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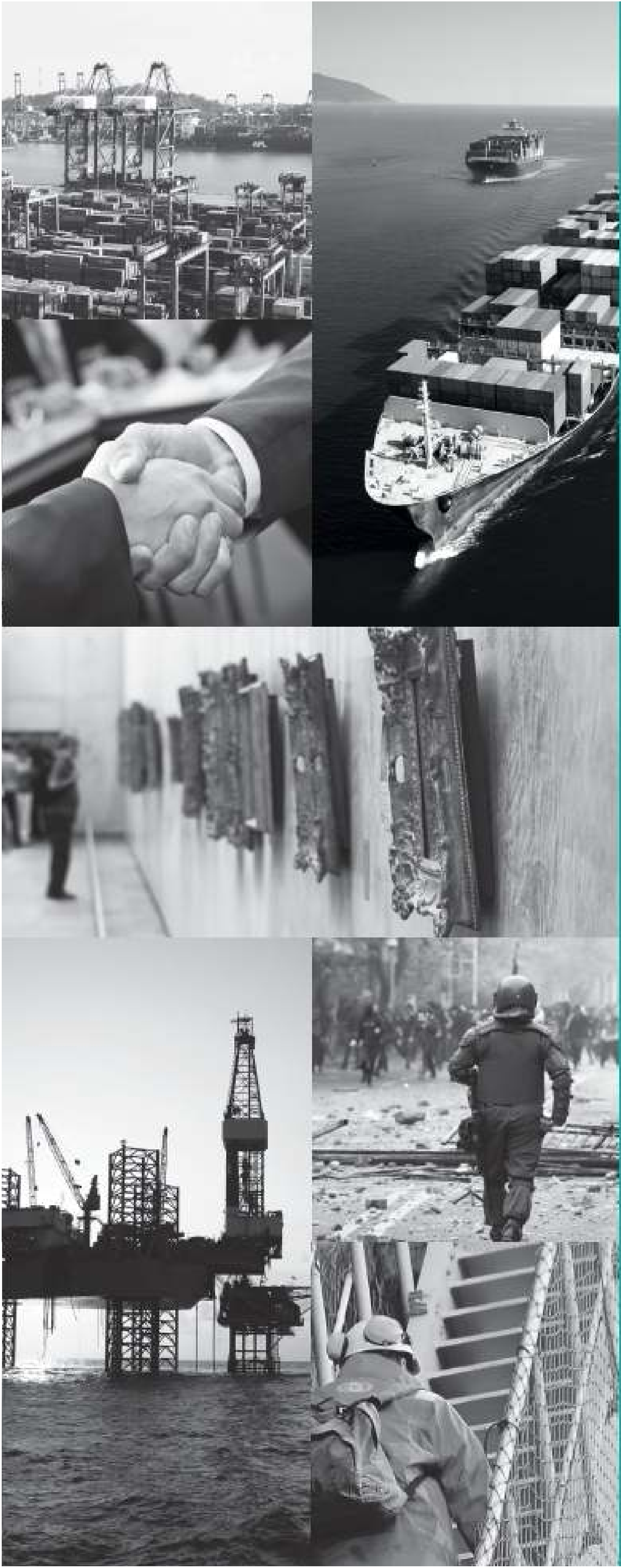

The Standard Syndicate 1884

www.syndicate1884.com

Annual Report & Accounts

2016

About The Standard Syndicate

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The Standard Syndicate

2016 gross written premium	Percentage of business written accretive to Lloyd's	2017 planned gross written premium
£76.3m	**60%**	**£128.6m**

- First full year of underwriting
- Difficult trading conditions in 2016, with deteriorating results on both the 2015 and 2016 year of account
- More than doubled gross written premium for the year to £76.3 million
- 60% of business accretive to the Lloyd's market
- New political violence & terror, political risks and specie classes
- Two significant new capital providers invested for 2017 year of account

"The Standard Syndicate experienced difficult trading conditions in 2016, with deteriorating results on both the 2015 and 2016 year of account. We have taken immediate steps to address this underperformance and put in place a clear plan to improve the long term prospects of the Syndicate. At an operational level, 2016 was a year of solid progress. The Syndicate increased its capacity, welcomed two major new capital providers and expanded the number of insurance covers provided."

R G Dorey, Active Underwriter, The Standard Syndicate

About The Standard Syndicate

The Standard Syndicate ("Syndicate 1884" and "Syndicate") was established by mutual protection and indemnity (P&I) insurer, The Standard Club, and benefits from its long experience of marine insurance which stretches back to 1884. The Syndicate commenced writing in 2015 and provides a broad range of insurance covers to its clients and others in the wider marine and energy market.

Given The Standard Club's deep knowledge of the shipping industry, proprietary data on fleets and maritime knowledge, the Syndicate initially focused on underwriting marine and energy risks. As the Syndicate has evolved, it is now ready to move to the next phase of its strategy of seeking to diversify into non-marine classes, while still capitalising on its strong relationships with The Standard Club, its members and their brokers. This is expected to help deliver lower volatility, greater scale and more sustainable earnings over time.

The Standard Club's global footprint and Charles Taylor Managing Agency's access to its parent's global network of offices mean that insureds can access services where they are needed. In addition, we have established service companies in Europe and Singapore which enables insureds to access Lloyd's security easily through the Syndicate regardless of where they are based around the world.

Our ability to offer high levels of cover, backed by Lloyd's S&P A+ security and our innovative distribution model means that the Syndicate is bringing high levels of accretive business to the Lloyd's market.

About The Standard Syndicate

The Standard Syndicate offers a range of insurance covers designed to meet the needs of specialty clients, including shipowners, operators, offshore energy operators and other clients. Going forward the Syndicate is increasing its focus on writing more non-marine risks such as property, specie and political risks.

- **Cargo**: General and specialist cargo, logistics, and ROVs.
- **Energy:** Physical damage relating to the marine energy business, including construction risks and control of wells, and covering mobile installations, fixed platforms and associated onshore facilities.
- **E&O**: Exposure to actual or alleged negligent acts of the insured in respect of third party liabilities including but not limited to breach of warranty, and copyright infringement.
- **Fine Art & Specie**: Fine Art, Private Jewellery, General Specie and Cash in Transit.
- **Hull**: Hull & Machinery for bulk cargo, liquid cargo, container, passenger, ferry, small ships and yachts, plus increased value, mortgagees' interest and war.
- **Liability**: Marine energy related non-P&I liabilities, port and terminal operators' liabilities, and transport operators' liabilities.
- **Marine Property**: Container terminals, dry/wet bulk terminals, shipbuilders, ro-ro terminals, port authorities, infrastructure, buildings equipment and business interruption.
- **Non-Marine Property**: Industrial (light and heavy) and manufacturing, mining, commercial and infrastructure risks.
- **Political Risk and Trade Credit**: Coverage for political and credit risk for traders, exporters, contractors and corporations involved in direct investment and contracts/business activities overseas.
- **Political Violence and Terrorism**: Sabotage and terrorism, riots, strikes and civil commotion, political violence including war, terrorism liability and terrorism contingency.

Strategic report

Active Underwriter's Report 2016

The Standard Syndicate ("Syndicate 1884" and "Syndicate") experienced difficult trading conditions in 2016, with deteriorating results on both the 2015 and 2016 year of account. We have taken immediate steps to address this underperformance and implemented a clear, decisive plan to improve the long-term prospects of the Syndicate.

At an operational level, the Syndicate made progress, shifting from being a start-up to being a more fully formed syndicate – it expanded its range of insurance covers, increased its capacity, and welcomed two major new capital providers.

Underwriting: Market conditions for marine and energy insurance remained challenging throughout 2016. Many ship owners and operators faced financial difficulty, resulting in an increase in laid up vessels and a reduction of drilling operations in the offshore energy sector. At the same time the insurance market was soft, with reduced premiums and wider policy terms available for many risks.

Against this background, our focus was on delivering disciplined underwriting rather than chasing premium. We increased our written premium for the year to £76 million, about 75% of that originally targeted. While a number of our classes met their targets for the year, others, such as energy, fell below plan (which was in response to the challenging underwriting environment). This affected the balance of the portfolio and resulted in hull and cargo business representing a greater proportion of our overall book than had been originally intended.

The 2016 year of account was our first full year of underwriting as we had started business on 1 April in the previous year, missing the first quarter, which is when many marine and energy risks are renewed. This meant that we were only able to start reviewing our existing book in the second quarter of 2016. Based on the prior years' experience, we have had to largely rewrite our hull book for 2016 due to the nature of losses experienced and are actively reducing hull business as a proportion of the whole account. The results are starting to feed though with the 2016 book performing better to date than the 2015 book. The 2015 cargo book continues to perform well but the 2016 book has so far suffered from poor loss experience with targeted underwriting actions already taken to address the issues.

The Syndicate also expanded its range of insurance classes in 2016, recruiting senior underwriters for new political violence, terror, political risks and specie lines. These new lines have started well and we anticipate that these new classes, once established, will enable us to diversify our book away from purely marine business. In particular, we established and are leading a Lloyd's consortium for specie risks which is writing lines of up to £65 million. We have stopped underwriting D&O risks on our own account and have reached an agreement with a well-regarded specialist underwriter on another syndicate to write these risks.

As a result of the expansion of our operations and introduction of new classes, the syndicate moved to a larger 22 seat box in Lloyd's in September 2016. We regard this as a statement of intent of our commitment to continue to grow Syndicate 1884.

Strategic report

Losses: The Syndicate had higher overall loss ratios than its Syndicate Business Forecast, with the 2015 year of account suffering deterioration in respect of new claims notified, particularly attritional hull claims. The 2016 year of account has experienced higher attritional cargo claims. We incurred eight losses in excess of US$0.5 million of which five were in the cargo class. Cargo claims were largely influenced by one policy, which has now been cancelled and rewritten with substantially higher pricing and improved terms. Our exposure to catastrophes has been low, with only two of the larger claims resulting from windstorm damage.

We believe that our strategy to diversify the book, reduce our hull exposure and improved cargo terms will feed through into our loss experience. Our 2016 ultimate loss ratios for energy and property are now running better than plan, with our hull, liabilities and specie ratios on plan.

Capital: The Syndicate welcomed two new capital providers for the 2017 year of account and has a capacity of £100 million for the year.

Operational efficiency*:* We have focused on containing the Syndicate's expense ratio and are benefiting from decreased expenses and reduced Lloyd's and personal expenses.

Effective distribution: In addition to following the market's traditional model, where Lloyd's brokers bring business to the market, the Syndicate is actively marketing to clients in partnership with their brokers around the world. In particular we benefit from our close relationship with The Standard Club, which provides P&I insurance to around 10% of the world's fleet. This approach is proving successful with 60% of our business accretive to the Lloyd's market.

Outlook: Our aim in 2017 is to improve the Syndicate's financial performance by carefully managing our cost base and taking a number of short term and longer term actions. These include capitalising on our strong relationship with The Standard Club, continuing to reduce our exposure to hull risks and to diversifying our book into non-marine classes of business. Market conditions remain extremely soft and we are focused on maintaining underwriting discipline to write profitable business.

We are already seeing progress and are gaining traction in the market which will enable us to achieve greater scale for the Syndicate. We are confident that the Syndicate is well placed to build on its foundations and improve its performance in 2017 and beyond.

R G Dorey
Active Underwriter, The Standard Syndicate
20 March 2017

Statement of managing agent's responsibilities

The directors of Charles Taylor Managing Agency Limited (CTMA) present their report in respect of The Standard Syndicate (Syndicate) for the year ended 31 December 2016.

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 2008 Regulations").

Results: The result for the year ended 31 December 2016 is a loss of £26,451,000 (2015: loss in the period of £9,630,000).

Principal activity: The principal activity of the Syndicate is the underwriting of direct insurance and reinsurance business in the Lloyd's market, in accordance with the risk appetite agreed by the Board of CTMA.

A review of the year's activity is included in the Strategic Report.

Business review and key performance indicators: 2016 was the first full year of operation for the Syndicate. It experienced a number of attritional and large losses which had an impact on the year's result. The key performance indicators during the year were as follows:

	2016 **£000**	*2015* *£000*
Gross premium written	**76,319**	*32,637*
Loss on the technical account for the period	**(24,449)**	*(9,549)*
Claims ratio	**93.2%**	*81.9%*
Expense ratio	**58.3%**	*134.5%*
Combined ratio	**151.5%**	*216.4%*

The ratios are to gross earned premium, net of reinsurance.

The Syndicate generated minimal investment returns in the year 2016 (2015: minimal investment return in the period).

Report of the directors of the managing agent

Principal risks and uncertainties

External risks: The Syndicate is currently focused on providing insurance products tailored to the needs of policyholders in the marine and energy sector. As a consequence it is exposed to developments that have an impact on this sector, including trends in global trade, energy and commodity prices, and political, legal and regulatory changes such as changes in sanctions rules. The Syndicate is also directly and indirectly exposed to a range of other macroeconomic factors including exchange rates, interest rates and the levels of capital deployed within the insurance industry, which may affect levels of competition and the pricing and availability of reinsurance. The effect of such factors may be complex – for example, falls in commodity and energy prices may reduce demand for the insurance products that the Syndicate provides but may also have a positive impact on claim severity where the underlying cost of claims is linked to the same factors.

Risk management framework: The Syndicate seeks to identify, assess, monitor and manage material risks through its risk management framework. The framework is incorporated into the Syndicate's policies and includes its risk appetite, governance and a range of risk monitoring and control processes (see note 20: Risk management).

Risk management strategy: The Syndicate seeks to accept insurance risks where it believes these are priced appropriately and it will remain within its overall risk appetite. Its primary source of risk arises from its underwriting activities. Key underwriting risk management strategies employed include:

- Individual risk selection and line size control, including due diligence on potential risks and policyholders, and use of technical pricing tools
- Developing a diversified portfolio of risks, for example across geography, class of business and distribution channel. The potential for excessive accumulation of exposure in catastrophe exposed areas is managed through market standard and bespoke scenarios that reflect the nature of the Syndicate's business
- Reduction of potential catastrophe and large loss risks through the Syndicate's reinsurance programme

CTMA employs a number of other specific risk management strategies, methods and tools across the range of risks that the Syndicate faces, with the intention that non-insurance related risks are minimised in a cost effective and proportionate manner.

Statement of managing agent's responsibilities

Future developments

The Syndicate will continue to transact the current classes of general (re)insurance business (which include Hull, Energy, Liability, Property, Cargo, Specie, D&O, E&O, Political Risks, and Terrorism). If opportunities arise to write new classes of business that fall within the Syndicate's appetite, these will be investigated at the appropriate time.

The Syndicate plans to write gross premium of £128.6 million for the 2017 year of account (2016 year of account: forecast £87.4 million).

Having taken into account the risks and uncertainties and the performance of the Syndicate as disclosed in this report, CTMA has a reasonable expectation that the Syndicate will continue to write business for the foreseeable future. Moreover, CTMA expects that continued capital support will be in place in order to do so.

Directors serving in the period

Details of the directors of CTMA that served during the period and up to the date of signing the Syndicate Annual Report & Accounts are provided on page 47.

Disclosure of information to the auditors

In the case of each of the persons who are directors of CTMA at the time the report is approved:

- So far as the director are 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; and
- Having made enquiries of fellow directors of CTMA and the Syndicate's auditor, 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.

Reappointment of auditors

Ernst & Young LLP has indicated its willingness to continue in office as the Syndicate's auditors, and the management of CTMA intends to reappoint them.

On behalf of the board:

C H Schirmer
Director
20 March 2017

Independent auditors' report

The managing agent is responsible for preparing the Syndicate annual accounts in accordance with applicable law and regulations.

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

In preparing the Syndicate annual accounts, the managing agent is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the notes to the Syndicate accounts; and
- Prepare the Syndicate accounts on the basis that the Syndicate will continue to write future business unless it is inappropriate to presume that the Syndicate will do so.

The managing agent is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Syndicate and enable it to comply with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008. 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 United Kingdom governing the preparation and dissemination of annual accounts may differ from legislation in other jurisdictions.

Independent auditors' report

Independent auditors' report to the members of Syndicate 1884

We have audited the Syndicate annual accounts of The Standard Syndicate for the period ended 31 December 2016 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Members' Balances, the Statement of Financial Position, the Statement of Cash Flows and the related notes 1 to 20. 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 is made solely to the Syndicate's members, as a body, in accordance with The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the Syndicate's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Syndicate'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 10, 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 Auditing Practices Board'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 Annual Report and Accounts 2016 to identify material inconsistencies with the audited Syndicate annual accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Syndicate annual accounts

In our opinion the Syndicate annual accounts:

- give a true and fair view of the Syndicate's affairs as at 31 December 2016 and of its loss for the year then ended;
- 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.

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 period in which the Syndicate annual accounts are prepared is consistent with the Syndicate annual accounts.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 requires us to report to you, if in our opinion:

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

Angus Millar (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
20 March 2017

Income statement
Non-technical account – General business

For the year ended 31 December 2016

	Notes	12 month period 2016 £000	12 month period 2016 £000	9 month period 2015 £000	9 month period 2015 £000
Gross premiums written	*2*	**76,319**		*32,637*	
Outward reinsurance premiums		**(13,341)**		*(2,441)*	
Net written premiums			**62,978**		*30,196*
Change in the provision for unearned premiums					
- Gross amount		**(18,529)**		*(21,995)*	
- Reinsurers' share		**3,013**		*5*	
Change in the net provision for unearned premiums	*4*		**(15,516)**		*(21,990)*
Earned premiums, net of reinsurance			**47,462**		*8,206*
Allocated investment return transferred from the non-technical account	*10*		**6**		-
Claims paid					
- Gross amount		**(16,500)**		*(903)*	
- Reinsurers' share		**507**		-	
Change in claims outstanding					
- Gross amount		**(33,967)**		*(6,120)*	
- Reinsurers' share		**5,737**		*303*	
Change in the net provision for claims			**(28,230)**		*(5,817)*
Claims incurred, net of reinsurance	*3*		**(44,223)**		*(6,720)*
Net operating expenses	*6*		**(27,694)**		*(11,035)*
Balance on technical account - general business			**(24,449)**		*(9,549)*

All operations are continuing.

Statement of changes in members' balances

For the year ended 31 December 2016

	Notes	12 month period 2016 £000	9 month period 2015 £000
Balance on technical account - general business		**(24,449)**	*(9,549)*
Investment income		**8**	-
Unrealised gains on investments		**-**	-
Investment expenses and charges		**-**	-
Realised loss on investments		**(2)**	-
Allocated investment return transferred to the general business non-technical account	*10*	**(6)**	-
Currency exchange loss		**(2,002)**	*(81)*
Loss for the period		**(26,451)**	*(9,630)*

Statement of comprehensive income

For the year ended 31 December 2016

	Notes	12 month period 2016 £000	9 month period 2015 £000
Loss for the period		**(26,451)**	*(9,630)*
Other comprehensive income		**-**	-
Total comprehensive income for the period		**(26,451)**	*(9,630)*

Statement of changes in members' balances

For the year ended 31 December 2016

	Notes	Profit and loss account £000	Total members balances £000
At 1 January 2016		**(9,630)**	**(9,630)**
Loss for the period		**(26,451)**	**(26,451)**
Members' agent's fees		**-**	**(272)**
At 31 December 2016		**(36,081)**	**(36,353)**

	Notes	Profit and loss account £000	Total members balances £000
At 1 April 2015		-	-
Loss for the period		*(9,630)*	*(9,630)*
Members' agent's fees		-	*(69)*
At 31 December 2015		*(9,630)*	*(9,699)*

Statement of financial position

As at 31 December 2016

ASSETS	Notes	2016 £000	2016 £000	*2015 £000*	*2015 £000*
Investments					
Financial investments	*11*		**4,403**		*431*
Reinsurers' share of technical provisions					
Provision for unearned premiums	*4*	**3,245**		*6*	
Claims outstanding	*3*	**6,538**		*313*	
			9,783		*319*
Debtors					
Debtors arising out of direct insurance operations	*12*	**28,983**		*14,667*	
Debtors arising out of reinsurance operations	*12*	**13,259**		*4,929*	
Other	*12*	**2**		*-*	
			42,244		*19,596*
Cash and other assets					
Cash at bank and in hand	*14*	**3,321**		*1,987*	
Other assets	*13*	**600**		*36*	
			3,921		*2,023*
Prepayments and accrued income					
Deferred acquisition costs	*5*	**11,167**		*4,956*	
Other prepayments and accrued income		**1,063**		*339*	
			12,230		*5,295*
Total assets			**72,581**		*27,664*

Statement of financial position

As at 31 December 2016

MEMBERS' BALANCES AND LIABILITIES	Notes	2016 £000	2016 £000	2015 £000	2015 £000
MEMBERS' BALANCE					
Profit and loss account			**36,353**		*9,699*
LIABILITIES					
Technical provisions					
Provision for unearned premiums	*4*	**(46,690)**		*(22,709)*	
Claims outstanding	*3*	**(44,009)**		*(6,328)*	
			(90,699)		*(29,037)*
Creditors					
Creditors arising out of direct insurance operations	*15*	**(6,264)**		*(613)*	
Creditors arising out of reinsurance operations	*15*	**(2,866)**		*(206)*	
Other creditors	*16*	**(6,521)**		*(6,406)*	
			(15,651)		*(7,225)*
Accruals and deferred income			**(2,584)**		*(1,101)*
Total members' balances and liabilities			**(72,581)**		*(27,664)*

The financial statements on pages 13 to 45 were approved by the board of directors on 20 March 2017 and were signed on its behalf by:

C H Schirmer
Director

Statement of cash flows

For the year ended 31 December 2016

	Notes	12 month period 2016 £000	9 month period 2015 £000
Loss on ordinary activities		**(26,451)**	*(9,630)*
Movement in gross technical provisions		**61,663**	*29,037*
Movement in reinsurers' share of gross technical provisions		**(9,464)**	*(319)*
Movement in debtors		**(23,126)**	*(19,936)*
Movement in creditors		**10,164**	*2,827*
Movement in other assets		**(6,212)**	*(4,992)*
Investment return		**(6)**	*-*
Net cash flows from operating activities		**6,568**	*(3,013)*
Cash flow from investing activities			
Investment income received		**6**	*-*
Cash flow from financing activities			
Financing		**(500)**	*5,500*
Members' agents' fees advances		**(203)**	*(69)*
		(697)	*5,431*
Net increase in cash and cash equivalents		**5,871**	*2,418*
Cash and cash equivalents at beginning of period		**2,418**	*-*
Foreign exchange on cash and cash equivalents		**35**	*-*
Cash and cash equivalents at end of period		**8,324**	*2,418*
Cash at bank and in hand	*14*	**3,321**	*1,987*
Short term deposits with credit institutions	*11, 13*	**5,003**	*431*
Cash and cash equivalents at end of period		**8,324**	*2,418*

Notes to the financial statements

For the year ended 31 December 2016

1. Accounting policies

1.1 Statement of compliance

The financial statements have been prepared in compliance with The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and FRS 102 and FRS 103, being applicable UK GAAP accounting standards, and in accordance with the provisions of Schedule 3 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations relating to insurance companies.

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

1.2 Basis of preparation

The financial statements for the year ended 31 December 2016 were approved for issue by the board of directors on 20 March 2017.

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

1.3 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates. The following are the Syndicate's key sources of estimation uncertainty:

Insurance contract technical provisions

For insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred, but not yet reported (IBNR), at the reporting date. It can take a significant period of time before the ultimate claims cost can be established with certainty and for some type of policies, IBNR claims form the majority of the liability in the statement of financial position.

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as the Chain Ladder and the Bornhuetter-Ferguson methods.

The main assumption underlying these techniques is that past claims development experience can be used to project future claims development and hence ultimate claims costs. The provision for claims outstanding is assessed on an individual case basis and is based on the estimated ultimate cost of all claims notified but not settled by the balance sheet date, together with the provision for related claims handling costs. The provision also includes the estimated cost of claims incurred but not reported (IBNR) at the balance sheet date based on statistical methods.

These methods 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 amount of salvage and subrogation recoveries is separately identified and, where material, reported as an asset.

Similar judgements, estimates and assumptions are employed in the assessment of adequacy of provisions for unearned premium. Judgement is also required in determining whether the pattern of insurance service provided by a contract requires amortisation of unearned premium on a basis other than time apportionment.

Further details are given in Note 20.

Estimates of future premiums

For certain insurance contracts, premium is initially recognised based on estimates of ultimate premiums. These estimates are judgemental and could result in misstatements of revenue recorded in the financial statements.

The main assumption underlying these estimates is that past premium development can be used to project future premium development.

Fair value of financial assets and derivatives determined using valuation techniques

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of discounted cash flow models and/ or mathematical models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgement is required to establish fair values. The judgements include considerations of liquidity risk, credit risk, and model input s such as estimated future cash flows based on management's best estimates and discount rates.

For discounted cash flow analysis, estimated future cash flows and discount rates are based on current market information and rates applicable to financial instruments with similar yields, credit quality and maturity characteristics. Estimated future cash flows are influenced by factors such as economic conditions (including country specific risks), concentrations in specific industries, types of instruments or currencies, market liquidity, and financial conditions or counterparties. Discount rates are influenced by risk-free interest rates and credit risk.

Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Further details are given in Notes 11 and 20.

1.4 Significant accounting policies

Investments

Investments are stated at current value at the balance sheet date. For this purpose listed investments are stated at market value (bid value), and deposits with credit institutions and overseas deposits are stated at cost. Unlisted investments for which a market exists are stated at the average price at which they are traded on the balance sheet date or the last trading day before that date.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

Fair value of financial assets

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

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

See Note 11 for details of financial instruments classified by fair value hierarchy.

Investment return

Dividends are recognised when the investments to which they relate are declared ‘ex-dividend’. Interest income is recognised on a time proportionate basis taking into account effective interest yield.

Unrealised and realised gains and losses on financial investments are recognised based on the appropriate classification of financial investments and are covered in detail under the accounting policy for financial investments.

An allocation of actual investment return on investments supporting the general insurance technical provisions and associated members’ balance is made from the non-technical account to the technical account. Investment return related to non-insurance business and members’ balance is attributed to the non-technical account. Investment return has been wholly allocated to the technical account as all investments relate to the technical account.

Insurance contracts – Product classification

Insurance contracts are those contracts where the Syndicate (the insurer/reinsurer) has accepted significant insurance risk from another party (the policyholder/reinsured) by agreeing to compensate the policyholder if a specified uncertain future event (the re/insured event) adversely affects the policyholders. As a general guideline, the Syndicate determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.

Any separable embedded derivatives within an insurance contract are separated and accounted for in accordance with FRS 102 unless the embedded derivative is itself an insurance contract (i.e., the derivative is not separated if the policyholder benefits from the derivative only when the insured event occurs).

Gross premium

Gross written premium comprises the total premiums receivable for the whole period of cover provided by the contracts entered into during the reporting period, regardless of whether these are wholly due for payment in the reporting period, together with any adjustments arising in the reporting period to such premiums receivable in respect of business written in prior reporting periods. They are recognised on the date on which the policy commences. Additional or return premiums are treated as a remeasurement of the initial premium. Gross written premiums are stated gross of brokerage payable and exclude taxes and duties levied on them.

Written premiums include an estimate for pipeline premiums (i.e., premiums written but not reported to the Syndicate by the reporting date) relating only to those underlying contracts of insurance where the period of cover has commenced prior to the reporting date. The most significant assumption in this estimate is that prior year experience will be consistent with current experience.

Under some policies, written premiums are adjusted retrospectively in the light of claims experience. Where written premiums are subject to an increase retrospectively, recognition of any potential increase is deferred until the additional amount can be ascertained with reasonable certainty. Where written premiums are subject to a reduction, a remeasurement taking account of such a reduction is made as soon as there is an obligation to the coverholder.

Reinsurance premium

Reinsurance written premium comprises the total premiums payable for the whole cover provided by contracts entered into in the period, including portfolio premiums payable, and are recognised on the date on which the policy incepts. Premiums include any adjustments arising in the period in respect of reinsurance contracts incepting in prior accounting periods.

Under some policies, reinsurance premiums payable are adjusted retrospectively in the light of claims experience or where the risk covered cannot be assessed accurately at the commencement of cover. Where written premiums are subject to an increase retrospectively, recognition of any potential increase is recognised as soon as there is an obligation to the policyholder.

Profit commission

Profit commission is charged by the managing agent on the profit on a year of account taking into consideration any deficit clause. This is charged to the Syndicate as incurred but does not become payable until after the appropriate year of account closes, normally at 36 months.

Claims

Claims include all claims occurring during the period, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

Technical provisions

Technical provisions comprise claims outstanding, provisions for unearned premiums and provisions for unexpired risk.

Claims outstanding

The outstanding claims provision is based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with related claims handling costs and reduction for the expected value of salvage and other recoveries. Delays can be experienced in the notification and settlement of certain types of claims; therefore, the ultimate cost of these cannot be known with certainty at the reporting date. The liability is calculated at the reporting date using a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation. The liability is not discounted for the time value of money.

Provisions for unearned premiums

Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. In respect of general insurance business, written premiums are recognised as earned over the period of the policy on a time apportionment basis, having regard where appropriate, to the incidence of risk. The proportion attributable to subsequent periods is deferred as a provision for unearned premiums.

Unearned reinsurance premiums are those proportions of premiums written in a year that relate to periods of risk after the reporting date. Unearned reinsurance premiums are deferred over the term of the underlying direct insurance policies for risks-attaching contracts and over the term of the reinsurance contract for losses-occurring contracts.

Unexpired risks

A liability adequacy provision (the unexpired risks provision) is made where the cost of claims and expenses arising after the end of the financial year from contracts concluded before that date, are expected to exceed the provision for unearned premiums, net of deferred acquisition costs.

The assessment of whether a provision is necessary is made by considering separately each category of business on the basis of information available at the reporting date, after offsetting surpluses and deficits arising on products that are managed together. Investment income is taken into account in calculating the provision.

At 31 December 2016 the Syndicate did not have an unexpired risks provision.

Deferred acquisition costs

Acquisition costs comprise costs arising from the conclusion of insurance contracts, such as intermediary commissions or the cost of drawing up the insurance document or including the insurance contract in the portfolio.

Deferred acquisition costs are costs arising from conclusion of insurance contracts that are incurred during the reporting period but that relate to a subsequent reporting period and that are carried forward to subsequent reporting periods.

Deferred acquisition costs are amortised over the period in which the related premiums are earned.

The reinsurers' share of deferred acquisition costs are amortised in the same manner as the underlying asset amortisation is recorded in the income statement.

Commissions receivable on outwards reinsurance contracts are deferred and amortised on a straight-line basis over the term of the expected premiums payable.

Reinsurance assets

The Syndicate cedes insurance risk in the normal course of business. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

Reinsurance assets are reviewed for impairment at each reporting date, or more frequently, when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Syndicate may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Syndicate will receive from the reinsurer. The impairment loss is recorded in the income statement.

Gains or losses on buying reinsurance are recognised in the income statement immediately at the date of purchase and are not amortised. There were no such gains or losses recognised in the period.

Ceded reinsurance arrangements do not relieve the Syndicate from its obligations to policyholders.

Insurance receivables

Insurance receivables are recognised when due and measured on initial recognition at the fair value of the consideration received or receivable. Subsequent to initial recognition, insurance receivables are measured at amortised cost, using the effective interest rate method. The carrying value of insurance receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the income statement.

Notes to the financial statements

Insurance payables

Insurance payables are recognised when due and measured on initial recognition at the fair value of the consideration received less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest rate method.

Foreign currencies

The Syndicate's functional currency and presentational currency is sterling being the primary currency of the economic environment in which the Syndicate operates.

Transactions in foreign currencies are translated using the average exchange rates applicable to the period in which the transaction occurs. This is deemed to be a reasonable approximation of the rate at which the transaction took place. 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.

Non-monetary items where applicable are measured in terms of historical cost in a foreign currency and translated using the exchange rate as at the date of the initial transaction and are not subsequently restated. Non-monetary items denominated in a foreign currency and measured at fair value are translated into the functional currency using the exchange rate ruling at the date when the fair value was determined.

Exchange differences are recorded in the non-technical account.

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 are included in the statement of financial position under the heading 'other debtors'.

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

Pension costs

Charles Taylor plc operates a defined contribution scheme. Pension contributions relating to Syndicate staff are charged to the Syndicate and are included within net operating expenses.

Notes to the financial statements

For the year ended 31 December 2016

2. Segmental analysis

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

For the year ended 31 December 2016 (£000)	**Gross written premium**	**Gross earned premium**	**Gross claims incurred**	**Gross operating expenses**	**Reinsurance balance**	**Total**
Direct insurance:						
Marine, aviation and transport	**44,923**	**35,700**	**(32,063)**	**(16,801)**	**(1,978)**	**(15,142)**
Fire and other damage to property	**7,169**	**4,085**	**(3,232)**	**(1,890)**	**(431)**	**(1,468)**
Third-party liability	**272**	**85**	**(399)**	**(69)**	**(168)**	**(551)**
	52,364	**39,870**	**(35,694)**	**(18,760)**	**(2,577)**	**(17,161)**
Reinsurance	**23,955**	**17,920**	**(14,773)**	**(8,934)**	**(1,507)**	**(7,294)**
	76,319	**57,790**	**(50,467)**	**(27,694)**	**(4,084)**	**(24,455)**

For the period ended 31 December 2015 (£000)	Gross written premium	Gross earned premium	Gross claims incurred	Gross operating expenses	Reinsurance balance	Total
Direct insurance:						
Marine, aviation and transport	*21,927*	*7,367*	*(4,713)*	*(7,459)*	*(1,486)*	*(6,291)*
Fire and other damage to property	*2,380*	*780*	*(648)*	*(821)*	*(150)*	*(839)*
Third-party liability	*121*	*28*	*(13)*	*(41)*	*(6)*	*(32)*
	24,428	*8,175*	*(5,374)*	*(8,321)*	*(1,642)*	*(7,162)*
Reinsurance	*8,209*	*2,467*	*(1,649)*	*(2,714)*	*(491)*	*(2,387)*
	32,637	*10,642*	*(7,023)*	*(11,035)*	*(2,133)*	*(9,549)*

Commissions on direct insurance gross premiums written during the year were £12,809,000 (2015: during the 9 month period was £5,467,000).

The reinsurance balance is the aggregate of all those items included in the technical account that relate to outward reinsurance transactions, including items recorded as reinsurance commissions, profit participation and reinsurers' share of paid claims. The reinsurance balance includes reinsurance commission receivable.

All premiums were concluded in the UK.

Notes to the financial statements

The geographical analysis of premiums in the year and period by destination (or by situs of risk) is as follows:

	2016 £000	*2015 £000*
UK	**574**	*760*
Canada	**535**	*460*
United States of America	**12,842**	*1,237*
EU member states (excluding UK)	**763**	*371*
Other	**7,997**	*3,569*
Worldwide	**53,608**	*26,240*
	76,319	*32,637*

3. Claims outstanding

(£000)	**Gross**	**Reinsurers' share**	**Net**
At 1 January 2016	*(6,328)*	*313*	*(6,015)*
Claims incurred in current underwriting year	**(50,467)**	**6,244**	**(44,223)**
Claims paid during the year	**16,500**	**(507)**	**15,993**
Currency exchange (loss)/gain	**(3,714)**	**488**	**(3,226)**
At 31 December 2016	**(44,009)**	**6,538**	**(37,471)**

(£000)	*Gross*	*Reinsurers' share*	*Net*
At 1 April 2015	-	-	-
Claims incurred in current underwriting period	*(7,023)*	*303*	*(6,720)*
Claims paid during the period	*903*	-	*903*
Currency exchange (loss)/gain	*(208)*	*10*	*(198)*
At 31 December 2015	*(6,328)*	*313*	*(6,015)*

Notes to the financial statements

4. Provision for unearned premiums

(£000)	Gross	Reinsurers' share	Net
At 1 January 2016	*(22,709)*	*6*	*(22,703)*
Premiums written in the year	**(76,319)**	**13,341**	**(62,978)**
Premiums earned in the year	**57,790**	**(10,328)**	**47,462**
Currency exchange (loss)/gain	**(5,452)**	**226**	**(5,226)**
At 31 December 2016	**(46,690)**	**3,245**	**(43,445)**

(£000)	*Gross*	*Reinsurers' share*	*Net*
At 1 April 2015	-	-	-
Premiums written in the period	*(32,637)*	*2,441*	*(30,196)*
Premiums earned in the period	*10,642*	*(2,436)*	*8,206*
Currency exchange (loss)/gain	*(714)*	*1*	*(713)*
At 31 December 2015	*(22,709)*	*6*	*(22,703)*

5. Deferred acquisition costs

(£000)	
At 1 January 2016	*4,956*
Change in deferred acquisition costs	**4,957**
Currency exchange gain	**1,254**
At 31 December 2016	**11,167**

(£000)	
At 1 April 2015	-
Change in deferred acquisition costs	*4,794*
Currency exchange gain	*162*
At 31 December 2015	*4,956*

Notes to the financial statements

For the year ended 31 December 2016

6. Net operating expenses

	2016	*2015*
	£000	*£000*
Acquisition costs	**(18,964)**	*(7,311)*
Change in deferred acquisition costs	**4,957**	*4,794*
Administrative costs	**(13,687)**	*(8,518)*
	(27,694)	*(11,035)*

Members' personal expenses of £2,548,000 (2015: £1,005,000) are included in administrative expenses. Members' personal expenses include Lloyd's subscriptions, Central Fund contributions, Managing Agent's fees and non-standard personal expenses.

7. Staff costs

All staff that provided services to the Syndicate were employed by Charles Taylor Administration Services Limited, a related company of CTMA. The following amounts were recharged to the Syndicate in respect of staff costs:

	2016	*2015*
	£000	*£000*
Wages and salaries*	**(7,022)**	*(4,986)*
Social security costs	**(494)**	*(273)*
Pension costs	**(250)**	*(134)*
Other	**(76)**	-
	(7,842)	*(5,393)*

* includes fees charged for shared services support within Charles Taylor plc.

The average number of employees working during the year and period for the Syndicate was as follows:

	2016	*2015*
Administration and finance	**40**	*24*
Underwriting	**24**	*11*
Claims	**2**	*1*
	66	*36*

Notes to the financial statements

For the year ended 31 December 2016

8. Emoluments of the directors of CTMA

In their capacity as directors of CTMA, the following aggregate remuneration was charged to the Syndicate and is included within net operating expenses:

	2016	*2015*
	£000	*£000*
Aggregate remuneration in respect of qualifying services	**(950)**	*(632)*

The active underwriter, also a director of CTMA during 2016, received the following remuneration charged to the Syndicate and included within net operating expenses:

	2016	*2015*
	£000	*£000*
Aggregate remuneration in respect of qualifying services	**(238)**	*(190)*

No advance or credits were granted by CTMA to any of the directors during the period.

We deem the directors of CTMA to be the key management personnel.

9. Auditors' remuneration

	2016	*2015*
	£000	*£000*
Audit of the Syndicate annual accounts	**(136)**	*(55)*
Other services pursuant to Regulations and Lloyd's Byelaws	**(40)**	*(30)*
	(176)	*(85)*

Auditors' remuneration is included within net operating expenses as part of the administrative costs.

10. Investment return

The Syndicate generated net investment return of £5,766 in the year (2015: £105 in the period).

Average amount of funds available for investment during the period:	2016 £000	2015 £000
Sterling	582	48
United States dollars	5,648	237
Canadian dollars	1,060	45
Euro	492	50
Other	570	5
Combined in sterling	6,389	273

Gross calendar investment yield for the period:	2016 %	2015 %
Sterling	0.19	0.15
United States dollars	0.05	0.02
Canadian dollars	0.18	-
Euro	-	-
Other	0.24	-
Combined	0.09	0.04

'Average amount of funds' is the average of bank balances, overseas deposits and investments held at the end of each month during the period. For this purpose, investments are revalued at month end market prices, which include accrued income where appropriate.

11. Financial investments

At 31 December 2016 (£000)	Carrying value	Purchase value	Unit value
Deposits with credit institutions	**4,403**	**4,403**	**4,403**

At 31 December 2015 (£000)	Carrying value	Purchase value	Unit value
Deposits with credit institutions	*431*	*431*	*431*

The amount of change, during the year, in the fair value of financial investments, held at fair value through the income statement, attributable to changes in credit risk was nil, (2015: during the period was nil).

There was no material change in fair value for financial investments held at fair value attributable to own credit risk in the reported period.

There have been no day-one profits recognised in respect of financial instruments designated at fair value through the income statement.

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

At 31 December 2016 (£000)	Level 1	Level 2	Level 3	Total
Deposits with credit institutions	**4,403**	**-**	**-**	**4,403**

At 31 December 2015 (£000)	Level 1	Level 2	Level 3	Total
Deposits with credit institutions	*431*	-	-	*431*

Level 1 category is financial assets that are measured by reference to published quotes in active markets. A financial instrument is regarded as quoted in an active market if quoted prices are readily 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.

Level 2 category is financial assets measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions.

Level 3 category is 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.

12. Debtors arising out of direct and reinsurance operations

All debtors arising from direct insurance operations and reinsurance operations are due from intermediaries, (2015: due from intermediaries).

13. Other assets

Other assets comprise overseas deposits which are lodged as a condition of conducting underwriting business in certain countries.

14. Cash and cash equivalents

£000	**2016**	*2015*
Cash at bank and in hand	**3,321**	*1,987*

15. Creditors arising out of direct and reinsurance operations

All creditors arising from direct insurance operations and reinsurance operations are due to intermediaries, (2015: due to intermediaries).

16. Other creditors

£000	**2016**	*2015*
Financing loan	**(5,000)**	*(5,500)*
Due to CTMA affiliated companies	**(1,521)**	*(906)*
	(6,521)	*(6,406)*

17. Related parties

CTMA is wholly owned by Charles Taylor Managing Agency Holdings Limited (CTMAH), which is owned by Charles Taylor plc (CT plc) and The Standard Club Limited (Standard Club). The ultimate controlling party is CT plc; copies of its accounts can be obtained from Companies House.

CT plc and its subsidiaries provide all underwriting and management services, including claims, accounting, human resources, IT and infrastructure, to both the Syndicate and CTMA by way of inter-group cross charges through Charles Taylor Managing Agency Services Limited, a 100% subsidiary of CTMAH. All transactions are entered into on normal market terms.

The Standard Club charges the Syndicate service fees for the provision of support to develop the business and promote the strategic goals of the Syndicate. The Standard Club provided the Syndicate with a financing loan facility of up to £10.5 million, which was reduced to £5.0 million as at 31 December 2016. This loan facility is available until the end of 2017 and will be repaid earlier if cashflow allows. All transactions are entered into on normal market terms.

CTMA wholly owns two subsidiaries, The Standard Syndicate Services Limited and The Standard Syndicate Services (Asia) Pte Limited, which are service companies approved by Lloyd’s. The Syndicate utilises these service companies as coverholders to bind risks on its behalf. Under the terms of the arrangement with the Syndicate, the service companies charge fees to the Syndicate equal to their operating costs plus a margin of 5%. The gross premium written by the Syndicate from these services companies in 2016 was £2,158,000 and £1,421,000 respectively (2015: £1,802,000 and £483,000 respectively).

Some of the directors of CTMA are also directors of other CT plc, Standard Club and London market companies and these individuals disclose and manage any potential conflicts of interest in line with the Conflicts of Interest Policy.

Given the insurance-related activities undertaken within the broader CT plc and Standard Club groups it is possible that transactions may be entered into between the Syndicate and other related parties. Any such related party transactions are entered into by the Syndicate on a commercial basis and managed in accordance with the protocols set out in the Conflicts of Interest Policy.

Transactions with related parties:

£000	***2016***	*2015*
Charles Taylor Managing Agency Limited		
Managing agency fee	**1,087**	*450*
Capacity fee	**828**	*300*
	1,915	*750*
Amount outstanding at 31 December	**1,399**	*300*
The Standard Club Limited		
Financing loan	**(500)**	*5,500*
Service fees	**500**	*500*
Interest payable	**124**	*58*
	124	*6,058*
Amount outstanding at 31 December	**6,182**	*6,058*

Transactions with related parties (cont'd):

£000	***2016***	*2015*
Charles Taylor Managing Agency Services Limited		
Recharges (administrative expenses)	**10,434**	*6,679*
Amount outstanding at 31 December	**1,259**	*827*
The Standard Syndicate Services Limited		
Service fees	**804**	*134*
Amount outstanding at 31 December	**172**	*7*
The Standard Syndicate Services (Asia) PTE Limited		
Service fees	**235**	*72*
Amount outstanding at 31 December	**90**	*72*

Capital support

The Standard Club is the Syndicate's cornerstone capital provider. It supports the Syndicate through its related corporate name, Standard Club Corporate Name Limited, for the 2015 and 2016 YOA, and continues to do so for the 2017 YOA. CT plc also supports the Syndicate through its related corporate name, Charles Taylor Corporate Name Limited.

All capital providers who underwrite on the Syndicate are charged managing agency fees and profit commission on a similar basis as disclosed in the Register of Underwriting Agency Charges.

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. Refer to note 20 for further details.

19. Off-balance sheet items

The Syndicate has not been party to any arrangements that are not reflected in its Statement of financial position, where material risks and benefits arise for the Syndicate.

20. Risk management

(a) Risk management framework

Risk appetite, management tolerances and risk assessment:

CTMA's risk management framework is intended to keep the Syndicate within its overall risk appetite. Risk appetite is expressed in terms of:

- The probability and impact of losses to the Syndicate's FAL and to projected profitability,
- The potential for events that could have an adverse impact on the levels of service provided to policyholders or otherwise damage the Syndicate's reputation,
- The potential for regulatory or legal sanction.

Monitoring and management of Syndicate risk against its risk appetite is implemented through more granular tolerances covering all of the risks identified through the risk management framework. Risks are classified into categories, which are described in more detail below. The risk assessment process integrates the risk profile of the Syndicate and the risk controls in place. Tools used to assess and monitor risk include capital modelling, stress testing and Syndicate-tailored scenarios – for example, with respect to specific marine-related loss events.

Governance framework

The risk management framework includes clear governance processes and is designed to ensure proportionate and effective controls are operating to manage risk within each category. The central component of the risk management framework is the role played by CTMA governance committees, which monitor changes in the Syndicate's risk profile across underwriting, reserving, finance and operations. This is performed on both a qualitative basis and through monitoring of a range of risk indicators against management tolerances in order to identify where mitigating actions are required. An escalation process is in place which ensures emerging risks or issues are brought to the attention of senior management and the board. A key role of CTMA's risk function is to ensure that the risk management process is operating effectively and leads to consideration and implementation of actions to manage risk and capital. Policies in respect of each area of risk have been put in place which set out the risk management approach.

(b) Capital management objectives, policies and approach

Regulatory capital requirements 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. Within this supervisory framework, Lloyd's applies capital requirements at member level and centrally to ensure that Lloyd's complies with Solvency II capital requirements which became effective from 1 January 2016.

Solvency II requires insurers to maintain capital sufficient to cover a 1-in-200 year loss, reflecting uncertainty that could arise over a one-year time horizon (known as the Solvency Capital Requirement or "SCR"). Lloyd's has received approval from the PRA to calculate this value using its own internal capital model, based on inputs received from managing agents in respect of the syndicates they manage.

Lloyd's capital setting process

The Lloyd's capital setting process calculates capital requirements at syndicate level. Lloyd's requires each managing agent to calculate the SCR for its managed syndicates for the prospective underwriting year based on each syndicate's business forecast. This amount must be sufficient to cover a 1-in-200 year loss, reflecting the full uncertainty in the ultimate run-off of underwriting liabilities (SCR 'to ultimate'). An SCR at the same confidence level but reflecting uncertainty over a one-year time horizon (one-year SCR) is also calculated for Lloyd's to use in calculating its own regulatory 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. The SCR 'to ultimate' is the basis for the Lloyd's capital requirement for each syndicate. The syndicate received approval to use its internal capital model to calculate one-year and ultimate SCR on 24th February 2017. As the Syndicate started trading in 2015, its capital requirement continues to be subject to an additional 'new entrant' capital uplift of 20%, which is expected to continue to apply for the remainder of 2017.

Lloyd's applies an additional capital uplift known as the Economic Capital Assessment (ECA) to each syndicate's ultimate SCR. The purpose of this uplift is to meet Lloyd's financial strength, licence and credit-rating objectives. This uplift, which applies to all syndicates, is currently set at 35% of SCR 'to ultimate'.

Provision of capital by members

Regulatory capital requirements for Lloyd's apply at an overall market level and at a member level. The Syndicate is comprised of a number of different underwriting members of Lloyd's. Each member is severally liable for its share of Syndicate liabilities and is required to provide capital that reflects this share. 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 that reflects the capital requirement to cover a 1-in-200 year loss 'to ultimate' for that member.

Each member may provide capital to meet its ECA either by assets held in trust by Lloyd's specifically for that member (FAL), held within 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.

(c) Insurance risk

The Syndicate's risks arise principally from its underwriting activities. Insurance risk includes a range of risks relating to pricing, premium volume, exposure to catastrophes, lack of diversification, reserve and reinsurance risk, as highlighted in the table below:

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For the year ended 31 December 2016

Risk	Examples of risk management approach
Pricing of policies is insufficient given the risks accepted	• Technical and actuarial pricing and rate monitoring techniques to identify levels of price adequacy and trends. • Underwriters who are experienced and skilled in the classes for which they have authority to underwrite. • Development of an appropriate underwriting strategy and application of underwriting guidelines which include requirements to refer risks that deviate from technical pricing benchmarks or target risk characteristics. • Consideration of trends emerging from reserving analyses. • Regular peer review process which considers the quality of underwriting decisions.
Premium volumes are less than planned	• Analysis of the sources of income by class and distribution channel against expectations. • Development of class level business plans which support premium forecasts. •
Excessive accumulations of risk from a single source (for example from natural catastrophes)	• Geographical exposure monitoring process which identifies accumulations of risk and quantifies the extent to which any accumulations are exposed to natural hazards such as windstorm, flood or earthquake. • Exposure monitoring process which seeks to identify potential additional accumulation from sources such as non-static cargo exposures or cyber risk. • Bespoke scenario analysis to understand the value of gross losses if an event were to occur. Such scenarios are monitored as the portfolio of risks written by the Syndicate changes, in order to ensure that the potential loss from severe catastrophic events does not exceed the Syndicate's risk appetite. • Implementation of internal limits on exposure to bespoke CTMA scenarios, Lloyd's RDS and 'clash' events. • Maximum line size limits on individual policies and per risk or asset. • Ensuring sufficient reinsurance protection is in place to mitigate the impact of severe events.
Exposure is insufficiently diversified, increasing the degree of variability in underwriting results	• Development and implementation of a business plan which is diversified across a large portfolio of insurance contracts, geographical areas and multiple classes of business. • Seeking to manage the overall variability of underwriting results through careful selection, implementation of underwriting strategy guidelines, maximum line sizes and the use of reinsurance.
Claims arising from prior year business cost more to settle than the amounts estimated in the Syndicate's reserves	• Comparison of actual claims compared with expected claim development patterns. • Monitoring of the sources and types of incurred claims to identify unanticipated trends. • Performance of regular actuarial reviews. • Comparison between independent valuation and internal year end estimate of reserves.
Reinsurance protections fail to protect the Syndicate in the manner expected	• Alignment of reinsurance coverage terms with underlying gross exposures. • Analysis of the extent to which the reinsurance programme is exposed given the underlying gross exposure. • Monitoring of remaining cover given the level of incurred claims. • Placement of reinsurance is diversified such that it is not dependent on a single reinsurer.

Notes to the financial statements

For the year ended 31 December 2016

The table below sets out the concentration of outstanding claim liabilities by type of contract:

At 31 December 2016 (£000)	**Gross liabilities**	**Reinsurance of liabilities**	**Net liabilities**
Direct insurance:			
Marine, aviation and transport	**(24,363)**	**3,647**	**(20,716)**
Fire and other damage to property	**(3,469)**	**666**	**(2,803)**
Third-party liability	**(617)**	**15**	**(602)**
Credit and suretyship	**(30)**	**4**	**(26)**
	(28,479)	**4,332**	**(24,147)**
Reinsurance	**(15,530)**	**2,206**	**(13,324)**
	(44,009)	**6,538**	**(37,471)**

At 31 December 2015 (£000)	Gross liabilities	Reinsurance of liabilities	Net liabilities
Direct insurance:			
Marine, aviation and transport	*(4,205)*	*165*	*(4,040)*
Fire and other damage to property	*(528)*	*48*	*(480)*
Third-party liability	*(14)*	*1*	*(13)*
	(4,747)	*214*	*(4,533)*
Reinsurance	*(1,581)*	*99*	*(1,482)*
	(6,328)	*313*	*(6,015)*

The table below shows the Gross insurance contract outstanding claims provision at 31 December 2016:

Underwriting year	**2015 £000**	**2016 £000**	**Total £000**
Estimate of cumulative claims incurred			
At end of underwriting year	(8,331)	(28,437)	
12 months later	(33,578)		
Current estimate of cumulative claims incurred	**(33,578)**	**(28,437)**	
Cumulative claims paid			
At end of underwriting year	(911)	(5,800)	
12 months later	(12,206)		
Cumulative payments to date	**(12,206)**	**(5,800)**	
Total gross outstanding claims provision per the statement of financial position	**(21,372)**	**(22,637)**	**(44,009)**

All values are converted using the reporting period end rates.

Notes to the financial statements

For the year ended 31 December 2016

The table below shows the Net insurance contract outstanding claims provision at 31 December 2016:

Underwriting year	2015 £000	2016 £000	Total £000
Estimate of cumulative claims incurred			
At end of underwriting year	(7,963)	(23,652)	
12 months later	(31,273)		
Current estimate of cumulative claims incurred	**(31,273)**	**(23,652)**	
Cumulative claims paid			
At end of underwriting year	(911)	(5,248)	
12 months later	(12,206)		
Cumulative payments to date	**(12,206)**	**(5,248)**	
Total net outstanding claims provision per the statement of financial position	**(19,067)**	**(18,404)**	**(37,471)**

All values are converted using reporting period end rates.

Key sensitivities

Estimated gross loss ratios – Estimated gross loss ratios are derived from the Syndicate Business Forecast which considers market benchmarks as well as assessments of changes in rate adequacy for each class of business. As the Syndicate has only been trading since April 2015 there is little experience to support or confirm the assumptions and therefore there is uncertainty in the assumed profitability across the entire Syndicate.

Effectiveness of the reinsurance programme in protecting the underwriting result – Net underwriting profit is estimated after consideration of the mitigating effect of reinsurance on gross losses, including assumptions as to the number and size of losses that may exceed the attachment point on the programme, and the effective reinsurance recovery rate that will result.

The impact of the above uncertainties is illustrated by reference to the impact of a change in the estimated attritional loss ratio (i.e. relating to those claims that are smaller than the attachment point of the reinsurance programme) in the table below:

At 31 December 2016 (£000)	**Gross loss**	**Net loss**	**Changes in members balance**
5% increase in forecast attritional loss ratio	**(2,890)**	**(2,890)**	**(2,890)**
5% decrease in forecast attritional loss ratio	**2,890**	**2,890**	**2,890**

At 31 December 2015 (£000)	Gross loss	Net loss	Changes in members balance
5% increase in forecast attritional loss ratio	*(532)*	*(532)*	*(532)*
5% decrease in forecast attritional loss ratio	*532*	*532*	*532*

Notes to the financial statements

(d) Financial risk

The Syndicate is exposed to a range of financial risks in the normal course of business, including counterparty credit risk, liquidity risk, and market risk, as set out below:

(i) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation.

Credit risk is actively monitored and managed. This includes the risk of counterparty default on amounts due under reinsurance contracts, unpaid premiums on inwards insurance policies, premiums held by brokers or deposits held with credit institutions. CTMA monitors the Syndicate's level of overdue debt by counterparty, and reviews the credit worthiness of the Syndicate's reinsurers based on an analysis of the financial condition of each reinsurer. This analysis uses a range of information including financial reports, published credit rating opinions and information provided by reinsurance brokers. All reinsurers must meet minimum security thresholds. Concentration risk is managed through the application of credit limits expressed in terms of each reinsurer's share of the overall reinsurance programme. Credit risk is actively monitored through CTMA's governance committees.

The tables below show the exposure to credit risk (including an analysis of financial assets exposed to credit risk) for the components of the statement of financial position:

At 31 December 2016 (£000)	**Neither past due nor impaired**	**Past due**	**Impaired**	**Total**
Deposits with credit institutions	**4,403**	**-**	**-**	**4,403**
Overseas deposits as investments	**600**	**-**	**-**	**600**
Reinsurers' share of claims outstanding	**6,538**	**-**	**-**	**6,538**
Insurance debtors	**42,244**	**-**	**-**	**42,244**
Cash at bank and in hand	**3,321**	**-**	**-**	**3,321**
	57,106	**-**	**-**	**57,106**

At 31 December 2015 (£000)	Neither past due nor impaired	Past due	Impaired	Total
Deposits with credit institutions	*431*			*431*
Overseas deposits as investments	*36*			*36*
Reinsurers' share of claims outstanding	*313*			*313*
Insurance debtors	*16,495*	*3,101*	-	*19,596*
Cash at bank and in hand	*1,987*			*1,987*
	19,262	*3,101*	-	*22,363*

At 31 December 2016, there were no impaired reinsurance assets (2015: none).

Notes to the financial statements

The table below provides information regarding the credit risk exposure of the Syndicate at 31 December 2015 by the credit ratings of the counterparties. AAA is the highest possible rating. Insurance debtors, other than amounts due from reinsurers, have been excluded from the table below as these are not rated.

			Credit ratings			
At 31 December 2016 (£000)	**AAA**	**AA**	**A**	**BBB**	**NR**	**Total**
Deposits with credit institutions	**-**	**1,431**	**2,972**	**-**	**-**	**4,403**
Overseas deposits as investments	**215**	**62**	**45**	**30**	**248**	**600**
Reinsurers' share of claims outstanding	**-**	**-**	**6,538**	**-**	**-**	**6,538**
Cash at bank and in hand	**-**	**158**	**3,163**	**-**	**-**	**3,321**
	215	**1,651**	**12,718**	**30**	**248**	**14,862**

The largest reinsurer counterparty represents 20% of the overall reinsurance programme.

			Credit ratings			
At 31 December 2015 (£000)	AAA	AA	A	BBB	NR	Total
Deposits with credit institutions	-	*223*	*208*	-	-	*431*
Overseas deposits as investments	*24*	*6*	*3*	*3*	-	*36*
Reinsurers' share of claims outstanding	-	*31*	*282*	-	-	*313*
Cash at bank and in hand	-	*11*	*1,976*	-	-	*1,987*
	24	*271*	*2,469*	*3*	-	*2,767*

The largest reinsurer counterparty represents 19% of the overall reinsurance programme.

(ii) Liquidity risk

Liquidity risk includes the risk that the Syndicate is unable to meet its obligations to policyholders as they fall due, especially following a major loss. CTMA monitors the Syndicate's liquidity position, regularly performs liquidity stress testing and has put in place a "shock loss" credit facility to manage liquidity risk in the event of large losses.

The table below summarises the maturity profile of the Syndicate's financial and insurance liabilities based on remaining contractual obligations and outstanding claim liabilities based on the estimated timing of claim payments.

At 31 December 2016 (£000)	***Carrying amount***	**Up to a year**	**2 – 5 years**	**5 – 10 years**	**Over 10 years**	**Total**
Outstanding claim liabilities	***44,009***	**13,308**	**17,017**	**13,684**	**-**	**44,009**
Other creditors	***15,651***	**15,651**	**-**	**-**	**-**	**15,651**
	59,660	**28,959**	**17,017**	**13,684**	**-**	**59,660**

At 31 December 2015 (£000)	*Carrying amount*	Up to a year	2 – 5 years	5 – 10 years	Over 10 years	Total
Outstanding claim liabilities	6,328	2,124	3,845	321	38	6,328
Other creditors	7,225	7,225				7,225
	13,553	9,349	3,845	321	38	13,553

Notes to the financial statements

(iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is actively monitored and managed in terms of currency risk, interest rate risk and asset value risk. For assets backing outstanding claims provisions, market risk is, where possible, managed by matching the duration and currency profile of assets to the technical provisions they are backing.

(iv) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Syndicate seeks to mitigate the risk by matching the estimated foreign currency denominated liabilities with assets denominated in the same currency.

The table below summarises the exposure of the financial assets and liabilities to foreign currency exchange risk at the reporting date, as follows:

At 31 December 2016 (£000)	**UK £***	**US $**	**CAD $**	**EUR €**	**Total**
Total assets	**6,775**	**57,570**	**1,817**	**6,419**	**72,581**
Total liabilities	**(15,872)**	**(81,256)**	**(1,404)**	**(10,402)**	**(108,934)**
Currency exchange balances	**(17,859)**	**16,372**	**(244)**	**1,731**	**-**
Net assets/(liabilities)	**(26,956)**	**(7,314)**	**169**	**(2,252)**	**(36,353)**

*** includes all the other non-major currencies converted to sterling.**

At 31 December 2015 (£000)	UK £*	US $	CAD $	EUR €	Total
Total assets	*2,638*	*29,749*	*1,272*	*5,669*	*27,664*
Total liabilities	*(9,623)*	*(34,032)*	*(1,035)*	*(5,555)*	*(37,363)*
Currency exchange balances	*(2,384)*	*3,620*	*(162)*	*-*	*-*
Net assets/(liabilities)	*(9,369)*	*(663)*	*75*	*114*	*(9,699)*

* includes all the other non-major currencies converted to sterling.

The non-sterling denominated net assets of the Syndicate may contribute to a reported loss (depending on the mix relative to the liabilities), should sterling strengthen against these currencies. Conversely, they may contribute to reported gains should sterling weaken.

Sensitivity to changes in foreign exchange rates

The table below shows the impact on profit of a percentage change in the relative strength of sterling against the value of the Syndicate settlement currencies simultaneously as at the reporting date.

As at 31 December 2016 **Impact on profit and members' balance**	**(£000)**
Sterling weakens	
10% against other currencies	**(2,734)**
20% against other currencies	**(5,468)**
Sterling strengthens	
10% against other currencies	**2,734**
20% against other currencies	**5,468**

As at 31 December 2015 Impact on profit and members' balance	*(£000)*
Sterling weakens	
10% against other currencies	*(276)*
20% against other currencies	*(551)*
Sterling strengthens	
10% against other currencies	*276*
20% against other currencies	*551*

(v) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Syndicate has no significant concentration of interest rate risk. Insurance liabilities are not discounted and therefore are not exposed to interest rate risk.

(vi) Asset value risk

Asset value risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Syndicate's non-insurance or reinsurance financial assets are primarily held in cash or short term time deposits with credit institutions, so asset value risk is minimal.

(e) Other risks

In addition to the principal risks as described in sections above, the Syndicate faces the following other key risks. Each of these risks are assessed, monitored and managed through the risk management framework and governance including committees and working groups.

(i) Operational risk

Including the risk that the Syndicate is adversely affected by inadequate or failures of internal processes and control, shortfalls in resource, failures of systems or business continuity plans or external events. CTMA employs a range of processes to monitor and manage this risk, include process efficiency tracking, monitoring of project budgets and deliverables, consideration of staff turnover and unfilled positions, and testing of systems and business continuity plans.

(ii) Conduct risk

Including the risk that the strategy of the Syndicate or the actions of underwriters or claims staff leads to customer detriment. CTMA monitors the nature of policyholders and has processes in place to monitor any conduct risks that could arise.

(iii) Legal and compliance risk

Including the risk that the Syndicate suffers regulatory sanction or fines as a consequence of a breach of applicable laws or regulation – for example, with respect to breaches of sanctions. CTMA has put in place a compliance monitoring process including the use of external database systems to identify potential sanctions, anti-money laundering or bribery and corruption risks. It is the policy of CTMA to reassess regularly the legal and compliance risk of its portfolio, and perform appropriate due diligence on all of its trading partners, policyholders and transaction counterparties.

(iv) Strategy and group risk

Including the risk that the Syndicate is unable to develop and implement appropriate business plans, make effective decisions, adapt to changes in the business environment, or suffers adverse consequences from undue influence or distress of related parties. CTMA has put in place a number of measures to mitigate this risk, including strong internal governance processes whose operation is monitored, policies governing related party transactions and independent board oversight by non-executive directors.

About The Standard Club

The Standard Club is a mutual insurance association, owned by its shipowner members and controlled by a board of directors drawn from the membership. The club insures shipowners, operators and charterers for their liabilities to third parties arising out of ship operations. The Standard Club prides itself on the quality of its service to its members and sets great store on responsiveness and support at all times, especially in times of crisis. Just as important is the emphasis on financial strength and stability through the club's strong balance sheet and financial resilience.

While The Standard Club's core business is the provision of protection and indemnity (P&I) insurance, it has a long and successful track record of offering other covers to its members. The club established The Standard Syndicate for two reasons – first, to enable members to benefit from high standards of service and financial security across a broader range of marine and energy covers; and second, to diversify the club and strengthen its financial position. For more information on The Standard Club, visit www.standard-club.com.

About Charles Taylor Managing Agency

Every syndicate must have an appointed managing agent to employ the underwriting staff, ensure compliance with Lloyd's minimum standards and manage day-to-day operations. Charles Taylor Managing Agency is the only managing agent purpose-built to deliver turn-key and managed service solutions.

Charles Taylor Managing Agency is a business of Charles Taylor plc., which is a leading provider of professional services to clients across the global insurance market. Charles Taylor has been providing services since 1884 and today employs more than 1,700 staff in 72 offices spread across 29 countries in the UK, the Americas, Asia Pacific, Europe, the Middle East and Africa.

Corporate information

Managing Agent
Charles Taylor Managing Agency Limited

Directors

B J Hurst-Bannister (Chairman) *	
R D Andrews	
E G Creasy *	resigned 25 February 2016
R G Dorey	resigned 5 September 2016
A Gupta	appointed 17 August 2016
D G Marock *	
T A Rhodes *	appointed 4 February 2016
S J Riley *	
C H Schirmer	
A Thawani	

** Non-executive director*

Company Secretary
Charles Taylor & Co. Limited

Managing Agent's Registered Office
Standard House 12-13
Essex Street
London
WC2R 3AA

Managing Agent's Registered Number
09147885

Syndicate 1884:

Active Underwriter
R G Dorey

Bankers
Barclays PLC
Citibank NA
RBC Dexia

Independent Auditor
Ernst & Young LLP, London

The Standard Syndicate 1884 is managed by Charles Taylor Managing Agency Ltd. Charles Taylor Managing Agency Ltd is a Lloyd's managing agent and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

The Standard Syndicate Services Limited is a service company and a Lloyd's coverholder that is part of the Charles Taylor PLC group of companies. The Standard Syndicate Services Limited is an appointed representative of Charles Taylor Managing Agency Ltd which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The Standard Syndicate Services Limited has authority to enter into contracts of insurance on behalf of the Lloyd's underwriting members of The Standard Syndicate 1884 which is managed by Charles Taylor Managing Agency Ltd.

The Standard Syndicate Services Asia Pte. Ltd. is a service company and a Lloyd's coverholder that is part of the Charles Taylor PLC group of companies. The Standard Syndicate Services Asia Pte. Ltd. is regulated by the Monetary Authority of Singapore in its capacity as a Lloyd's coverholder under the Insurance (Lloyd's Asia Scheme) Regulations. The Standard Syndicate Services Asia Pte. Ltd. has authority to enter into contracts of insurance on behalf of the Lloyd's underwriting members of The Standard Syndicate 1884 which is managed by Charles Taylor Managing Agency Ltd. Charles Taylor Managing Agency Ltd is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

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