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Dale Underwriting Partners Syndicate 1729

Financial Statements

For the 36 Months ended 31 December 2016

2014 Underwriting Year Accounts

Contents

Directors and Administration

Managing Agent

Asta Managing Agency Ltd

Directors

T A Riddell (Chairman)*
C V Barley
L Harfitt
A J Hubbard*
D J G Hunt
M D Mohn*
D F C Murphy*
S P A Norton
J W Ramage*
K Shah*
J M Tighe

Non-Executive Directors *

Company Secretary

C Chow

Managing Agent's Registered Office

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

Managing Agent's Registered Number

1918744

Active Underwriter

Duncan Dale

Bankers

Barclays Plc
Citibank N.A,
RBC Dexia

Registered Auditors

Ernst & Young LLP
25 Churchill Place
London
E14 5EY

Underwriter's Report for the 2014 Closing Year of Account

For the 36 months ended 31 December 2016

2014 Closing Year Comments

Underwriter's Commentary as follows:

Allocated Stamp Capacity	£75m
Gross Gross Premium	£60m
Gross Net Premium	£45m
Profit	£0.5m

Result as a % of Stamp Capacity, before Members' Agents fees: +0.63%

We are very proud of our 2014 year of account result. It was our first year of trading and although the written premium was lower than originally planned, we have carefully managed expenses and achieved a strong underwriting profit in spite of very difficult market conditions. In this year, the majority of our premium emanated from US Casualty business, whilst we were gathering the Property Reinsurance and Insurance teams, who joined in February and July of 2014 respectively.

One material US Casualty contract written in the year has been commuted at a profit and thus removes a good deal of reserve risk from this year of account. The balance of the Casualty account has performed satisfactorily to date, but has a relatively long tail to maturity. All non-commuted Casualty business is reserved at the original business plan loss ratios. The Property Insurance and Reinsurance portfolios have largely run-off with good profit margins, but we retain a small amount of reserves for claims that may be Incurred But Not Reported and/or any small deterioration in existing claims.

I would like to record my thanks to all who have helped to deliver this positive result in our first year of trading.

D Dale
Active Underwriter
21 March 2017

Managing Agent's Report for the 2014 Closing Year of Account

For the 36 months ended 31 December 2016

The Directors of Asta Managing Agency Ltd ("Asta") present their report at 31 December 2016 for the 2014 closed year of account.

This report is prepared in accordance with the Lloyd's Syndicate Byelaw (No 8 of 2005) and applicable accounting standards in the United Kingdom, comprising FRS 102 "The Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland". It accompanies the underwriting year accounts prepared on an underwriting year basis of accounting as required by Statutory Instrument No 1950 of 2008, the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 ("Lloyd's Regulations 2008").

Business Review

A summary of the 2014 year of account performance is given in the accompanying Underwriter's Report on page 2.

Directors

Details of the Directors of the Managing Agent that were serving at the year end and up to the date of signing of the financial statements are provided on page 1. Changes to directors during the year were as follows:-

C V Barley	Appointed 27 April 2016
M D Mohn	Appointed 16 May 2016
K Shah	Appointed 1 October 2016
Y A Lancaster (nee Bouman)	Resigned 12 February 2016
G M J Erulin	Resigned 31 March 2016

Disclosure of Information to the Auditors

So far as each person who was a director of the Managing Agent at the date of approving the report is aware, there is no relevant audit information, being information needed by the Syndicate auditor in connection with the auditor's report, of which the auditor is unaware. Having made enquiries of fellow Directors of the Agency and the Syndicate's Auditors, each Director has taken all the steps that he or she ought to have taken as a Director to become aware of any relevant audit information and to establish that the Syndicate's auditor is aware of that information.

The board of directors of the Managing Agent has overall responsibility for the establishment and oversight of the Syndicate's risk and capital management.

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

C Chow
Company Secretary
21 March 2017

Statement of Managing Agent's responsibilities

The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 require the managing agent to prepare Syndicate underwriting year accounts at 31 December in respect of any underwriting year which is being closed by reinsurance to close which give a true and fair view of the result of the underwriting year at closure. Detailed requirements in respect of the underwriting year accounts are set out in the Lloyd's Syndicate Accounting Byelaw (No 8 of 2005).

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

- select suitable accounting policies and apply them consistently throughout each underwriting year and from one underwriting year to the next. Where items affect more than one underwriting year, the Managing Agent must ensure that the Syndicate treats the affected member equitably. In particular, the premium charged for reinsurance to close should be equitable between the reinsured and reinsuring members of the Syndicate;

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

- make judgements and estimates that are reasonable and prudent; and

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

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

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

Independent Auditor's Report to the Members' of Dale Underwriting Partners Syndicate 1729

2014 Closed Year of Account

We have audited the Syndicate underwriting year accounts for the 2014 year of account of Dale Underwriting Partners Syndicate 1729 which comprise the Income Statement, the Statement of Financial Position, the Statement of Members' Balances, the Statement of Cash Flows and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law, the Lloyd's Syndicate Accounting Byelaw (no.8 of 2005) and UK Accounting Standards (UK 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 Lloyd's Syndicate Accounting Byelaw (No 8 of 2005) and the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the Syndicate's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the syndicate and the Syndicate's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Managing Agent and the auditor

As explained more fully in the statement of managing agent's responsibilities set out on page 4, the Managing Agent is responsible for the preparation of the Syndicate's underwriting year accounts under the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and in accordance with the Lloyd's Syndicate Accounting Byelaw (no. 8 of 2005), which give a true and fair view.

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

Scope of the audit of the Syndicate underwriting year accounts

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.

Independent Auditor's Report to the Members' of Dale Underwriting Partners Syndicate 1729 continued

Opinion on Syndicate underwriting year accounts

In our opinion the Syndicate underwriting year accounts:

- give a true and fair view of the profit for the 2014 closed year of account;
- have been properly prepared in accordance with 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'; and
- have been prepared in accordance with the requirements of the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and have been properly prepared in accordance with the Lloyd's Syndicate Accounting Byelaw (no. 8 of 2005).

Matters on which we are required to report by exception

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

- the Managing Agent in respect of the Syndicate has not kept adequate accounting records; or
- the Syndicate underwriting year accounts are not in agreement with the accounting records.

Ernst & Young LLP/

Andrew R Blackmore (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
21 March 2017

Income statement

Technical account – general business

for the 36 months ended 31 December 2016

	Notes	£'000	£'000
Earned premiums, net of reinsurance			
Gross premiums written	4	59,858	
Outward reinsurance premiums		(2,685)	
			57,173
Reinsurance to close premiums received, net of reinsurance			-
Allocated investment return transferred from the non-technical account			77
Claims incurred, net of reinsurance			
Claims paid - Gross amount		(25,800)	
- Reinsurers' share		632	
Net claims paid		(25,168)	
Reinsurance to close premium payable net of reinsurance	6	(8,262)	
			(33,430)
Net operating expenses	7		(22,405)
Balance on the technical account – general business	5		**1,415**

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

The notes on pages 12 to 22 form part of these financial statements.

Income statement continued

Non-technical account - general business

	Notes	£'000
Balance on the technical account – general business		**1,415**
Investment Income	8	49
Realised gains on investments		28
		77
Allocated investment return transferred to general business technical account		(77)
Exchange gains and losses		(944)
Profit for the closed year of account		**471**

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

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 12 to 22 form part of these financial statements.

Statement of financial position

As at 31 December 2016

	Notes	£'000	£'000
ASSETS			
Investments	9		12,134
Debtors			
Debtors arising out of direct insurance operations	10	1	
Debtors arising out of reinsurance operations	11	81	
Other debtors, prepayments and accrued income		8	
			90
Reinsurance recoveries anticipated on gross reinsurance premiums payable to close the account	6		20
Other Assets			
Cash at bank and in hand			698
Overseas deposits			329
TOTAL ASSETS			**13,271**
LIABILITIES			
Amounts due to members			181
Reinsurance to close premiums payable to close the Account – gross amount	6		8,282
Creditors			
Creditors arising out of direct business	12	31	
Creditors arising out of reinsurance operations	13	77	
Profit commission due to managing agent		100	
Amounts due to related undertaking		4,600	
			4,808
TOTAL LIABILITIES			**13,271**

The notes on pages 12 to 22 form part of these financial statements.

The Syndicate underwriting year accounts were approved by the Board of Asta Managing Agency Ltd on 15 March 2017 and were signed on its behalf by

D J G Hunt
Director
21 March 2017

Statement of members' balances

For the 36 months ended 31 December 2016

	£'000
Profit for the closed year of account	471
Members' agents' fees paid on behalf of members	(290)
Members' balances carried forward at 31 December 2016	**181**

The notes on pages 12 to 22 form part of these financial statements.

Statement of cash flows

For the 36 months ended 31 December 2016

	Notes	£'000
Cash flows from operating activities		
Profit for the year of account		471
Net unrealised losses and foreign exchange		-
Increase in debtors		(90)
Increase in creditors		4,808
RITC premium payable, net of reinsurance		8,262
Investment return		(77)
Net cash inflow from operating activities		13,374
Cash flows from investing activities		
Net purchase of portfolio investments		(10,917)
Increase in overseas deposits		(329)
Investment income received		77
		(11,169)
Cash flows from financing activities		
Member's agents fees paid on behalf of members		(290)
Net increase in cash and cash equivalents		1,915
Cash and cash equivalent at 1 January 2014		-
Cash and cash equivalent at end of the year of account	14	**1,915**

The notes on pages 12 to 22 form part of these financial statements.

Notes to the financial statements

For the 36 months ended 31 December 2016

1. Basis of preparation

The Syndicate underwriting year accounts have been prepared under the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 ("the Lloyd's Regulations") and in accordance with the Syndicate Accounting Byelaw (No. 8 of 2005) and applicable Accounting Standards in the United Kingdom, including 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").

The financial statements are prepared under the historical cost convention except for certain financial instruments which are measured at fair value.

The financial statements are prepared in GBP which is the reporting and presentational currency of the Syndicate and rounded to the nearest £'000. The functional currency of the Syndicate is US Dollars.

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 2014 year of account which has been closed by reinsurance to close at 31 December 2016. Consequently the statement of financial position represents the assets and liabilities of the 2014 year of account at the date of closure and the income statement and statement of cash flows reflect the transactions for that year of account during the 36 months period until closure.

As permitted by FRS 103, the Syndicate continues to apply existing accounting policies that were applied prior to this standard for its insurance contracts.

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

2. Accounting policies

Significant accounting estimates and judgements

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.

The measurement of the provision for claims outstanding involves judgements and assumptions about the future that have the most significant effect on the amounts recognised in the annual accounts.

The provision for claims outstanding 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.

Accounting policies continued

The ultimate cost of outstanding claims is estimated using a range of techniques including actuarial and statistical projections, benchmarking, case by case review and judgement. Statistical techniques assume that past claims development experience can be used as a basis to project ultimate claims costs. Judgement is used to assess the extent to which past trends may not apply in the future. Case estimates are generally set by skilled claims technicians applying their experience and knowledge to the circumstances of individual claims.

Whilst the Directors consider that the gross provision for claims and the related reinsurance recoveries are fairly stated based on the information currently available to them, the ultimate liability will vary as a result of subsequent information and events.

Underwriting transactions

The underwriting accounts for each year of account are normally kept open for three years before the result on that year is determined. At the end of that three year period, outstanding liabilities can normally be determined with sufficient accuracy to permit the year of account to be closed by payment of a reinsurance to close premium to the successor year of account.

Gross premiums are allocated to years of account on the basis of the inception date of the policy. Commission and brokerage are charged to the year of account to which the relevant policy is allocated. Policies written under binding authorities, lineslips or consortium arrangements are allocated to the year of account into which the arrangement incepts. Additional and return premiums follow the year of account of the original premium. Premiums are shown gross of brokerage payable and exclude taxes and duties levied on them. Estimates are made for pipeline premiums, representing amounts due, but not yet notified to the Syndicate year of account.

Outwards reinsurance premiums ceded are attributed to the same year as the original risk being produced.

Gross claims paid are allocated to the same year of account as that to which the corresponding premiums are allocated and include internal and external claims settlement expenses. Reinsurance recoveries are allocated to the year of account to which the claim was charged.

The reinsurance to close premium is determined by reference to the outstanding technical provisions (including those for outstanding claims and unexpired risks) relating to the closed year. Although this estimate of net outstanding liabilities is considered to be fair and reasonable, it is implicit in the estimation procedure that the ultimate liabilities will be at variance from the premium so determined. The reinsurance to close premium transfers the liability in respect of all claims, reinsurance premiums, return premiums and other payments in respect of the closing year to the members of the successor year of account and gives them the benefit of refunds, recoveries, premiums due and other income in respect of those years in so far as they have not been credited in these accounts.

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

Accounting policies continued

Notified claims are estimated on a case by case basis with regard to the circumstances as reported, any information available from loss adjusters and previous experience of the cost of settling claims with similar characteristics. The amount included in respect of IBNR is based on statistical techniques of estimation applied by the Syndicate's external consulting actuaries. These techniques generally involve projecting from past experience of the development of claims over time to form a view of the likely ultimate claims to be experienced for more recent underwriting, having regard to variations in the business accepted and the underlying terms and conditions. For the most recent years, where a high degree of volatility arises from projections, estimates may be based in part on output from rating and other models of the business accepted and assessments of underwriting conditions.

The provision for claims includes amounts in respect of internal and external claims handling costs.

The reinsurers' share of provisions for claims is based on calculated amounts of outstanding claims and projections for IBNR, net of estimated irrecoverable amounts, having regard to the reinsurance programme in place for the class of business, the claims experience for the year and the current security rating of the reinsurance companies involved.

The Syndicate uses a number of statistical techniques to assist in making the above estimates. The two most critical assumptions as regards claims provisions are that the past is a reasonable predictor of the likely level of claims development and that the rating and other models used for current business are fair reflections of the likely level of ultimate claims to be incurred. The methods used, and the estimates made, are reviewed regularly.

A provision for unexpired risks is created where claims, related expenses and deferred acquisition costs, likely to arise after the balance sheet date in respect of contracts relating to the closing year of account, are expected to exceed the unearned premiums and premiums receivable under these contracts, after the deduction of any acquisition costs deferred.

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).

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. Investments in shares and other variable yield securities, units in unit trusts, and debt and other fixed income securities are designated as at fair value through profit or loss on initial recognition, as they are managed on a fair value basis in accordance with the Syndicate's investment strategy.

Financial instruments are recognised when the Syndicate becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Syndicate's contractual rights to the cash flows from the financial assets expire or if the Syndicate transfers the financial asset to another party without retaining control of substantially all risks and rewards of the asset. A financial liability is derecognised when its contractual obligations are discharged, cancelled, or expire.

Accounting policies continued

Regular way purchases and sales of financial assets are recognised and derecognised, as applicable, on the trade date, i.e. the date that the Syndicate commits itself to purchase or sell the asset.

A financial asset or financial liability is measured initially at fair value plus, for a financial asset or financial 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 and dividend income.

At each reporting date the Syndicate assesses whether there is objective evidence that financial assets not at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of an asset, and that the loss event has an impact on the future cash flows on the asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes observable data that comes to the attention of the Syndicate about any significant financial difficulty of the issuer, or significant changes in the technological, market, economic or legal environment in which the issuer operates.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

An impairment loss recognised reduces directly the carrying amount of the impaired asset. All impairment losses are recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in profit or loss.

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.

Dividend income is recognised when the right to receive income is established. Usually this is the ex-dividend date for equity securities. For the purpose of separately presenting investment income and unrealised gains and losses for financial assets at fair value through profit or loss, interest income is recognised as it accrues on the next coupon payment.

For investments at fair value through profit or loss, realised gains and losses represent the difference between the net proceeds on disposal and the purchase price.

Accounting policies continued

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. The return is transferred in full to the general business technical account to reflect the investment return on funds supporting underwriting business.

Syndicate operating expenses & profit commission

Costs incurred by the managing agent in respect of the Syndicate are charged to the Syndicate and included within the relevant profit and loss account heading. Where expenses do not relate to any specific year of account they are apportioned between years of account on a basis which reflects the benefit obtained by each year of account from each type of expense.

Where expenses are incurred jointly by the Managing Agent and the Syndicate, they are apportioned as follows:

- Salaries and Related Costs
  According to time of each individual spent on Syndicate matters.

- Accommodation Costs
  According to number of personnel.

- Other Costs
  As appropriate in each case.

- Profit Commission
  Profit commission is charged by the Managing Agent at a rate of 17.5% of profit subject to the operation of a deficit clause. Such commission does not become payable until after the appropriate year of account closes, normally at 36 months. Profit commission on naturally open years is accrued on the basis of earned profit to date.

- Pensions
  The Managing Agent operates a defined contribution pension scheme and its recharges to the Syndicate in respect of salaries and related costs include an element for pension costs. These pension costs are expensed in full in the period to which the recharge relates.

Amounts recharged by the Managing Agent include costs arising from the use of assets in the period. These rental costs are expensed in full in the period to which the recharge relates.

Accounting policies continued

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 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. It is the responsibility of members to agree and settle their individual tax liabilities with HM Revenue & Customs.

Members resident overseas for tax purposes are responsible for agreeing and settling any tax liabilities with the taxation authorities of their country of residence.

Foreign currencies

The Syndicate's functional currency is USD and the reporting currency and presentational currency is GBP.

Transactions denominated in currencies other than the functional currency are initially recorded in the functional currency at the exchange rate ruling at the date of the transactions. Monetary assets and liabilities (which include all assets and liabilities arising from insurance contracts including unearned premiums and deferred acquisition costs) denominated in foreign currencies are retranslated into the functional currency at the exchange rate ruling on the reporting date.

Exchange differences are recorded in the non-technical account.

3. Risk management

Effective from 31 December 2016, the RITC process means that Insurance, Financial, Credit, Liquidity, Market and Capital risks are transferred to the accepting 2015 Year of Account of the Syndicate. Accordingly, these Underwriting Year accounts do not have any associated disclosures as required by section 34 of FRS 102. Full disclosures relating to these risks are provided in the main Annual accounts of the Syndicate.

4. Particulars of business written

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

	Gross Premiums Written and Earned £'000	Gross Claims Incurred £'000	Net Operating Expenses £'000	Reinsurance Balance £'000	Total £'000
Direct Insurance:	147	(94)	(56)	(5)	(8)
Motor 3rd Party	5,348	(4,493)	(2,120)	(182)	(1,447)
Motor (Other)	1,438	(1,035)	(552)	(49)	(198)
Marine and Transport	5,868	(2,819)	(1,972)	(199)	878
Fire and Damage	10,830	(3,020)	(4,458)	(368)	2,984
Credit and Suretyship	154	(24)	(60)	(5)	65
Legal Expenses	1,117	(526)	(614)	(38)	(61)
	24,902	(12,011)	(9,832)	(846)	2,213
Reinsurance Acceptances	34,956	(22,071)	(12,573)	(1,187)	(875)
	59,858	(34,082)	(22,405)	(2,033)	1,338

Particulars of business written continued

All business is written in the United Kingdom.

Gross operating expenses are the same as net operating expenses.

5. Analysis of result by year of account

	2014 Pure Year £'000
Technical account balance before allocated investment return and net operating expenses	23,743
Brokerage and commission on gross premium	(14,872)
	8,871
Other acquisition costs	(2,656)
Net other expenses	(4,877)
Investment income	77
	(7,456)
Balance on technical account	1,415

6. Reinsurance to close premium payable net of reinsurance

	Reported £000	IBNR £000	Total £000
Gross outstanding losses	(1,912)	(6,370)	(8,282)
Reinsurance recoveries anticipated	20	-	20
Net outstanding losses	(1,892)	(6,370)	(8,262)

The reinsurance to close is effected to the 2015 Year of Account of Syndicate 1729.

7. Net operating expenses

	£'000
Acquisition costs	(17,528)
Standard personal expenses	(1,598)
Administration expenses	(3,279)
	(22,405)

	£'000
The closed year profit is stated after charging:	
Auditor's remuneration:	
Fees payable to the Syndicate's auditor for the audit of these financial statements	56
Fees payable to the Syndicate's auditor and its associates in respect of:	
Other services pursuant to legislation	15
	71

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

8. Investment income

	£'000
Income from investments	49
Realised gains on investments	28
	77

9. Investments

	Market Value £000's	Cost £000's
Holdings in collective investment schemes	1,217	1,217
Debt securities and other fixed income securities	10,917	10,917
	12,134	12,134

There was no material change in fair value for financial instruments held at fair value (other than derivatives) attributable to own credit risk in the current or comparative period.

The following table shows financial investments recorded at fair value analysed between the three levels in the fair value hierarchy.

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
31 December 2016				
Shares and other variable yield securities and units in unit trusts	-	1,217	-	1,217
Debt securities and other fixed income securities	-	10,917	-	10,917
Overseas deposits	176	153	-	329
Total	176	12,287	-	12,463

Included in the level 1 category are financial assets that are measured by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry Syndicate, pricing service or regulatory agency 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. For example, assets for which pricing is obtained via pricing services but where prices have not been determined in an active market, financial assets with fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using the Syndicate's own models whereby the significant inputs into the assumptions are market observable.

Investments continued

Included in the level 3 category, are financial assets measured using a valuation technique (model) based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Therefore, unobservable inputs reflect the Syndicate's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are developed based on the best information available, which might include the Syndicate's own data. The Syndicate does not have any level 3 investments.

10. Debtors arising out of direct insurance operations

	£'000
Due within one year – Intermediaries	1
	1

11. Debtors arising out of reinsurance operations

	£'000
Due within one year – Intermediaries	81
	81

12. Creditors arising out of direct insurance operations

	£'000
Due within one year – Intermediaries	31
	31

13. Creditors arising out of reinsurance operations

	£'000
Due within one year – Reinsurance accepted	77
	77

14. Cash and cash equivalents

	£'000
Cash at bank and in hand	698
Short-term deposits with financial institutions	1,217
	1,915

15. Disclosure of interests

Managing Agent's interest

During 2016 Asta was the managing agent for eight Syndicates and three Special Purpose Arrangements. Syndicates 1686, 1729, 1897, 1910, 2357, 2525, 2786 and 4242 as well as Special Purpose Arrangements 6117, 6123 and 6126 were managed on behalf of third party capital providers.

On 7 February 2017, Syndicate 1910 and Special Purpose Arrangement 6117 migrated to Argo Managing Agency Limited.

On 1 January 2017, Asta took on management of Syndicate 2689 and Syndicate 5886.

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

The Financial Statements of the Managing Agency can be obtained by application to the Registered Office (see page 1).

16. Related parties

Asta provides services and support to Syndicate 1729 in its capacity as Managing Agent. The 2014 year of account was charged managing agency fees of £0.8m. Asta also recharged £0.1m worth of service charges to the 2014 year of account. As at 31 December 2016, nothing was owed to Asta in respect of this service.

ProAssurance Corporate Capital Limited is a significant but not fully aligned 100% capital provider. ProAssurance Corporate Capital Limited is a subsidiary of ProAssurance Corporation a public company based in Alabama, USA. The syndicate set up a GBP Sterling loan facility with ProAssurance Corporation which was entered into at appropriate commercial rates of interest. The amount outstanding on this loan facility on the 2014 Year of Account was £4.6m.

The amount of premium written with Podiatry Insurance Company of America, another subsidiary of ProAssurance for the 2014 Year of Account was £15.1m.

Syndicate 1729 has recorded £0.1m for profit commission due to the managing agent.

From time to time, Syndicates managed by Asta enter into (re)insurance contracts with one another. All such transactions are subject to Asta's internal controls which ensure that all are compliant with Lloyd's Related Party Bylaw provisions. All transactions are entered into on an arms length basis.

17. Off-balance sheet items

The Syndicate has not been party to any arrangement, which is not reflected in its statement of financial position, where material risks and benefits arise for the Syndicate.

18. Funds at Lloyd's

Every member is required to hold capital at Lloyd's which is held in trust and known as Funds at Lloyd's (FAL). These funds 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 annual accounts by way of such capital resources. However, the managing agent is able to make a call on the members' FAL to meet liquidity requirements or to settle losses.

19. Post balance sheet event

The 2014 underwriting year result, less members' agents' fees, of £0.2m will be distributed to members during 2017.

Summary of Closed Year Results

As at 31 December 2016

	2014 £'000
Syndicate allocated capacity	**74,967**
Number of Underwriting members	1,072
Aggregate net premiums	39,645
Results for an illustrative share of £10,000	
	£
Gross premiums	7,985
Net premiums	5,288
Reinsurance to close from an earlier account	-
Net claims	(3,357)
Reinsurance to close	(1,102)
Profit/(Loss) on exchange	(126)
Syndicate operating expenses	(437)
Balance on technical account	266
Investment income less investment expenses and charges and investment gains less losses	10
Profit on ordinary activities	276
Illustrative personal expenses	
Managing agent's fee	109
Profit commission	13
Other personal expenses (excluding member's agents fees)	91
	213
Profit on ordinary activities after illustrative managing agent's fee and profit commission and illustrative personal expenses	63
Total of Syndicate operating expenses, managing agent's fee and profit commission	560
Capacity utilised	60.01%
Net capacity utilised	52.88%
Underwriting profit ratio	3.33%

Notes

1. The summary of closed year result has been prepared from the audited accounts of the Syndicate.
2. Personal expenses have been stated at the amount which would be incurred pro rata by individual Names writing the illustrative premium income in the Syndicate irrespective of any minimum charge applicable. Corporate members may be charged at different rates. Foreign tax, which may be treated as a credit for personal tax purposes, has been excluded.
3. As regards the 2014 year of account, an illustrative share of £10,000 represents 0.013% of the respective allocated capacity.