Important information about Syndicate Reports and Accounts

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

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

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

AmTrust at Lloyd’s Limited: Syndicate 1206

Syndicate Annual Accounts

31 December 2015

This page has been intentionally left blank

Contents

Directors and advisers

Managing Agent:

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

Syndicate:

Active Underwriter	Michael Sibthorpe
Bankers	Barclays Bank PLC Citibank N.A. National Westminster Bank PLC Royal Bank of Canada
Investment Managers	AII Insurance Management Limited
Independent Auditors	BDO LLP

Report of the directors of the Managing Agent

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

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

Managing Agent

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

Being part of a major financial institution has provided greater capital flexibility and work continues to capitalise on efficiencies and opportunities that the group provides. For the 2015 underwriting year, permission was received from Lloyd's to underwrite a new class of business "Extended Warranty" within the Syndicate. Ultimate income for this class for the 2015 Year of Account is anticipated to be £25m.

Results for the year

Annual Accounted Result

The result for the year is a loss of £20,597k (2014 loss - £36,467k) before accounting for investment income of £2,493k (2014 - £4,720k). As set out below the deterioration arose on the 2013 and prior years of account and emanates primarily from the Liability account which is no longer written in that form.

2015 calendar year loss before investment income by year of account

	2015	**2014**	**2013 & prior**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
On-going lines of business:				
Personal Accident & Sickness	5,783	8,993	(1,842)	12,934
Property	13,517	21,363	16,013	50,893
Special Lines	1,129	2,067	(909)	2,287
Treaty	2,788	3,310	(1,545)	4,553
Liability	92	(592)	(25,357)	(25,857)
Extended Warranty	926	-	-	926
Lines of business no longer written	-	-	(388)	(388)
Underwriting result	**24,235**	**35,141**	**(14,028)**	**45,348**
Net operating expenses	**(26,337)**	**(31,227)**	**(8,381)**	**(65,945)**
(Loss) / profit before investment income	**(2,102)**	**3,914**	**(22,409)**	**(20,597)**

As mentioned above, the majority of the loss for the year emanates from the liability line of business on the 2013 and prior years of account. The 2015 and 2014 years of account are performing according to plan and, as expected, 2015 has made a loss in its first 12 months. This arises primarily as a result of the earning of 'loss occurring during' reinsurance premiums on a straight line basis whereas the inward premiums are earned as they are written.

Underwriting Year Result

The 2013 and prior underwriting years produced a loss of £34,891k (2012 & prior loss £17,854k). This loss compares to a forecast loss of £16,345k at 31 December 2014. The result was affected by worse than expected claims experienced primarily in the US liability account which is no longer written in that form and, as a result, significant amounts of Liability business has not been renewed into the 2014 or 2015 years of account. During the second quarter of 2015 a detailed review was undertaken of this account and the reserves strengthened substantially for the 2013 and prior years of account. We do not anticipate future deteriorations in this account of material magnitude.

Profits and losses will continue to be distributed and collected by reference to the results of individual underwriting years. A cash call of £34,891k (2014 – cash call of £17,854k) will be made to the corporate member in June 2016.

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

Members Balances

Primarily as a result of the losses arising on the 2013 underwriting year the members' balances on the balance sheet show a deficit. Although the Syndicate does not hold capital on its own balance sheet, the sole corporate member AmTrust Corporate Member Limited holds Funds at Lloyd's on behalf of the Syndicate and has deposited the required Funds for the 2016 Coming into Line Process as at 25 November 2015. These funds are deposited to support the solvency position of the Syndicate and for the Syndicate's 2016 business plan.

Ultimately, the Syndicate's obligations are underpinned by the support provided by the Lloyd's solvency process and the Lloyd's chain of security.

Principal activities and review of business

The principal activity of the Syndicate remains the transaction of general insurance and reinsurance business in the United Kingdom.

A brief outline of the internal classes of business is set out below.

Personal Accident and Sickness**:** This is a broad mix of risk types, including accidental death, dismemberment and disability including sports disability, with incidental amounts of trip travel and medical expense. Trip travel includes lost baggage, delay, cancellation, repatriation and personal liability. The sub class Professional Sports Disability is primarily covering the temporary or permanent disablement of sports persons, and includes a small amount of related accidental death and medical expense cover.

Property**:** The Syndicate is a major market for all types of property related risks in the Lloyd's market. The portfolio primarily covers North American property exposures and also a smaller amount of international business, either on an all risks basis or for specific perils, together with ancillary coverages for terrorism, business interruption, liability and breakdown. A large proportion of risks protect the insured against natural catastrophe events such as earthquake and wind storm. The business is placed either on a Direct and Facultative basis or through carefully chosen approved Lloyd's coverholders.

Treaty**:** Historically, the Treaty part of the portfolio covered a broad range of market risks from cedants in the Lloyd's and London market. More recently, this portfolio has specialised in providing cover to counterparties who have an established presence and record in that class on an excess or quota share basis. Specifically, the portfolio concentrates on Political Risks and Personal Accident treaties. The Property, General Liability and Motor Liability treaty classes have not been written since 2012.

Special Lines**:** This part of the portfolio provides corporate insurance cover for various professions and includes, Professional Liability (PI), Management Liability (D&O/Commercial Crime) and Product Recall although this class is no longer written.

Professional Liability provides indemnity cover for professional groups such as solicitors, accountants or architects and it is underwritten according to the size of risk; on a primary basis for Small to Medium Enterprises (SME) where the majority of risks are placed with one carrier, on both a primary and excess of loss basis for Mid-market business, and on an excess of loss basis for larger risks.

Management Liability provides management professionals with insurance protection when they have been accused by a third party of a wrongful act in connection with their business practice. The main product in terms of income being Director's and Officer's liability (D&O), followed by Commercial Crime, Employment Practices Liability (EPLI), Pension Trustee Liability (PFT), Charities and other not-for-profit entities.

Product Recall, also known as contaminated products insurance, provides corporate entities with insurance protection for the costs of a recall of their product(s), and other costs incurred directly as a result of a contaminated product that is injurious to health. This class was last underwritten for the 2013 year of account.

Liability**:** The Syndicate previously offered a wide range of liability products in many industries and in multiple jurisdictions. Certain exposures to more volatile sectors of industry in heavily litigious jurisdictions through poor coverholders has led to significant loss and reserve increases for the 2013 and prior years of account, as set out in the results. Consequently, a much smaller and concentrated portfolio has been written since 2014 with clients and coverholders who meet our stringent underwriting criteria and risk pricing structure.

Extended Warranty**:** This new area of business for the Syndicate was commenced for the 2015 year of account, building on the extensive underwriting knowledge and expertise that is available as part of the AmTrust Financial Services Group, where the Group has a market leading presence and highly successful track record. As a result, the Syndicate has been able to participate on facilities with major equipment manufacturers of commercial and personal consumer goods to offer comprehensive warranty cover against failure or breakdown. Additionally, in certain territories, Accidental Damage cover is also provided on brown, white and yellow goods and equipment.

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

Financial Performance

The Syndicate's key financial performance indicators, split, where applicable, in accordance with the internal classes of business as set out on the preceding page, during the year were as follows:

	2015	2014
	£'000	£'000
Gross Written Premiums	**154,445**	182,517
Gross Earned Premium	**160,640**	189,122
Net Earned Premium	**144,829**	170,767
Gross Incurred Claims	**(110,939)**	(137,448)
Net Incurred Claims	**(99,481)**	(128,832)
Investment return	**2,493**	4,720
Operating expenses	**(64,232)**	(78,771)
Other (expenses)/income	**(1,713)**	369
Loss for the financial year	**(18,104)**	**(31,747)**

Gross written premiums decreased from £182,517k in 2014 to £154,445k in 2015. A breakdown of the premium income by internal class of business is set out below.

	2015	2014
	£'000	£'000
On-going lines of business:		
Personal Accident & Sickness	**32,450**	29,756
Property	**85,822**	87,453
Special Lines	**11,284**	26,206
Treaty	**17,926**	17,630
Liability	**4,692**	17,514
Extended Warranty	**2,449**	-
Lines of business no longer written:	**(178)**	3,958
Total Gross Written Premium	**154,445**	182,517

The movement in gross written premiums on lines no longer written, during 2014, is entirely due to a reallocation of amounts due under a loss corridor agreement on the Motor Account.

Since the acquisition by the AmTrust Group, the business of the Syndicate has been reviewed and the impact of certain non-performing accounts within Liability and Special Lines has been reduced.

A breakdown of the earned premium by internal class is set out below.

	2015	2014
	£'000	£'000
On-going lines of business:		
Personal Accident & Sickness	**32,110**	31,670
Property	**87,395**	87,311
Special Lines	**15,210**	26,789
Treaty	**16,047**	16,992
Liability	**7,283**	20,048
Extended Warranty	**2,542**	-
Lines of business no longer written:	**53**	6,312
Total Gross Earned Premiums	**160,640**	189,122

The Managing Agent continues to carefully manage line sizes and retention levels such that the aggregate exposure to hurricane and other losses is controlled to manageable levels. Reinsurance remains an integral part of the management of aggregate exposure. The level of earned reinsurance premium for 2015 has fallen to £15,811k compared with £18,355k in 2014 due to improved efficiencies in buying the reinsurances in conjunction with other AmTrust Financial Services Group companies which has allowed us to purchase wider cover with reduced retention levels and less onerous minimum premium levels. A breakdown of the earned reinsurance premiums by internal class of business is set out in the table overleaf.

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

	2015	2014
	£'000	£'000
On-going lines of business:		
Personal Accident & Sickness	**1,100**	3,672
Property	**11,230**	6,285
Special Lines	**332**	3,051
Treaty	**2,378**	1,635
Liability	**1,343**	2,610
Extended Warranty	**-**	-
Lines of business no longer written:	**(572)**	1,102
Total Earned Reinsurance Premiums	**15,811**	18,355

A breakdown of the gross and net incurred claims by internal class of business is set out in the table below.

	Gross Incurred Claims		Net Incurred Claims	
	2015	2014	**2015**	2014
	£'000	£'000	**£'000**	£'000
On-going lines of business:				
Personal Accident & Sickness	**18,115**	16,524	**18,077**	16,510
Property	**34,289**	44,476	**25,272**	40,799
Special Lines	**10,921**	20,986	**12,591**	19,198
Treaty	**9,350**	14,515	**9,115**	14,268
Liability (2014 and 2015 year of account)	**6,228**	1,896	**6,228**	1,896
Liability (2013 and prior years of account)	**31,115**	31,594	**25,570**	30,917
Extended Warranty	**1,616**	-	**1,616**	-
Lines of business no longer written:	**(695)**	7,457	**1,012**	5,244
Total	**110,939**	137,448	**99,481**	128,832

Investment Performance

The average cash and investment balance during 2015 was £218,898k (2014 - £206,126k). The investment return for 2015 of £2,493k (2014 - £4,720k) represented a return of 1.14% (2014 – 2.29%).

The make-up of the investment portfolio managed by AII Insurance Management is set out below:

2015	**GBP**	**Euro**	**US$**	**Can$**	**AUD**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Straight Floating Rate Notes	**-**	**-**	**-**	**-**	**-**	**-**
Supranational Bonds	**-**	**108**		**-**	**-**	**108**
Corporate Bonds	**-**	**15,355**	**73,192**	**29,166**	**-**	**117,713**
Government Bonds	**-**	**2,787**	**448**	**13,729**	**-**	**16,964**
Government Agencies	**-**	**-**	**33,475**	**-**	**-**	**33,475**
Government Guaranteed Bonds	**-**	**554**		**-**	**-**	**554**
Total assets under management	**-**	**18,804**	**107,115**	**42,895**		**168,814**

2014	GBP	Euro	US$	Can$	AUD	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Straight Floating Rate Notes	-	-	177	-	-	177
Supranational Bonds	-	124	97	-	-	221
Corporate Bonds	777	14,476	56,752	27,860	1,758	101,623
Government Bonds	-	6,556	436	11,781	-	18,773
Government Agencies	-	-	25,084	-	-	25,084
Government Guaranteed Bonds	-	1,578	2,582	-	-	4,160
Total assets under management	777	22,734	85,128	39,641	1,758	150,038

The Syndicate does not have any exposure to securities issued by companies or Governments in Southern Europe.

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

Risk Management

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

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

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

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

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

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

Future Developments

Following the acquisition of the Managing Agent by AmTrust International Limited, we continue to work with Group to refocus the business by installing underwriting discipline in the existing lines of business and developing complementary new lines of business to ensure the Syndicate's profitability by building a platform for sustained returns and stability.

This process has begun by introducing new classes of business which deliver the required threshold for return on capital leading to a reduction of the expense ratio and by reaching critical mass in our existing lines of business. The expense ratio will also be reduced by a combination of potential synergies with other group companies and a reduction in the Syndicate's specific costs. For the 2016 year of account, the Syndicate has been authorised by Lloyd's to underwrite Marine classes of business and has recruited a market leading team of underwriters with excellent track records and relationships with the major brokers and clients. The Marine team will specialise in Marine Hull and War risks, Cargo and Specie and Marine Liability and commenced underwriting on 1 January 2016. We are excited about this new business initiative and anticipate that further new classes of business will be added to the portfolio subject to recruiting first class underwriting teams with the appropriate expertise.

The Syndicate continues to manage the account proactively and to maintain strict underwriting discipline in 2016. This is being supported by further enhancements in underwriting support and risk management controls.

The Syndicate's capacity for 2016 remains at £200,000,000.

Directors and directors' interests

The names of persons who were members of the Board of directors at any time during the period are given on page 2. None of the directors had any direct interest in the Syndicate during the year. Previously, the executive directors indirectly participated in the Syndicate through their shareholdings in AmTrust Lloyd's Holdings Limited, the parent company of AmTrust Corporate Member Limited, the capital provider. All directors' and employee shareholdings in AmTrust Lloyd's Holdings Limited were reduced to nil before the acquisition by AmTrust International Limited.

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

Disclosure of information to the auditors

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

Auditors

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

Syndicate's Annual General Meeting

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

By order of the Board

Donal Barrett
Secretary
15 March 2016

Statement of Managing Agent's responsibilities

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

The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 ("the Regulations") require the Managing Agent to prepare financial statements at 31 December each year which give a true and fair view of the state of affairs of the Syndicate and of the profit or loss of the Syndicate for that year.

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

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

The Managing Agent is responsible for keeping proper accounting records that are sufficient to show and explain the Syndicate's transactions and disclose with reasonable accuracy at any time the financial position of the Syndicate and enable it to ensure that the Syndicate financial statements comply with the Regulations. It is also responsible for safeguarding the assets of the Syndicate and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that they have complied with the above requirements in preparing the financial statements of Syndicate 1206.

By order of the Board

Donal Barrett
Secretary

15 March 2016

Independent auditor's report to the members of Syndicate 1206

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

This report, including the opinions, has been prepared for and only for the Syndicate's members as a body in accordance with section 10 of part 2 of The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and for no other purpose. Our audit work has been undertaken so that we might state to the Syndicate's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Syndicate and the Syndicate's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Managing Agent and the auditors
As explained more fully in the Statement of Managing Agent's Responsibilities set out on page 9, the Managing Agent is responsible for the preparation of Syndicate annual accounts which give a true and fair view. Our responsibility is to audit and express an opinion on the Syndicate annual accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

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

Opinion on the Syndicate annual accounts
In our opinion the Syndicate annual accounts:

- give a true and fair view of the state of the Syndicate's affairs as at 31 December 2015 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008.

Opinion on other matter prescribed by the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008
In our opinion the information given in the Report of the directors of the Managing Agent for the financial year for which the Syndicate annual accounts are prepared is consistent with the Syndicate annual accounts.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 requires us to report to you, if in our opinion:

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

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

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

Income statement: Technical account – General business
For the year ended 31 December 2015

	Note	Year Ended 31 December 2015		Year Ended 31 December 2014	
		£000	£000	£000	£000
Earned premium, net of reinsurance					
Gross premiums written	5	**154,445**		182,517	
Outward reinsurance premiums		**(16,463)**		(15,498)	
Change in the provision for unearned premiums					
Gross amount		**6,195**		6,605	
Reinsurers' share		**652**		(2,857)	
Earned premium, net of reinsurance			**144,829**		170,767
Allocated investment return transferred from the non-technical account			**2,493**		4,720
Total technical income			**147,322**		175,487
Claims incurred, net of reinsurance					
Claims paid					
Gross amount		**(118,643)**		(99,911)	
Reinsurers' share		**15,497**		13,891	
			(103,146)		(86,020)
Change in provision for claims					
Gross amount		**7,704**		(37,537)	
Reinsurers' share		**(4,039)**		(5,275)	
			3,665		(42,812)
Claims incurred, net of reinsurance			**(99,481)**		(128,832)
Net operating expenses	8		**(64,232)**		(78,771)
Total technical charges			**(163,713)**		(207,603)
Balance on the technical account - general business			**(16,391)**		(32,116)

All operations relate to continuing activities.

The notes on pages 17 to 34 form part of these financial statements.

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

	Note	**Year ended 31 December 2015**	Year ended 31 December 2014
		£000	£000
Balance on the technical account – general business		**(16,391)**	(32,116)
Investment income (including realised gains)	*11*	**8,276**	6,467
Unrealised gains on investments		**1,876**	1,080
Other income		**-**	369
Investment expenses and charges			
Investment management expenses	*11*	**(282)**	(210)
Realised losses on investments	*11*	**(2,339)**	(2,197)
Unrealised losses on investments		**(5,038)**	(420)
Other expenses		**(1,713)**	-
Allocated investment return transferred to the technical account – general business		**(2,493)**	(4,720)
Loss for the financial year		**(18,104)**	(31,747)

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

The notes on pages 17 to 34 form part of these financial statements.

Statement of financial position - Assets
As at 31 December 2015

	Note	**2015**		2014	
		£000	**£000**	£000	£000
Investments					
Other financial investments	*12*		**171,148**		169,242
Reinsurers' share of technical provisions					
Provisions for unearned premiums	*18*	**4,535**		3,915	
Claims outstanding	*18*	**46,396**		50,831	
			50,931		54,746
Debtors					
Debtors arising out of direct insurance operations	*13*	**41,992**		51,066	
Debtors arising out of reinsurance operations	*14*	**13,780**		11,515	
Other debtors	*15*	**4,837**		4,383	
			60,609		66,964
Other assets					
Cash at bank and in hand	*21*	**6,111**		7,592	
Overseas deposits	*16*	**37,943**		44,602	
			44,054		52,194
Prepayments and accrued income					
Deferred acquisition costs	*17*	**26,175**		31,270	
Other prepayments and accrued income		**1,930**		1,785	
			28,105		33,055
Total assets			**354,847**		376,201

The notes on pages 17 to 34 form part of these financial statements.

Statement of financial position - Liabilities
As at 31 December 2015

	Note		**2015**		2014
		£000	**£000**	£000	£000
Member's balances			**(38,922)**		(39,739)
Technical provisions					
Provisions for unearned premiums	*18*	**80,023**		86,806	
Claims outstanding	*18*	**308,104**		321,885	
			388,127		408,691
Creditors					
Creditors arising out of direct insurance operations		**749**		477	
Creditors arising out of reinsurance operations		**3,328**		5,134	
Other creditors		**1,565**		1,638	
	20		**5,642**		7,249
Total liabilities			**354,847**		376,201

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

Peter Dewey
Director

Histasp Contractor
Director

The notes on pages 17 to 34 form part of these financial statements.

Statement of changes in members' balances
As at 31 December 2015

	Note	**2015 £000**	2014 £000
Members' balances brought forward at 1 January		**(39,739)**	(34,736)
Impact of change in accounting policies on adoption of FRS 102	23	**-**	3,677
Restated balance at 1 January		**(39,739)**	(31,059)
Loss for the financial year		**(18,104)**	(31,747)
Personal expenses		**1,067**	254
Cash call		**17,854**	22,813
Members' balances carried forward at 31 December		**(38,922)**	(39,739)

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

The notes on pages 17 to 34 form part of these financial statements.

Statement of cash flows
For the year ended 31 December 2015

	Note	**Year ended 31 December 2015**	Year ended 31 December 2014
Cash flows from operating activities		**£000**	£000
Loss for the financial year		**(18,104)**	(31,747)
Adjustments for:			
Net unrealised losses on other financial assets including foreign exchange		**15,531**	5,430
Investment return		**(5,655)**	(4,059)
Movements in operating assets and liabilities:			
(Decrease)/increase in net technical provisions		**(16,749)**	40,472
(Decrease)/increase in debtors		**11,450**	(7,784)
Decrease in creditors		**(1,607)**	(768)
Net cash inflow from operating activities		**(15,134)**	1,544
Cash flows from investing activities			
Acquisition of other financial instruments		**(112,829)**	(705,032)
Proceeds from sale of other financial instruments		**103,427**	678,426
Interest received		**5,792**	3,166
Investment management fees		**(282)**	(210)
Net cash outflow from investing activities		**(3,892)**	(23,650)
Net cash flow from financing activities			
Cash Call from member in respect of underwriting participation		**17,854**	22,813
Net cash inflow from financing activities		**17,854**	22,813
Net (decrease)/increase in cash and cash equivalents		**(1,172)**	707
Cash and cash equivalents at 1 January		**7,592**	6,954
Effect of exchange rate changes on cash and cash equivalents		**(309)**	(69)
Cash and cash equivalents at 31 December	*21*	**6,111**	7,592

The notes on pages 17 to 34 form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2015

1 Basis of preparation

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

These financial statements for the year ended 31 December 2015 are the first financial statements that comply with FRS 102. The date of transition is 1 January 2014.

The transition to FRS 102 has resulted in a small number of changes in accounting policies to those used previously. An explanation of how transition to FRS 102 and FRS 103 has affected the reported financial position is given in Note 23.

The members' balances on the statement of financial position show a deficit of £38,922k (2014: deficit £39,739k). The Syndicate does not hold capital on its own balance sheet. However, the sole corporate member, AmTrust Corporate Member Limited, holds Funds at Lloyd's of £327,482k (2014: £237,237k) to support its underwriting which can be used to support the solvency position of the Syndicate. The ability of the Syndicate to meet its obligations as they fall due is underpinned by the support provided by the Lloyd's solvency process and its chain of security.

2 Judgements and estimates

In preparing these financial statements, the directors of the Managing Agent have made judgements, estimates and assumptions that 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 and revisions to estimates are recognised as they occur. The following are the key sources of estimation uncertainty:

Estimates of future premium

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

Insurance contract technical provisions

The provision for outstanding claims comprises the estimated cost of settling all claims incurred but unpaid at the balance sheet date, 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.

3 Accounting policies

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

a) Basis of Accounting

Premiums written

Premiums written comprise premiums on contracts incepted during the financial year. Premiums are shown gross of brokerage payable and exclude taxes and duties levied on them. Estimates are made for pipeline premiums, representing premiums written but not reported to the Syndicate by the balance sheet date, as well as adjustments made in the year to premiums written in prior accounting periods. The directors consider that the estimated provisions for gross premiums written are fairly stated on the basis of the information currently available to them. However, ultimate amounts of premiums will vary as a result of subsequent events and this may result in adjustments to the amounts accounted.

Unearned premiums

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

Notes to the financial statements

For the year ended 31 December 2015 (continued)

3 Accounting policies *(continued)*

Reinsurance premium ceded

Outwards reinsurance premiums on policies purchased on a "risks attaching during" basis are accounted for in the same accounting period as the premiums for the related direct or inwards business being reinsured.

Outwards reinsurance premiums on policies purchased on a "losses occurring during" basis are accounted over the period of the contract.

Claims provisions and related recoveries

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

Gross claims incurred comprise claims and settlement expenses (both internal and external) paid in the year and the movement in provision for outstanding claims and settlement expenses, including an allowance for the cost of claims incurred by the balance sheet date but not reported until after the year end. Claims outstanding are reduced by anticipated salvage and other recoveries.

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

In the event of a catastrophe, the Syndicate's approach is to analyse the range of exposures through two primary methods, the Catastrophe Model or on a risk by risk basis, depending on the type of loss occurrence. Both analyses involve a number of departments who consider the ranges arising from the review to determine the Syndicate's ultimate estimate of the event. The Catastrophe Model exercise is principally undertaken by the Catastrophe Modelling, Risk Management and Underwriting teams based on the loss footprints provided by external agencies. The risk by risk analysis is performed by the Claims and Underwriting teams taking into account internal information as well as that received from third party sources.

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

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

The directors consider that the provisions for gross claims and related reinsurance recoveries are fairly stated on the basis of the information currently available to them. However, ultimate liability will vary as a result of subsequent information and events and this may result in significant adjustments to the amounts provided. Adjustments to the amounts of claims provisions established in prior years are reflected in the annual accounts for the period in which the adjustments are made. The methods used, and the estimates made, are reviewed regularly.

b) Unexpired risks provision

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

The provision for unexpired risks is calculated separately by reference to all classes of business which are managed together in accordance with paragraph 119 of the Statement of Recommended Practice issued by the Association of British Insurers in December 2005 (as amended in December 2006 ("the ABI SORP"), after taking into account relevant investment return.

Notes to the financial statements

For the year ended 31 December 2015 (continued)

3 Accounting policies *(continued)*

c) Acquisition costs

Acquisition costs comprise commission and other costs related to the acquisition of new insurance contracts. Acquisition costs are deferred (“deferred acquisition costs”) to the extent that they are attributable to premiums unearned at the balance sheet date.

d) Segmental Reporting

The segmental analysis provided in Note 5 to the financial statements is produced on the basis of the class of business as required by Lloyd’s.

e) Foreign currencies

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

Monetary assets and liabilities are translated into Sterling at the rates of exchange at the balance sheet dates. Foreign exchange gains and losses are recognised in the non-technical account.

Following the adoption of FRS 102, non-monetary assets and liabilities, including deferred acquisition costs and unearned premiums, are to be translated into the functional currency using the monthly average rate of exchange prevailing at the time of the transaction as a proxy for transactional rates. However, FRS 103 states that insurance assets and liabilities that were previously considered non-monetary items are now required to be treated as monetary items. These assets and liabilities have therefore been retranslated at period end to Sterling at the closing rate and the resulting exchange differences reported through the non-technical account. This is a change of accounting policy from 2014 as non-monetary assets were previously translated at historic rates of exchange. The impact of the change in accounting policy is shown in Note 23

f) Financial assets and liabilities

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

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

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

Investments in shares and other variable yield securities, units in unit trusts and debt and other fixed income securities are managed on a fair value basis in accordance with the Syndicate’s investment strategy. Deposits with credit institutions, debtors and accrued interest are classified as loans and receivables. Financial assets at fair value through profit and loss are stated at fair value at the balance sheet date. For this purpose listed investments are stated at mid-market value and deposits with credit institutions and overseas deposits are stated at amortised cost. Unlisted investments for which a market exists are stated at the average price at which they were traded on the balance sheet date or the last trading day before that date.

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

Notes to the financial statements

For the year ended 31 December 2015 (continued)

3 Accounting policies *(continued)*

g) Investment return

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

Realised gains and losses on investments carried at fair value are calculated as the difference between sale proceeds and purchase price. Movements in unrealised gains and losses on investments represent the difference between the valuation at the balance sheet date, together with the reversal of unrealised gains and losses recognised in earlier accounting periods in respect of investment disposals in the current period.

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

h) Taxation

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

No provision has been made for any United States Federal Income Tax payable on underwriting results or investment earnings. Any payments on account made by the Syndicate during the year have been included in the balance sheet under the heading 'Member's balances'.

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

i) Pension costs

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

4 Risk and capital management

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

a) Insurance risk

Management of insurance risk

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

The Managing Agent uses catastrophe modelling software to model maximum probable losses from catastrophe-exposed business in major territories. Reserve adequacy is monitored through quarterly review by the Syndicate business analysis team. In addition the Agency receives independent external analyses of the reserve requirements annually.

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

Notes to the financial statements

For the year ended 31 December 2015 (continued)

4 Risk and capital management *(continued)*

Concentration of insurance risk

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

	2015	2014
	£000	£000
UK	**59,011**	68,079
USA	**52,882**	50,490
Australia	**6,936**	17,402
Canada	**12,198**	11,334
Other EU Countries	**10,292**	17,557
Other	**13,126**	17,655
	154,445	182,517

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 large losses or catastrophes or from changes in the level of attritional losses. A five per cent increase or decrease in the ultimate cost of settling gross claims arising is considered to be reasonably possible at the reporting date and would have the following approximate effect on the result of the Syndicate.

	2015		2014	
	5% Increase	**5% Decrease**	5% Increase	5% Decrease
	£000	**£000**	£000	£000
Gross claims	**(15,560)**	**15,560**	(15,926)	15,926
Reinsurer's share	**2,548**	**(7,356)**	3,412	(8,680)
Net impact on member's balances	**(13,012)**	**8,204**	(12,514)	7,246

b) Investment risk

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

c) Credit risk

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

- Debt securities;
- Units in unit trusts and overseas deposits;
- Cash at bank and deposits with credit institutions;
- Reinsurers' share of insurance liabilities
- Amounts due from reinsurers in respect of settled claims
- Amounts due from group undertakings
- Amounts due from insurance intermediaries

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

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

Notes to the financial statements

For the year ended 31 December 2015 (continued)

4 Risk and capital management *(continued)*

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

31 December 2015	AAA £000	AA £000	A £000	BBB or less £000	Not rated £000	Total £000
Shares and other variable yield securities and units in unit trusts	**-**	**2,040**	**-**	**294**	**-**	**2,334**
Debt securities and other fixed income securities	**7,396**	**41,264**	**65,696**	**54,458**	**-**	**168,814**
Overseas deposits	**22,124**	**10,446**	**4,349**	**937**	**87**	**37,943**
Cash at bank and in hand	**-**	**-**	**-**	**6,111**	**-**	**6,111**
Reinsurers' share of insurance liabilities	**-**	**-**	**42,498**	**309**	**3,589**	**46,396**
Reinsurance debtors	**-**	**-**	**678**	**(52)**	**54**	**680**
Total credit risk	**29,520**	**53,750**	**113,221**	**62,057**	**3,730**	**262,278**

31 December 2014	AAA £000	AA £000	A £000	BBB or less £000	Not rated £000	Total £000
Shares and other variable yield securities and units in unit trusts	-	8,265	-	10,939	-	19,204
Debt securities and other fixed income securities	21,899	41,338	39,979	45,921	901	150,038
Overseas deposits	27,733	11,538	4,998	121	212	44,602
Cash at bank and in hand	-	-	-	7,592	-	7,592
Reinsurers' share of insurance liabilities	-	-	49,757	453	621	50,831
Reinsurance debtors	-	-	1,159	8	373	1,540
Total credit risk	49,632	61,141	95,893	65,034	2,107	273,807

d) Market risk

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

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

Interest rate risk	**2015 £000**	2014 £000
Impact of 50 basis point increase on result	**(3,946)**	(3,136)
Impact of 50 basis point decrease on result	**4,118**	3,280
Impact of 50 basis point increase on net assets	**(3,946)**	(3,136)
Impact of 50 basis point decrease on net assets	**4,118**	3,280

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

Notes to the financial statements

For the year ended 31 December 2015 (continued)

4 Risk and capital management *(continued)*

31 December 2015	**GBP £000**	**USD £000**	**EUR £000**	**CAD £000**	**AUD £000**	**JPY £000**	**Total £000**
Financial investments	**-**	**107,573**	**18,804**	**44,771**	**-**	**-**	**171,148**
Reinsurers' share of technical provisions	**21,110**	**22,189**	**1,371**	**3,714**	**2,547**	**-**	**50,931**
Insurance and reinsurance receivables	**14,792**	**31,799**	**2,654**	**2,065**	**4,343**	**119**	**55,772**
Cash and cash equivalents	**5,275**	**7,565**	**1,709**	**5,105**	**23,943**	**457**	**44,054**
Other assets	**10,701**	**15,935**	**2,421**	**2,055**	**1,780**	**50**	**32,942**
Total assets	**51,878**	**185,061**	**26,959**	**57,710**	**32,613**	**626**	**354,847**
Technical provisions	**(128,769)**	**(154,813)**	**(35,167)**	**(23,353)**	**(43,737)**	**(2,288)**	**(388,127)**
Insurance and reinsurance payables	**(69)**	**(3,144)**	**(1,181)**	**135**	**136**	**46**	**(4,077)**
Other creditors	**(1,565)**	**-**	**-**	**-**	**-**	**-**	**(1,565)**
Total liabilities	**(130,403)**	**(157,957)**	**(36,348)**	**(23,218)**	**(43,601)**	**(2,242)**	**(393,769)**
Net assets / (liabilities)	**(78,525)**	**27,104**	**(9,389)**	**34,492**	**(10,988)**	**(1,616)**	**(38,922)**

31 December 2014	GBP £000	USD £000	EUR £000	CAD £000	AUD £000	JPY £000	Total £000
Financial investments	778	92,217	24,045	47,781	4,421	-	169,242
Reinsurers' share of technical provisions	25,362	17,871	1,598	7,203	2,712	-	54,746
Insurance and reinsurance receivables	25,242	28,096	(205)	1,663	7,703	82	62,581
Cash and cash equivalents	6,159	10,484	275	6,320	28,857	99	52,194
Other assets	16,084	14,817	1,392	2,245	2,873	27	37,438
Total assets	73,625	163,485	27,105	65,212	46,566	208	376,201
Technical provisions	(141,477)	(153,008)	(31,775)	(30,858)	(48,917)	(2,656)	408,691
Insurance and reinsurance payables	(2,492)	(2,335)	(561)	(40)	(176)	(7)	5,611
Other creditors	(1,638)	-	-	-	-	-	1,638
Total liabilities	(145,607)	(155,343)	(32,336)	(30,898)	(49,093)	(2,663)	415,940
Net assets / (liabilities)	(71,982)	8,142	(5,231)	34,314	(2,527)	(2,455)	(39,739)

If the exchange rates of all non-GBP currencies moved by a foreseeable 5% either to the benefit or detriment of the Syndicate at the same time, the impact on both the result for the year and the members' balances would be £4.2m (2014: £2.6m).

e) *Liquidity risk*

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

31 December 2015	**No stated maturity £000**	**Less than 1 year £000**	**1-3 years £000**	**3-5 years £000**	**More than 5 years £000**	**Total £000**
Claims outstanding	**308,104**	**-**	**-**	**-**	**-**	**308,104**
Insurance and reinsurance payables	**-**	**4,077**	**-**	**-**	**-**	**4,077**
Other creditors	**-**	**1,565**	**-**	**-**	**-**	**1,565**
Total	**308,104**	**5,642**	**-**	**-**	**-**	**313,746**

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

4 Risk and capital management *(continued)*

31 December 2014	No stated maturity	Less than 1 year	1-3 years	3-5 years	More than 5 years	Total
	£000	£000	£000	£000	£000	£000
Claims outstanding	321,885	-	-	-	-	321,885
Insurance and reinsurance payables	-	5,611	-	-	-	5,611
Other creditors	-	1,638	-	-	-	1,638
Total	321,885	7,249	-	-	-	329,134

f) Operational risk

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

g) Regulatory risk

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

h) Capital management

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

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

Capital framework at Lloyd's

The Society of Lloyd's ("Lloyd's") is a regulated undertaking and subject to the supervision of the Prudential Regulatory Authority ("PRA") under the Financial Services and Markets Act 2000 and in accordance with the Solvency II framework. Within this supervisory framework, Lloyd's applies capital requirements at member level and centrally to ensure that Lloyd's complies with Solvency II requirements, and beyond that to meet its own financial strength, licence and ratings objectives.

Although, as described below, Lloyd's capital setting processes use a capital requirement set at syndicate level as a starting point, the requirement to meet Solvency II and Lloyd's capital requirements apply at overall and member level only respectively, not at syndicate level. Accordingly, the capital requirement in respect of Syndicate 1206 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.

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

4 Risk and capital management *(continued)*

A syndicate may be comprised of one or more underwriting members of Lloyd's. Each member is liable for its own share of underwriting liabilities on the syndicates on which it participates though not other members' shares. Accordingly, the capital requirement that Lloyd's sets for each member operates on a similar basis. Each member's SCR is therefore determined by the sum of the member's shares of the syndicates' SCR to ultimate. Where a member participates on more than one syndicate, a credit for diversification is provided to reflect the spread of risk, but consistent with determining an SCR which reflects the capital requirement to cover a 1 in 200 loss to ultimate for that member. Over and above this, Lloyd's applies a capital uplift to the member's capital requirement, known as the Economic Capital Assessment ("ECA"). The purpose of this uplift, which is a Lloyd's not a Solvency II requirement, is to meet Lloyd's financial strength, licence and ratings objectives. The capital uplift applied for 2016 was 35% of the member's SCR to ultimate.

Provision of capital by members

Each member may provide capital to meet its ECA either by assets held in trust by Lloyd's specifically for that member (funds at Lloyd's), assets held and managed within a syndicate (funds in syndicate), or as the member's share of the members' balances on each syndicate on which it participates. Accordingly, all of the assets less liabilities of the Syndicate, as represented in the members' balances reported on the statement of financial position on page 14, represent resources available to meet members' and Lloyd's capital requirements.

Funds at Lloyd's

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

5 Segmental analysis

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

2015	Gross Premiums Written £000	Gross Premiums Earned £000	Gross Claims Incurred £000	Reinsurance Balance £000	Total £000
Direct insurance:					
Accident and health	**29,930**	**29,569**	**(16,103)**	**(990)**	**12,476**
Motor (other classes)	**6**	**6**	**(1,508)**	**13**	**(1,489)**
Marine aviation and transport	**1,125**	**1,413**	**(61)**	**(149)**	**1,203**
Fire and other damage to property	**62,478**	**65,318**	**(21,678)**	**2,525**	**46,165**
Third party liability	**16,952**	**24,928**	**(58,852)**	**1,679**	**(32,245)**
Pecuniary loss	**5,599**	**5,503**	**(1,743)**	**(837)**	**2,923**
	116,090	**126,737**	**(99,945)**	**2,241**	**29,033**
Reinsurance acceptances	**38,355**	**33,903**	**(10,994)**	**(6,594)**	**16,315**
Total	**154,445**	**160,640**	**(110,939)**	**(4,353)**	**45,348**
Net operating expenses					**(64,232)**
Underwriting result					**(18,884)**

Notes to the financial statements

For the year ended 31 December 2015 (continued)

5 Segmental analysis *(continued)*

2014	Gross Premiums Written £000	Gross Premiums Earned £000	Gross Claims Incurred £000	Reinsurance Balance £000	Total £000
Direct insurance:					
Accident and health	27,658	29,251	(15,064)	(1,158)	13,029
Motor (other classes)	2,942	2,942	(5,059)	164	(1,953)
Marine aviation and transport	2,506	2,518	(339)	(139)	2,040
Fire and other damage to property	63,717	64,935	(33,321)	(3,584)	28,030
Third party liability	47,757	50,438	(57,733)	(3,454)	(10,749)
Pecuniary loss	5,276	8,176	(4,084)	7	4,099
	149,856	158,260	(115,600)	(8,164)	34,496
Reinsurance acceptances	32,661	30,862	(21,848)	(1,575)	7,439
Total	182,517	189,122	(137,448)	(9,739)	41,935
Net operating expenses					(78,771)
Underwriting result					(36,836)

Commissions on direct insurance gross premiums earned during 2015 were £13,581,000 (2014 - £44,319,000).

All premiums were written in the UK.

6 Currency rates of exchange

The rates of exchange applied in these accounts are:

	31 December 2015	**Average for 2015**	31 December 2014	Average for 2014
Australian Dollar	**2.08**	**2.05**	1.84	1.83
Canadian Dollar	**2.01**	**1.96**	1.79	1.82
Euro	**1.42**	**1.38**	1.26	1.24
Japanese Yen	**185.39**	**185.34**	185.68	174.21
US Dollar	**1.50**	**1.53**	1.56	1.65

7 Movement in prior year's provision for claims outstanding

During 2015 the estimated ultimate loss ratio (net of acquisitions costs) on certain lines of business for the 2014 and prior years of account was increased. These increases are set out in the table below together with their effect on ultimate claims reserves.

Internal Class	Dec 2015 loss ratio	Dec 2014 loss ratio	Increase in claims reserves £000
Personal Accident & Sickness	75%	71%	3,638
Liability	170%	122%	30,486
Special Lines	99%	97%	1,633

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

8 Net operating expenses

	2015	2014
	£000	£000
Brokerage and commissions	**38,417**	48,430
Change in deferred brokerage	**3,238**	2,738
Other acquisition costs	**241**	299
Change in deferred other acquisition costs	**1,628**	2,393
Administrative expenses	**20,522**	24,911
Reinsurers' commissions and profit participations	**186**	-
	64,232	78,771

Administrative expenses include:

	2015	2014
	£000	£000
Auditors' remuneration		
Fees payable to the Syndicate's auditor, BDO LLP, for the audit of the Syndicate annual accounts	**135**	114
Fees payable to BDO LLP for other services:		
Other services pursuant to legislation, including the audit of the regulatory return	**40**	46
Other assurance services	**5**	5
	180	165
Members' standard personal expenses (Lloyd's subscriptions, New Central Fund contributions & Managing Agent's fees)	**3,280**	3,243

9 Staff numbers and costs

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

	2015	2014
	£000	£000
Wages and salaries	**6,381**	10,522
Social security costs	**892**	1,313
Other pension costs	**512**	681
	7,785	12,516

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

	2015	2014
	Number	Number
Administration and finance	**7**	18
Underwriting	**34**	36
Technical support	**37**	65
	78	119

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

10 Emoluments of the directors of AmTrust at Lloyd’s Limited and the active underwriter

During the year AmTrust at Lloyd’s Limited recharged the syndicate £568,952 (2014 - £711,000) in respect of emoluments and pension costs paid to its directors. This included aggregate remuneration, including pension contributions, in respect of the active underwriter of £212,000 (2014 - £187,000).

11 Investment return

	2015 **£000**	2014 £000
Investment income		
Interest and dividend income	**6,506**	5,554
Gains on the realisation of investments	**1,770**	913
	8,276	6,467
Investment expenses and charges		
Investment management expenses	**(282)**	(210)
Losses on disposal of investments	**(2,339)**	(2,197)
	(2,621)	(2,407)
Net unrealised (losses)/gains on investments	**(3,162)**	660
Total investment return	**2,493**	4,720
On financial assets at fair value through profit and loss	**1,949**	3,110
On financial assets at amortised cost	**826**	1,820
	2,775	4,930
Investment management fees	**(282)**	(210)
Total investment return	**2,493**	4,720

12 Other financial Investments

	Fair value		**Cost**	
	2015 **£000**	2014 £000	**2015** **£000**	2014 £000
Shares and other variable yield securities and units in unit trusts	**2,334**	19,204	**2,334**	19,204
Debt securities and other fixed income securities	**168,814**	150,038	**172,283**	150,212
	171,148	169,242	**174,617**	169,416
Financial assets measured at fair value through profit and loss	**171,148**	169,242	**174,617**	169,416
Financial assets measured at amortised cost	**-**	-	**-**	-
	171,148	169,242	**174,617**	169,416

Notes to the financial statements

For the year ended 31 December 2015 (continued)

12 Other financial investments *(continued)*

Shares and other variable yield securities and units in unit trusts and debt securities and other fixed income securities are analysed between the three levels in the fair value hierarchy as follows:

2015	**Level 1 £000**	**Level 2 £000**	**Level 3 £000**	**Total £000**
Shares and other variable yield securities and units in unit trusts	**-**	**2,334**	**-**	**2,334**
Listed debt securities and other fixed income securities	**168,814**	**-**	**-**	**168,814**
	168,814	**2,334**	**-**	**171,148**

2014	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Shares and other variable yield securities and units in unit trusts	-	19,204	-	19,204
Listed debt securities and other fixed income securities	150,038	-	-	150,038
	150,038	19,204	-	169,242

In accordance with the amended FRS 102 which has been early adopted, included in the level 1 category are financial assets that are measured by reference to published quotes in an active market where quoted prices are readily available from an exchange and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Included in the level 2 category are financial assets measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions.

The level 3 category includes financial assets measured using a valuation technique based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are based on available market data but are based on assumptions that market participants would use in pricing the asset.

13 Debtors arising out of direct insurance operations

	2015 £000	2014 £000
Due within one year		
Intermediaries	**41,992**	51,066

14 Debtors arising out of reinsurance operations

	2015 £000	2014 £000
Due within one year	**13,780**	11,515

15 Other debtors

	2015 £000	2014 £000
Balance with other group undertakings	**4,141**	2,751
Other debtors	**696**	1,632
	4,837	4,383

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

16 Overseas deposits

Overseas deposits are lodged as a condition of conducting business in certain countries and are managed by Lloyd's centrally or by investment managers appointed on their behalf. The assets contained within the overseas deposits are as follows:

2015	**Level 1 £000**	**Level 2 £000**	**Level 3 £000**	**Total £000**
Shares and other variable yield securities and units in unit trusts	**775**	**3,818**	**-**	**4,593**
Listed debt securities and other fixed income securities	**29,014**	**4,316**	**-**	**33,330**
Cash at bank and in hand	**18**	**2**	**-**	**20**
	29,807	**8,136**	**-**	**37,943**

2014	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Shares and other variable yield securities and units in unit trusts	-	-	-	-
Listed debt securities and other fixed income securities	25,277	18,246	-	43,523
Cash at bank and in hand	1,079	-	-	1,079
	26,356	18,246	-	44,602

The investments and cash have not been included on the balance sheet within Investments or Cash at bank and in hand as they are not under the direct control of the Managing Agency. Cash included in Overseas Deposits has not been included with Cash and cash equivalents (Note 21) as it is not readily available for use by the Syndicate.

17 Deferred acquisition costs

	2015 £000	2014 £000
Balance at 1 January	**31,270**	35,791
Incurred costs deferred	**38,658**	48,671
Amortisation	**(43,524)**	(53,802)
Effect of movements in exchange rates	**(229)**	610
Balance at 31 December	**26,175**	31,270

Notes to the financial statements

For the year ended 31 December 2015 (continued)

18 Technical provisions

	2015 Gross provisions £000	2015 Reinsurance assets £000	2015 Net £000	2014 Gross provisions £000	2014 Reinsurance assets £000	2014 Net £000
Incurred claims outstanding						
Claims notified	**170,317**	**(38,837)**	**131,480**	172,419	(44,972)	127,447
Claims incurred but not reported	**151,568**	**(11,994)**	**139,574**	106,578	(10,076)	96,502
Balance at 1 January	**321,885**	**(50,831)**	**271,054**	278,997	(55,048)	223,949
Changes for prior years	**81,311**	**(9,741)**	**71,570**	97,898	(6,290)	91,608
Expected cost of current year claims	**29,627**	**(1,716)**	**27,911**	39,550	(2,327)	37,223
Claims paid in year	**(118,643)**	**15,496**	**(103,147)**	(99,911)	13,891	(86,020)
Exchange adjustments	**(6,076)**	**396**	**(5,680)**	5,351	(1,057)	4,294
Balance at 31 December	**308,104**	**(46,396)**	**261,708**	321,885	(50,831)	271,054
Claims notified	**147,388**	**(23,849)**	**123,539**	170,317	(38,837)	131,480
Claims incurred but not reported	**160,716**	**(22,547)**	**138,169**	151,568	(11,994)	139,574
Balance at 31 December	308,104	(46,396)	261,708	321,885	(50,831)	271,054
Unearned premiums						
Balance at 1 January	**86,806**	**(3,915)**	**82,891**	91,083	(6,730)	84,353
Premiums written in year	**154,446**	**(16,463)**	**137,983**	182,517	(15,497)	167,020
Premiums earned in year	**(160,640)**	**15,811**	**(144,829)**	(189,122)	18,355	(170,767)
Exchange adjustments	**(589)**	**32**	**(557)**	2,328	(43)	2,285
Balance at 31 December	**80,023**	**(4,535)**	**75,488**	86,806	(3,915)	82,891

19 Claims development

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

Underwriting year - gross	**2011 £000**	**2012 £000**	**2013 £000**	**2014 £000**	**2015 £000**	**Total £000**
Estimate of gross incurred claims						
At the end of underwriting year	78,911	41,197	49,926	40,390	29,847	
One year later	153,553	92,586	101,610	92,604		
Two years later	160,694	108,756	108,672			
Three years later	176,072	112,189				
Four years later	190,640					
Less gross claims paid	135,208	69,341	58,278	30,655	3,979	
Gross claims reserve	55,432	42,848	50,394	61,949	25,868	236,491
Gross claims reserve for 2010 and prior years						71,613
Gross unearned portion of claims						
Gross claims reserve						308,104

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

19 Claims development *(continued)*

Underwriting year - net	**2011 £000**	**2012 £000**	**2013 £000**	**2014 £000**	**2015 £000**	**Total £000**
Estimate of net incurred claims						
At the end of underwriting year	64,166	33,974	41,842	38,040	28,114	
One year later	132,621	75,554	92,486	86,234		
Two years later	141,265	87,735	98,928			
Three years later	156,337	91,198				
Four years later	163,231					
Less net claims paid	120,920	55,735	52,396	30,526	3,977	
Net claims reserve	42,311	35,463	46,532	55,708	24,137	204,151
Net claims reserve for 2010 and prior years						57,557
Net unearned portion of ultimate claims						
Net claims reserve						261,708

20 Financial liabilities at amortised cost

	2015 £000	2014 £000
Creditors arising out of direct insurance operations	**749**	477
Creditors arising out of reinsurance operations	**3,328**	5,134
Other creditors	**1,565**	1,638
Total financial liabilities at amortised cost	**5,642**	7,249

21 Cash and cash equivalents

	2015 £000	2014 £000
Cash at bank and in hand	**6,111**	7,592
Total cash and cash equivalents	**6,111**	7,592

22 Amounts held within Premium Trust Funds

A large part of the Syndicate's assets are required to be held in trust funds. The total amount concerned as at 31 December 2015 was £272,109,000 (2014: £284,014,000). These assets comprise all the Syndicate's investments, cash and overseas deposits together with certain debtors net of creditors. The Syndicate writes business in certain jurisdictions that require the deposit of cash and investments in locally held trust funds therefore preventing the free transfer of cash between currencies and locations.

Notes to the financial statements

For the year ended 31 December 2015 (continued)

23 Transition to FRS 102 and FRS 103

In preparing its balance sheet under FRS 102 and FRS 103, the Syndicate has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (old UK GAAP). The impact of this transition is as follows:

Reconciliation of member’s balances from 1 January 2014	**Members’ balances as at 1 January 2014 £000**	**Loss for the year ended 31 December 2014 £000**	**Members’ balances as at 31 December 2014 £000**
Amount under old UK GAAP as previously reported	(34,736)	(26,911)	(38,580)
Provision for unearned premiums retranslated at the closing rate	480	(4,381)	(3,901)
Deferred acquisition costs retranslated at the closing rate	(138)	1,220	1,082
(Loss)/ profit on exchange	3,335	(1,675)	1,660
Amount under FRS 102	**(31,059)**	**(31,747)**	**(39,739)**

Previously, under old UK GAAP, both Deferred acquisition costs (“DAC”) and Unearned premium reserve (“UPR”) were treated as non-monetary items and translated to GBP as at the date of the transaction and not at the closing rate. No currency gains or losses therefore arose from these balances.

Under FRS 102, DAC and UPR are treated as if they were monetary items. At 1 January 2014 and 31 December 2014, DAC and UPR denominated in foreign currencies have been retranslated to GBP at the closing exchange rates applying at those dates. The resulting gain at 1 January 2014 has been recognised as an adjustment to Members’ balances in accordance with FRS 102.35.8, while for the year ended 31 December 2014, the currency loss arising in the year is included in ‘Other income’ in the non-technical account.

24 Related parties

Syndicate 1206 is managed by AmTrust at Lloyd’s Limited, a subsidiary of AmTrust Syndicate Holdings Limited. Messrs Barrett, Cadle, Contractor, Dewey, Jansli, Sibthorpe and Sweatman are and Mr Ross and Ms Tenenti were directors of AmTrust Syndicate Holdings Limited. During the year Managing Agents fees of £2,000,000 (2014 - £2,000,000) were charged by the Managing Agent to the Syndicate. AmTrust at Lloyds Limited is also the Managing Agent for Syndicate 44 and, from 1 April 2015, Syndicate 2526. During the year Syndicate 44 lent funds to this Syndicate. The amount outstanding at 31 December 2015 was £Nil (2014 - £Nil).

Employment of staff, provision of accommodation and related services are provided by AmTrust Syndicate Holdings Limited to the Syndicate on a non-profit basis and recharges of £16,589,000 were recharged to the Syndicate by AmTrust Syndicate Holdings, and paid on the Syndicate’s behalf by AmTrust at Lloyd’s Limited (2014 - £18,249,000). At 31 December 2015 the amount due from AmTrust at Lloyd’s Limited was £2,347,000 (2014 - £1,859,000).

Syndicate 1206’s entire capital since 2000 has been provided by AmTrust Corporate Member Limited, a subsidiary of AmTrust Lloyd’s Holdings Limited, itself the parent company of AmTrust Syndicate Holdings Limited. Messrs Barrett, Cadle, Contractor, Dewey, Jansli, Sibthorpe and Sweatman are and Mr Ross and Ms Tenenti were directors of AmTrust Corporate Member Limited.

AmTrust Syndicate Services Limited, a subsidiary of AmTrust Syndicate Holdings Limited, acts as a means of introducing business to Syndicate 1206, from non-Lloyd's brokers, under a binding authority arrangement. During the year £Nil (2014 - £46,000) was processed through this company. Messrs Barrett, Cadle, Contractor, Dewey, Jansli, Sibthorpe and Sweatman are and Mr Ross and Ms Tenenti were directors of AmTrust Syndicate Services Limited.

AmTrust Underwriting Limited, a subsidiary of AmTrust Syndicate Holdings Limited, is an insurance intermediary authorised by the FCA and produces Accident & Health and Commercial Combined business to the Syndicate. Premiums amounting to £3,324k (2014 - £3,902k) were received from this company during 2015. All of the directors of AmTrust at Lloyd’s Limited are directors of this company.

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

24 Related parties *(continued)*

AmTrust Claims Services Limited (ACS), a subsidiary of AmTrust Syndicate Holdings Limited, is a claims management company in California and adjusts claims on behalf of the Syndicate and others on the Liability book of business. Messrs Dewey, Contractor, Sweatman, Sibthorpe, Caviet and Cadle are directors of ACS and Messrs Loucaides, Halpin, Reed, Ross and Tenenti were directors of ACS.

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

25 Post Balance Sheet Events

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

	2015	2014
	£000	£000
2013 Year of account (2012 Year of account)	**34,891**	17,854