The Syndicate did not hold any derivative financial instruments during the year (2014: none). The Syndicate does not enter into or trade instruments for speculative purposes.

The Syndicate classifies its financial instruments held at fair value in its balance sheet using a fair value hierarchy, as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – Prices based on recent transactions in identical assets (either unadjusted or adjusted)
- Level 3 – Prices determined using a valuation technique

The table below analyses financial instruments held at fair value in the Syndicate's balance sheet at the reporting date by its level in the fair value hierarchy.

31 December 2015	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Shares and other variable yield securities and units in unit trusts	94	5,914	-	6,008
Debt securities and other fixed income securities	-	3,019	-	3,019
Participation in investment pools	-	1	-	1
	94	8,934	-	9,028

31 December 2014	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Shares and other variable yield securities and units in unit trusts	-	8,409	-	8,409
Debt securities and other fixed income securities	-	7,968	-	7,968
Participation in investment pools	-	154	-	154
	-	16,531	-	16,531

Information on the methods and assumptions used to determine fair values for each major category of financial instrument measured at fair value is provided below.

Shares and other variable yield securities and units in unit trusts represent the Syndicate's interest in money market funds. The categorisation of the fair value of these by level has been determined by looking through the funds to the underlying holdings within the collective investment schemes. Debt securities are generally valued using prices provided by external pricing vendors. Pricing vendors will often determine prices by consolidating prices of recent trades for identical or similar securities obtained from a panel of market makers into a composite price. The pricing service may make adjustments for the elapsed time from a trade date to the valuation date to take into account available market information. Lacking recently reported trades, pricing vendors will use modelling techniques to determine a security price.

Some government and supranational securities are listed on recognised exchanges and are generally classified as level 1 in the fair value hierarchy. Those that are not listed on a recognised exchange are generally based on composite prices of recent trades in the same instrument and are generally classified as level 2 in the fair value hierarchy.

Corporate bonds, including asset backed securities, that are not listed on a recognised exchange or are traded in an established over-the-counter market are also mainly valued using composite prices. Where prices are based on multiple quotes and those quotes are based on actual recent transactions in the same instrument the securities are classified as level 2, otherwise they are classified as level 3 in the fair value hierarchy.

Management performs an analysis of the prices obtained from pricing vendors to ensure that they are reasonable and produce a reasonable estimate of fair value. Management considers both qualitative and quantitative factors as part of this analysis.

13. Debtors Arising out of Direct Insurance Operations

	2015 £'000	2014 £'000
Due within one year – intermediaries	3,512	3,542

14. Debtors Arising out of Reinsurance Operations

	2015 £'000	2014 £'000
Due within one year – intermediaries	1,309	1,750

15. Other Assets – other

These comprise overseas deposits which are advanced as a condition of conducting underwriting business in certain countries.

	2015 £'000	2014 £'000
Overseas Deposits	479	453

16. Creditors Arising out of Direct Insurance Operations

	2015 £'000	2014 £'000
Due within one year – intermediaries	4,991	6,211

17. Creditors Arising out of Reinsurance Operations

	2015 £'000	2014 £'000
Due within one year – intermediaries	22	622

18.Claims development

The following tables shows the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive underwriting year at each reporting date, together with cumulative payments to date. Balances have been translated at exchange rates prevailing at 31 December 2015 in all cases. All balances presented are in respect of premiums earned to balance sheet date. The entity chose not to disclose information about claims development that occurred earlier than five years before the end of the first financial year in which FRS 103 is applied in line with a transitional provision (FRS 103.6.3). Given the long earning patterns of the business written, claims development is expected over an extended number of years.

Gross basis as at 31 December 2015:

Pure underwriting year	**2011 £'000**	**2012 £'000**	**2013 £'000**	**2014 £'000**	**2015 £'000**	**Total £'000**
Incurred Gross claims						
At end of underwriting year	6,163	6,606	2,134	2,689	1,719	19,311
one year later	12,373	10,875	5,833	4,532		33,613
two years later	10,087	11,431	6,064			27,582
three years later	10,225	11,346				21,571
four years later	9,613					9,613
Gross ultimate claims on premiums earned to date	9,613	11,346	6,064	4,532	1,719	33,274
Gross ultimate claims on premiums earned to date for 2010 and prior years	10,948	-	-	-	-	10,948
Less gross claims paid	(9,246)	(11,149)	(5,437)	(3,859)	(363)	(30,054)
Gross claims reserves	**11,315**	**197**	**627**	**673**	**1,356**	**14,168**

Net basis as at 31 December 2015:

Pure underwriting year	**2011 £'000**	**2012 £'000**	**2013 £'000**	**2014 £'000**	**2015 £'000**	**Total £'000**
Incurred Net claims at						
At end of underwriting year	3,872	4,831	1,307	1,363	1,495	12,868
one year later	8,703	7,713	3,389	2,977		22,782
two years later	7,234	7,602	3,639			18,475
three years later	7,414	7,663				15,077
four years later	6,963					6,963
Net ultimate claims on premiums earned to date	6,963	7,663	3,639	2,977	1,495	22,737
Net ultimate claims on premiums earned to date for 2010 and prior years	9,425	-	-	-	-	9,425
Less net claims paid	(6,693)	(7,495)	(3,165)	(2,502)	(259)	(20,114)
Net claims reserves	**9,695**	**168**	**474**	**475**	**1,236**	**12,048**

19. Year of account development

The table below presents the annual results for each year of account until the earlier of the current year end and closure of the year of account by reinsurance to close. Subsequent movements in results for closed years of account are reflected within the results for the year into which they closed.

Year of Account	**2010 £'000**	**2011 £'000**	**2012 £'000**	**2013 £'000**	**2014 £'000**	**2015 £'000**	**Profit / (Loss) before members' agents fees £'000**
2010	(4,951)	2,802	1,285	3,735			2,871
2011		(2,482)	1,047	770			(665)
2012			(2,847)	507	1,698		(642)
2013				(804)	1,530	(2,474)	(1,748)
2014					(1,807)	717	
2015						(1,798)	
Calendar year result			(515)	4,208	1,421	(3,555)	

A call of £1.9m, after members' agents' fees, will be made to members in relation to the closure of the 2013 year of account (2014: £0.8m call in relation to the closure of the 2012 year of account).

20. Retirement Benefits Schemes

ANV Central Bureau of Services Limited ('CBS') operates a defined contribution retirement benefit scheme for all qualifying employees. The funds of the scheme are administered by Aviva plc and are held separately. Contributions are paid by CBS and staff. The group also makes payments into certain other staff personal pension plans. The total expense charged to the Syndicate's profit and loss account for the year ended 31 December 2015 in respect of these was £0.1m (2014: £0.1m).

21. Related Parties

ANV Holdings (UK) Limited (AHUK) holds 80% of the ordinary shares of ANV Syndicate Management Limited (ASML) with the remaining 20% held by Ryan Specialty Group, LLC (RSG). ASML is the immediate parent company of ANV Syndicates Limited (ASL). AHUK is a wholly owned subsidiary of ANV Risk BV. The ultimate holding company of the ANV Group is ANV Holdings BV, whose principal investor is the Ontario Teachers' Pension Plan.

Transactions with Group Entities

Lloyd's market regulations require that a Managing Agent be responsible for engaging underwriting staff and managing the affairs of each syndicate at Lloyd's on behalf of the Syndicate members. The Managing Agent of Syndicate 779 is ASL.

ANV Entities

Following a transfer of all employment and other service contracts to ANV Central Bureau of Services Limited (CBS) at the end of 2014, intragroup service arrangements between ASL and CBS were updated to enable CBS to perform the recharge of all costs to the Syndicate from 1 January 2015. These recharges were performed by ASL during 2014. Included within the recharges are amounts relating to the remuneration of Directors of ASL. Profit-related remuneration for the Syndicate's Active Underwriter and ASL Directors is not charged to the Syndicate.

Other Entities

A proportion of the business written by the Syndicate is either sourced from or involves the provision of insurance services by Ryan Direct Group Limited and its subsidiaries which are part of RSG. These subsidiaries include:

- Jubilee Service Solutions Limited – UK based provision of insurance services;
- Jubilee Europe BV – Netherlands coverholder providing underwriting and claims services; and
- Lutine Assurance Services Limited – UK coverholder providing underwriting services.

The Directors of ASL consider the commissions and fees charged to the Syndicate by Ryan Direct Group and its subsidiaries to be consistent with those payable to a third party for similar services.

Syndicate Capital

2013
In 2013, Jubilee Corporate Member LLP, a subsidiary of Ryan Specialty Group Risk, LLC (RSGR), a company with a commonality of ownership with RSG, provided 21% of the Underwriting Capacity of the Syndicate.

2014
In 2014, Jubilee Corporate Member LLP increased its participation from 21% to 32% of the Underwriting Capacity of the Syndicate.

2015
Jubilee Corporate Member LLP continued to provide 32% of the Underwriting Capacity of the Syndicate.

ASL and other ANV entities entered into transactions with the Syndicate as follows:

Members' expenses, being agent's fees and profit commission payable to the Managing Agent, and subscriptions and Central Fund contributions paid to Lloyd's, are charged on an underwriting year of account, rather than calendar year basis. For the 2015 underwriting year of account, ASL has charged an agent's fee of 0.575% (2014: 0.575%) of capacity and, when the year of account result is finalised, usually after 36 months, will charge a profit commission of 17.5% of any relevant profit after allowance for any prior year losses subject to the provision of the loss deficit clause. Within the annual accounts for the 2015 calendar year, fees of £0.2m (2014: £0.2m) and profit commission of £nil (2014: nil) have been reflected within net operating expenses. At 31 December 2015, there are no unpaid fees or profit commission.

In 2014 and 2015, the Managing Agent and CBS, respectively, incurred a large proportion of the expenses incurred in operating the Syndicate and recharged them to the Syndicate on a basis that reflected the Syndicate's usage of resources. The recharges are included within amounts disclosed as net operating expenses, acquisition costs and claims incurred.

Included within the recharges are amounts relating to the remuneration of Directors of ASL. The total amount recharged by CBS or the Managing Agent to the Syndicate for the calendar year was £3.9m (2014: £3.2m) excluding agent fees and profit commission. As at 31 December 2015, an amount of £0.2m was due from CBS and the Managing Agent (2014:£0.3m due to CBS and the Managing Agent), respectively in relation to expenses.

Directors' Interests
Members of the ASL Board were also directors of other ANV Group companies that transact with ASL and/or the Syndicate, as follows:

- R. Matthew Fairfield (resigned 21 April 2015) – ANV Global Services Limited (resigned 21 April 2015)
- Adam Barker – ANV Global Services Limited, ANV Global Services Inc., ANV Global Services US Inc. & ANV Corporate Name Limited
- Janice Hamilton – ANV Corporate Name Limited
- Gerard van Loon – ANV Global Services Limited (resigned 17 January 2014)
- Lynsey Cross – ANV Central Bureau of Services Limited

Members of ASL Board also provided capital as follows:

Nicholas Pawson, a director of ASL, provided capital to the Syndicate through a corporate entity to support underwriting on the 2014 and 2015 years of account and has continued to provide capital to the 2016 year of account. No other directors or the active underwriter are capital providers on the Syndicate.

22. Explanation of Transition to FRS 102 and 103
This is the first financial year that the Syndicate has presented its financial statements under Financial Reporting Standard 102 and 103 (FRS 102 & 103) issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the financial year ended 31 December 2014. The comparatives in these financial statements have therefore been re-presented under FRS 102 & FRS 103 on a consistent basis.

As a consequence of adopting FRS 102 & 103, the Syndicate has made an amendment to its foreign exchange accounting policy to ensure compliance with FRS 102 Section 30 'Foreign Currency Translation' with respect to the previously reported allocation of foreign exchange gains / losses between the profit & loss account and the STRGL. As a result, some foreign currency assets and liabilities no longer meet the definition of a foreign operation and exchange differences arising from the retranslation of these balances into functional currency have to be recognised in the profit and loss account rather than recognised in the Statement of Comprehensive Income. There is no impact on either Total Comprehensive Income or members' balances.

In accordance with FRS 102 section 3.12, the applicable comparative figures in the primary statements and notes have been restated to reflect the uniform application of the new policy outlined above. The financial effect of restating the prior year amounts for the changes in accounting policy is as follows:

	2014 Restated £'000	**2014 as previously stated £'000**
Balance on technical account before operating expense	15,577	15,577
Operating expense	(14,156)	(14,170)
Balance on technical accounts	1,421	1,407
Non-technical account		
Profit on foreign exchange	-	-
Profit for the financial year	1,421	1,407
Currency translation difference	-	14
Total comprehensive income for the financial year	1,421	1,421

Reconciliation of members balances:

	2014 Restated £'000	**2014 as previously stated £'000**
Members balance at 1 January 2014	(1,539)	(1,539)
Profit for the financial year	1,421	1,407
Currency translation difference	-	14
Transfer to members'personal reserve funds	(1,892)	(1,892)
Members' Agents' Fees	(106)	(106)
Members balance at 31 December 2014	(2,116)	(2,116)

SYNDICATE 779

2013 Year of Account - Underwriting Year Accounts

Year Ended 31 December 2015

Syndicate Underwriting Year Accounts

Closed at 31 December 2015

Table of Contents

Report of the Directors of the Managing Agent

2013 Underwriting Year of Account - 31 December 2015
The Directors of the Managing Agent present their report for the year ended 31 December 2015 in respect of the closed 2013 year of account of Syndicate 779. The principal activity of the Syndicate is that of underwriting Term Life Assurance conducted through the Lloyd's market. An overview of the Syndicate's activities and result is provided in the Strategic Report and the Report of the Directors of the Managing Agent within the annual financial statements.

Review of the 2013 closed year of account
A review of the performance of the closed year of account has been included on page 5 within the Strategic Report.

Seven Year Summary of Results
A seven year summary of underwriting results is shown on page 63.

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

Syndicate Auditors
PKF Littlejohn LLP has signified its willingness to continue in office as the Syndicate's auditors.

Approved by Order of the Board

S J Helson
Chief Executive Officer
ANV Syndicates Limited
15 March 2016

Statement of Managing Agent's Responsibilities

ASL as Managing Agent, is responsible for preparing syndicate underwriting year of accounts in accordance with applicable law and the Lloyd's Syndicate Accounting Byelaw.

The Insurance Accounts Directive (Lloyd's Syndicates and Aggregate Accounts) Regulation 2008 (the "Lloyd's Regulations") require the managing agent to prepare Syndicate underwriting year accounts for each Syndicate in respect of any underwriting year which is being closed by reinsurance to close at 31 December 2015. These Syndicate underwriting year accounts must give a true and fair view of the result of the closed year of account.

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

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

(ii) take into account all income and charges relating to a closed year of account without regard to the date of receipt or payment;

(iii) make judgements and estimates that are reasonable and prudent; and

(iv) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in these accounts.

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

Report of the Auditors

Independent Auditors' Report to the Members of Syndicate 779 2013 Closed Year of Account

We have audited the Syndicate Underwriting Year Accounts for the 2013 Closed Year of Account of Syndicate 779 for the three years ended 31 December 2015 as set out on pages 51 to 62 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Members' Balances, Cashflow Statement and related notes 1 to 11. 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).

This report is made solely to the members on the 2013 Year of Account of the Syndicate, as a body, in accordance with the Regulation 6(4) of The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and the Syndicate Accounting Byelaw (No.8 of 2005). 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 auditors' 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 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 Auditor

As explained more fully in the Statement of Managing Agent's Responsibilities set out on page 49, the Managing Agent is responsible for the preparation of the Syndicate Underwriting Year Accounts, under the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and in accordance with the Lloyd's Syndicate Accounting Byelaw (No.8 of 2005), which give a true and fair view. Our responsibility is to audit and express an opinion on the Syndicate Underwriting Year Accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the Syndicate Underwriting Year Accounts

An audit involves obtaining evidence about the amounts and disclosures in the Syndicate Underwriting Year Accounts sufficient to give reasonable assurance that the Syndicate Underwriting Year 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 Underwriting Year Accounts. In addition, we read all the financial and non-financial information in the Syndicate Underwriting Year Accounts to identify material inconsistencies with the audited Syndicate Underwriting Year Accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Syndicate Underwriting Year Accounts

In our opinion the Syndicate Underwriting Year Accounts:

- give a true and fair view of the loss for the 2013 Closed Year of Account;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and have been properly prepared in accordance with the Lloyd's Syndicate Accounting Byelaw (No.8 of 2005).

Matters on which we are required to report by exception

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

- the Managing Agent in respect of the Syndicate has not kept proper accounting records; or
- the Syndicate Underwriting Year Accounts are not in agreement with the accounting records.

N A Coulson

Neil Coulson (Senior statutory auditor)
For and on behalf of Littlejohn LLP
1 Westferry Circus
Canary Wharf
London E14 4HD
15 March 2016

Profit and Loss Account – 2013 Year of Account

Technical Account – Long Term Business
for the 2013 closed year of account for the three years ended 31 December 2015

	Note	£'000	2013 Year of account £'000
Syndicate Allocated Capacity			22,281
Earned Premiums, Net of Reinsurance			
Gross premiums written	2		19,918
Outward reinsurance premiums			(5,380)
Net premium written			14,538
Reinsurance to Close Premium Received Net of Reinsurance	3		14,747
			29,285
Allocated Investment Return transferred from the Non-Technical Account			177
Claims Incurred, Net of Reinsurance			
Claims Paid			
Gross amount		(9,659)	
Reinsurers' share		2,500	
Net claims paid		(7,159)	
Reinsurance to Close Premium Payable Net of Reinsurance	4	(13,086)	
			(20,245)
Net Operating Expenses	5		(10,965)
Balance on the Technical Account - Long Term Business			**(1,748)**

Profit and Loss Account: Non-Technical Account

for the 2013 closed year of account for the three years ended 31 December 2015

	Note	2013 Year of account £'000
Balance on the Technical Account - Long Term Business		**(1,748)**
Investment income	7	432
Losses on the realisation of investments	7	(79)
Investment expenses and charges	7	(14)
Unrealised losses on investments	7	(162)
Allocated investment return transferred to the long term business technical account		(177)
Loss for the 2013 Closed Year of Account		**(1,748)**

There is no other comprehensive income and consequently a Statement of Other Comprehensive Income has not been presented.

Balance Sheet – 2013 Year of Account

for the 2013 closed year of account at 31 December 2015

	Note	2013 Year of account £'000
Assets		
Investments	8	8,892
Debtors	9	3,040
Reinsurance recoveries anticipated on gross reinsurance to close premium payable to close the account	4	1,890
Other Assets		
Cash at bank and in hand		1,014
Other		328
Amounts due from members		1,879
Total Assets		**17,043**
Liabilities		
Reinsurance to close premium payable to close the account - gross amount	4	14,976
Creditors	10	2,067
Total Liabilities		**17,043**

The Syndicate Underwriting Year accounts on pages 51 to 62 were approved by the Board of ANV Syndicates Limited on 15 March 2016 and were signed on its behalf by:

J M Hamilton
Director

Statement of Changes in Members' Balances – 2013 Year of Account

for the 2013 closed year of account for the three years ended 31 December 2015

	2013 Year of account £'000
Amount due from Members' at 1 January 2013	-
Loss for the 2013 Year of Account as at 31 December 2015	(1,748)
Prepaid members' agents' fees	(131)
Amount due from Members' at 31 December 2015	**(1,879)**

Cash Flow Statement – 2013 Year of Account

for the 2013 closed year of account for the three years ended 31 December 2015

	Note	2013 Year of account £'000
Cash flows from operating activities		
Loss for the 2013 closed year of account		(1,748)
Increase in reinsurance to close premium payable to close the account – gross amount		14,976
Increase in anticipated recoveries on gross reinsurance to close premium payable to close the account		(1,890)
Increase in debtors		(3,040)
Increase in creditors		2,067
Investment return		(177)
Net cash inflow/(outflow) from operating activities		**10,188**
Cash flows from investing activities		
Purchase of other financial instruments		(8,892)
Investment income received		177
Movements in overseas deposits		(328)
Net cash inflow/(outflow) from investing activities		**(9,043)**
Cash flows from financing activities		
Transfer to members in respect of underwriting participations		-
Members' agents' fees paid on behalf of members		(131)
Cash calls received		-
Net cash flows from financing activities		**(131)**
Net increase in cash and cash equivalents		**1,014**
Cash and cash equivalents at 1 January 2013		-
Effect of exchange rate changes on cash and cash equivalents		-
Cash and cash equivalents at 31 December 2015		**1,014**

Notes to the Syndicate Underwriting Year Accounts

for the 2013 closed year of account at 31 December 2015

1. Statement of Accounting Policies

Basis of Preparation
These underwriting year accounts have been prepared in accordance with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008, the Lloyd's Syndicate Accounting Byelaw (No.8 of 2005) and applicable Accounting Standards in the United Kingdom and comply with the Statement of Recommended Practice issued in December 2005 (as amended in December 2006) by the Association of British Insurers. FRS 102 and 103 have been applied to the extent necessary to produce and true and fair view of the results.

Members participate on a syndicate by reference to a year of account and each syndicate year of account is a separate annual venture. These accounts relate to the 2013 year of account which has been closed by reinsurance to close at 31 December 2015. Consequently the balance sheet represents the net assets and liabilities of the 2013 year of account at the date of closure. The profit and loss account and cash flow statement reflect the transactions for that year of account during the 36 month period until closure.

The underwriting year accounts cover the period from the date of inception of the 2013 year of account to the date of closure. Accordingly, this is the only reporting period and so corresponding amounts are not shown.

As a consequence of the 2013 year of account reinsuring to close into the 2014 year of account, the residual risks to the members on this closed year have been minimised. The risk disclosure requirements of FRS 102 and FRS 103 are therefore deemed not applicable to these underwriting year accounts. However, it should be noted that a reinsurance contract does not extinguish the primary liability of the original underwriter.

Accounting policies
The accounts for each year of account are normally kept open for three years before the result on that year is determined. At the end of the three-year period, outstanding liabilities can normally be determined with sufficient accuracy to permit the year of account to be closed by payment of a reinsurance to close premium to the successor year of account. If an equitable reinsurance to close cannot be determined due to reserve uncertainty the year is held open until an equitable reinsurance to close can be determined.

The accounting policies disclosed within the notes to the Syndicate Annual Accounts have been applied consistently on an annual basis from 1 January 2013 in dealing with items which are considered material in relation to the underwriting year accounts. In addition to the policies disclosed in the annual accounts, the underwriting year accounts have been prepared in line with the following:

Gross premiums written
Gross premiums are allocated to years of account on the basis of the inception date of the policy. Premiums in respect of insurance contracts underwritten under a binding authority, lineslip or consortium arrangements are allocated to the year of account corresponding to the calendar year of inception of the arrangement. Premiums are shown gross of brokerage payable and exclude taxes. Premiums written are treated as fully earned.

Outwards reinsurance premiums
Outwards reinsurance premiums are allocated to years of account in accordance with the underlying risks being protected.

Gross and reinsurance earned premiums
These accounts are prepared on a fund accounting basis and consequently all premium is treated as being fully earned. Any residual unearned premium relating to the year of account existing on an annual accounting basis has been included within the reinsurance to close premium payable. Where a year is held open any unearned premium existing on an annual accounting basis is included within the amount retained to meet all known and unknown liabilities.

Claims paid and related recoveries
Gross claims paid include internal and external settlement expenses and, together with reinsurance recoveries less amounts provided for in respect of doubtful reinsurers, are attributed to the same year of account as the original premium for the underlying policy. Reinstatement premiums payable in the event of a claim being made are charged to the same year of account as that to which the recovery is credited.

Reinsurance to close premium payable
A reinsurance to close is a contract of insurance which, in return for a premium paid by the closing year of account, transfers, normally to the following year of account, all known and unknown liabilities arising out of transactions connected with insurance business underwritten by the closing year of account. However, it should be noted that a reinsurance contract does not extinguish the primary liability of the original underwriter.

The net reinsurance to close premium payable is determined on the basis of estimated outstanding liabilities and related claims settlement costs (including claims incurred but not reported), net of estimated collectable reinsurance recoveries and net of future net premiums relating to the closed year of account and all previous years of account reinsured therein. No credit is taken for investment earnings which may be expected to arise in the future on the funds representing either the reinsurance to close or the estimate of future liabilities as applicable.

The techniques used and assumptions made in determining outstanding claims reserves, both gross and net of reinsurance, are described within the "Claims Provisions and Related Recoveries" and "Long-term Business Provision" sections above.

In determining the reinsurance to close premium payable consideration is given to the forecast development of the business of the closing year of account including an assessment of the future development of unearned premiums at the date of the reinsurance to close. Where development is forecast to be profitable a discount is applied to the estimate of future liabilities. In circumstances where adverse development is forecast a premium is applied.

A similar approach is adopted to the determination of the amount retained to meet all known and unknown liabilities when the year of account is held open.

The calculation of the RITC premium payable is determined by the Directors on the basis of the information available to them at the time. However, it is implicit in the estimation procedure that the ultimate liabilities will be at variance from the reinsurance to close premium so determined.

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. Investment return arising in each calendar year is allocated to years of account in proportion to the average funds available for investment attributable to those years. Investment returns in respect of overseas deposits are allocated to the year of account which funded these deposits.

Syndicate Operating Expenses
Costs incurred by the Managing Agent and ANV Central Bureau of Services Limited (CBS) in respect of the Syndicate are charged to the Syndicate. Where expenses do not relate to any specific year of account they are apportioned between years of account on bases which reflects the benefit obtained by each year of account from each type of expense.

Where expenses are incurred jointly by the Managing Agent or CBS and the Syndicate, they are apportioned on bases that are considered to fairly reflect the nature and usage of the expense concerned in order to comply with the Lloyd's Code for Underwriting Agents: Syndicate Expenses made by the Council on 6 September 2000.

Basis of Currency Translation
Any differences arising between the translation of the Syndicate's four settlement currencies, Sterling, US Dollars, Euros, and Norwegian Krone, at average rates of exchange for each calendar year and the translation of assets and liabilities held on the balance sheet in the Syndicate's four settlement currencies at the rates of exchange ruling at the current year end are included within the profit or loss on exchange account within net operating expenses.

As these accounts report the total profit or loss to be transferred to members all differences arising on translation of foreign currency amounts in the Syndicate have been included in the technical account.

2. Business class analysis

	Note	2013 Year of account £'000
Scheme		9,552
Group		7,276
Individual		3,090
Gross premium written	(a)	19,918
Periodic premiums		14,938
Single premiums		4,980
Gross premiums written	(a)	19,918
Geographical origin of business		
Risks located in UK		17,064
Risks located in other EU countries		2,601
Risks located in other countries		253
Gross premiums written	(a)	19,918
Reinsurance balance	(b)	(2,229)

Notes:
(a) Gross premiums written have been analysed by reference to the Situs of the risk. All premiums written are in respect of contracts concluded in the UK and are in respect of term life business
(b) The reinsurance balance comprises reinsurance recoveries less outward reinsurance premiums.

3. Reinsurance to Close Premium Received

	Outstanding claims £'000	IBNR £'000	2013 Year of account £'000
Gross reinsurance to close premium received	4,042	11,944	15,986
Reinsurance recoveries anticipated	(574)	(665)	(1,239)
Reinsurance to close premium received net of reinsurance	3,468	11,279	14,747

4. Reinsurance to Close Premium Payable

	Outstanding claims £'000	IBNR £'000	2013 Year of account £'000
Gross reinsurance to close premium payable	(2,885)	(12,091)	(14,976)
Reinsurance recoveries anticipated	340	1,550	1,890
Reinsurance to close premium payable net of reinsurance	(2,545)	(10,541)	(13,086)

5. Net Operating Expenses

	2013 Year of account £'000
Brokerage and commissions	7,102
Other acquisition costs	417
Acquisition costs	7,519
Loss on exchange	624
Administrative expenses	2,822
	10,965

Included within administrative expenses above are the following:

	£'000
Services relating to taxation	3
Auditors' remuneration - audit	82
Other financial services	17
Members' standard personal expenses (Lloyd's subscriptions, New Central Fund contributions, managing agent fees and profit commission)	258
Members' agents' fees not included within the technical account, but treated as a deduction from members' balances	131

6. Balance on the Technical Account before Net Operating Expenses and Allocated Investment Return

	2012 & Prior £'000	2013 Pure £'000	2013 Year of account £'000
Technical account balance before net operating expenses & allocated investment return	388	8,652	9,040
Brokerage and commission on gross premium	(2,603)	(4,499)	(7,102)
Balance after brokerage and commissions	**(2,215)**	**4,153**	**1,938**

7. Investment return

The investment return transferred from the technical account to the non-technical account comprises the following:

	Cumulative balance to 31 December 2015 £'000
Investment income:	
Interest and dividend income	432
Realised gains	-
Unrealised gains on investments	-
Investment expenses and charges:	
Investment management expenses, including interest	(14)
Losses on the realisation of investments	(79)
Unrealised losses on investments	(162)
Investment return transferred to the technical account from the non-technical account	**177**
Impairment losses on debtors recognised in administrative expenses in technical account	-
Total investment return	**177**

The total income, expenses, net gains or losses, including changes in fair value, recognised on all financial assets and financial liabilities comprises the following:

	Cumulative balance to 31 December 2015 £'000
Financial assets at fair value through profit or loss	191
Financial assets at amortised cost:	
Interest income	-
Impairment losses on debtors	-
Financial liabilities at amortised cost:	
Interest expense	-
Investment management expenses, excluding interest	(14)
Total investment return	**177**

8. Investments

	2013 Year of account	
	Market Value £'000	Cost £'000
Debt securities and other fixed income securities	3,019	3,160
Shares and other variable yield securities and units in unit trusts	5,872	5,872
Participations in investment pools	1	1
	8,892	9,033

Debt securities and other fixed income securities are all listed on recognised stock exchanges.

9. Debtors

The investment return transferred from the technical account to the non-technical account comprises the following:

	2013 Year of Account £'000
Arising out of direct insurance operations - intermediaries	1,390
Arising out of reinsurance operations	575
Other	1,075
	3,040

All amounts are due within one year.

10. Creditors

	2013 Year of Account £'000
Arising out of direct insurance operations	2,067
	2,607

All amounts are payable within one year.

11. Related Parties

ANV Holdings (UK) Limited (AHUK) holds 80% of the ordinary shares of ANV Syndicate Management Limited (ASML), with the remaining 20% held by Ryan Specialty Group, LLC (RSG). ASML is the immediate parent company of ANV Syndicates Limited (ASL). AHUK is a wholly owned subsidiary of ANV Risk BV and the ultimate holding company of the ANV Group is ANV Holdings BV, whose principal investor is the Ontario Teachers' Pension Plan. On 6 December 2013, Jubilee Managing Agency Limited (JMAL) was acquired by ASML, part of ANV Group. Jubilee Group Holdings Limited (JGHL) and its other subsidiaries were not acquired by ANV. Jubilee Managing Agency Limited was re-named ANV Syndicates Limited on 6 December 2013.

Transactions with Group Entities

Lloyd's market regulations require that a Managing Agent be responsible for engaging underwriting staff and managing the affairs of each syndicate at Lloyd's on behalf of the syndicate members. The Managing Agent of Syndicate 779 is ANV Syndicates Limited (ASL).

Following a transfer of all employment and other service contracts to ANV Central Bureau of Services Limited (CBS) at the end of 2014, intragroup service arrangements between ASL and CBS were updated to enable CBS to perform the recharge of all costs to the Syndicate from 1 January 2015. These recharges were performed by ASL during 2014. Included within the recharges are amounts relating to the remuneration of Directors of ASL. Profit-related remuneration for the Syndicate's Active Underwriter and ASL Directors is not charged to the Syndicate.

Other Entities

A proportion of the business written by the Syndicate is either sourced from or involves the provision of insurance services by Ryan Direct Group Limited and its subsidiaries which are part of RSG. These subsidiaries include:

- Jubilee Service Solutions Limited – UK based provision of insurance services;
- Jubilee Europe BV – Netherlands coverholder providing underwriting and claims services; and
- Lutine Assurance Services Limited – UK coverholder providing underwriting services.

The Directors of ASL consider the commissions and fees charged to the Syndicate by these companies by Ryan Direct Group Limited and its subsidiaries to be consistent with those payable to a third party for similar services.

Syndicate Capital

Prior to the sale of JMAL to the ANV Group, the parent company of Jubilee Managing Agency Limited was Jubilee Group Holdings Limited (JGHL). On 23 September 2011, JGHL was acquired by Ryan Specialty Group, LLC (RSG). Following a change in control, JGHL became the immediate parent of the Managing Agency and Ryan Specialty Group, LLC became the ultimate parent company.

2013
Following the acquisition of JMAL by RSG in 2011, Ryan Specialty Group Risk, LLC, another entity with commonality of ownership with RSG, through its wholly owned subsidiary, Jubilee Corporate Member LLP, provided 21% of the Underwriting Capacity of the Syndicate for the 2013 underwriting year.

As part of the sale of JMAL to the ANV Group in 2013, RSG acquired a shareholding of 20% in ASML, the immediate parent company of ASL.

Members' expenses, being agent's fees and profit commission payable to the Managing Agent, and subscriptions and Central Fund contributions paid to Lloyd's, are charged on an underwriting year of account, rather than calendar year basis.

For the 2013 underwriting year of account ANV Syndicates Limited has charged an agent's fee of 0.575% of capacity.

Within the underwriting accounts for the 2013 year of account, fees of £0.2m and profit commission of £nil have been reflected within net operating expenses. At 31 December there are no unpaid fees.

In 2014 and 2015, the Managing Agent and CBS, respectively, incurred a large proportion of the expenses incurred in operating the Syndicate and recharged them to the Syndicate on a basis that reflected the Syndicate's usage of resources. The recharges are included within amounts disclosed as net operating expenses, acquisition costs and claims incurred.

Included within the recharges are amounts relating to the remuneration of Directors of ANV Syndicates Limited. The total amount recharged to the Syndicate for the 2013 year of account was £2.8m excluding agent fees and profit commission. As at 31 December 2015, an amount of £0.2m was due from the Managing Agent and ANV CBS in relation to expenses.

In addition to the above arrangements, various subsidiaries of Ryan Direct Group Limited performed services in respect of the 2013 underwriting year:

Lutine Assurance Services Limited (Lutine), a 100% RSG subsidiary, underwrites, accepts and manages individual and Group life risks received from IFAs on behalf of the Syndicate. Lutine continues to retain the profits which it makes from acting as a marketing and service company for the Syndicate. Business generated by Lutine and underwritten by the Syndicate is under a Lloyd's binding authority.

The gross commission payable to Lutine by the Syndicate for the 2013 year of account was £nil.

A proportion of the business written by the Syndicate involves the provision of insurance services by Jubilee Service Solutions Limited (JSSL) (formerly Cassidy Davis Insurance Services Limited). JSSL is a wholly owned subsidiary of RSG. JSSL provides a range of administrative services to the Syndicate.

JSSL received fee income of £nil in respect of services provided to the 2013 year of account of Syndicate 779. The balance outstanding at the yearend was £nil.

Jubilee Europe B.V (JE) (formerly Cassidy Davis Europe B.V) incorporated in the Netherlands, a wholly owned subsidiary of RSG, provides marketing services, held a limited binding authority to accept business, and handle claims on behalf of the Syndicate. In 2015, RSG began the process of winding up JE and transferred the services performed for the Syndicate to Intrust BV, an unrelated company.

The profit commission payable to JE by the Syndicate in respect of the 2013 year of account was £nil.

The Directors of ANV Syndicates Limited consider the commission charged to the Syndicate by these Ryan Direct Group Limited subsidiaries to be consistent with those payable to a third party for similar services.

Transactions with directors and Group entities
Neither the directors, nor the active underwriter are capital providers on the Syndicate.

Seven Year Summary of Results of Closed Years

31 December 2015	2007	2008	2009	2010	2011	2012	2013
Syndicate allocated capacity (£'000)	37,973	30,000	30,000	27,000	27,000	27,000	22,281
Number of underwriting members	278	273	269	261	228	214	173
Aggregate net premiums (£'000)	11,134	11,963	11,713	11,004	11,685	11,282	7,436
Result for a Name with an illustrative share of £10,000							
Gross premiums	4,740	6,169	6,586	6,523	6,722	6,711	5,752
	£	£	£	£	£	£	£
Net premiums	2,932	3,987	3,904	4,076	4,328	4,179	3,337
Premium for reinsurance to close an earlier year of account	11,124	12,762	11,144	11,902	-	7,147	6,619
Net claims	(1,954)	(2,504)	(3,200)	(6,539)	(2,596)	(4,528)	(3,213)
Reinsurance to close the year of account	(10,083)	(11,144)	(10,712)	(6,666)	(481)	(5,462)	(5,873)
Syndicate operating expenses	(698)	(780)	(858)	(1,723)	(1,317)	(1,231)	(1,337)
Profit/(loss) on exchange	(243)	(374)	(144)	(74)	(86)	(309)	(280)
Balance on technical account	1,078	1,947	134	976	(152)	(204)	(747)
Investment return	556	493	362	452	37	77	79
Profit/(loss) before personal expenses	1,634	2,440	496	1,428	(115)	(127)	(668)
Illustrative profit commission	(247)	(395)	(165)	(226)	-	-	-
Illustrative personal expenses (note 2)	(252)	(182)	(122)	(198)	(189)	(168)	(175)
Other Income/ Charges	-	-	567	-	-	-	-
Profit/(loss) after illustrative profit commission and personal expenses	£1,135	£1,863	£776	£1,004	(£304)	(£295)	(£843)
Capacity utilised (note 3)	47.4%	61.7%	65.9%	65.2%	67.2%	67.1%	57.5%
Net capacity utilised (note 4)	29.3%	39.9%	39.0%	40.8%	43.3%	41.8%	33.4%
Underwriting profit ratio (note 5)	22.7%	31.6%	2%	15.0%	(2.3%)	(3.0%)	(13.0%)
Result as a percentage of stamp capacity	11.4%	18.6%	7.8%	10.1%	(3.0%)	(2.9%)	(8.4%)

Notes to the Summary
1. The summary has been prepared from the audited accounts of the Syndicate.
2. Illustrative personal expenses comprise the Managing Agent's fee, contributions to the Central Fund and High Level Stop Loss Scheme in applicable years and the Lloyd's Annual Subscription incurred by a Name writing the illustrative share, irrespective of any minimum charge applicable to the Managing Agent's Fee.
3. Capacity utilised represents gross premium written expressed as a percentage of allocated capacity.
4. Net capacity utilised represents written premium net of reinsurance expressed as a percentage of allocated capacity.
5. The underwriting profit ratio represents the balance on technical account expressed as a percentage of gross premiums written.
6. For consistency across the seven year summary all premiums and operating expenses are stated exclusive of brokerage and commissions.

ANV