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SYNDICATE 2791

Underwriting Year Distribution Accounts
2023 Closed Year of Account
31 December 2025

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SYNDICATE 2791

2023 CLOSED YEAR OF ACCOUNT

31 DECEMBER 2025

DIRECTORS AND ADMINISTRATION

MANAGING AGENT

Managing Agent
Managing Agency Partners Limited (MAP)

Directors
K Allchorne (Non-executive, appointed Chairman 1 July 2025)
C E Dandridge (Non-executive)
A S Foote (Non-executive)
T P Froehlich (Non-executive resigned 16 June 2025)
P J Green (Non-executive appointed 11 July 2025)
A Kong
T R McDermott
J J Parker
D E S Shipley (Non-executive resigned 31 July 2025)
C J Smelt (Active Underwriter)
R K Trubshaw
N D Williams

Company Secretary
J J Parker

Managing Agent's Registered Office
110 Bishopsgate
London
EC2N 4AY

Managing Agent's Registration
Registered in England; number: 03985640

SYNDICATE

Active Underwriter
C J Smelt

Principal Investment Managers
Schroders Investment Management Limited

Statutory Auditor
Deloitte LLP
1 New Street Square
London
EC4A 3HQ

UNDERWRITER'S REPORT

2023 Year of Account

Capacity £473.6 million

The 2023 year of account has closed with a bottom-line profit of £180.7m distributable to members, equivalent to 38.2% of stamp capacity, compared with the forecast range of 35% to 40%. The 2023 pure year result was a profit of 38.1% or £180.4m; members benefitted from a gross back year release of £6.2m (£0.5m net of reinsurance, before agency profit commission).

Development of Closed Years (2022 and prior)

The total gross IBNR ('incurred but not reported') reserve, less future premiums, started the year at £152.4m, (at 31.12.25 rates of exchange £1 = US$1.35). £19.7m or 12.9% of this reserve was utilised in the calendar year, compared to the historical average of 7.6%, with the majority of the utilisation falling to the 2022 YOA. The gross back year release was £6.2m, and the IBNR reserve for 2023 has been set at £50.2m, meaning the ongoing total gross IBNR reserve is now £176.7m. There continues to be no fundamental change in either our reserving strategy or our ultimate completion factors.

The long tail casualty classes produced a £3.9m gross back year deficit and now represent 45.1% of the 2023 and prior IBNR reserve, compared with 39.1% last year. The deterioration reflects a strengthening of reserves for the 2022 general liability account, driven primarily by the excess transportation segment. Limited historical development data for this class results in a broad range of potential reserve outcomes, and the selected estimate reflects the more conservative end of that range. Additional incurred development on the 2022 YOA medical malpractice account also contributed to the deficit.

The short tail account generated a £5.6m gross back year release. No short tail IBNR is held for years 2001–2008, aside from a $400k reserve on 2005 for a specific property claim. All catastrophe events from 2011 and prior, as well as those from 2019, are considered fully developed. The majority of the release arose from favourable experience, spread across the 2018–2022 years of account.

At year end, our gross ultimate provision for Covid 19 across all years of account stood at $15.3m (previously $16.7m), of which $6.3m was incurred at year end (previously $6.8m). During 2025 we prevailed in Missouri and Texas, though cases remain pending in Nevada and Vermont and, as previously demonstrated in North Carolina, adverse verdicts remain possible. As such, we have made a modest reduction to our reserves.

The balance of our 2023 & prior IBNR reserves (10.2%) relates primarily to auto and other miscellaneous specialty classes. This portfolio generated a £4.5m gross back-year release, driven largely by benign experience on the 2022 auto account, coupled with reserve reductions on the 2016 year of account stemming from the Irish motor contracts.

Pure Year 2023

Timing is everything. I was fortunate that Richard handed over the Active Underwriter role in January 2023 as the market continued to harden after five years of elevated catastrophe activity. The syndicate was able to overwrite stamp, and with the added benefit of a quiet hurricane season, deliver an exceptional result. Enormous credit must go to the team for navigating the market so effectively and capitalising on the opportunity.

Utilisation of capacity

Including the premium ceded to Syndicate 6103, Syndicate 2791's gross premium exceeded stamp capacity with a final utilisation of 109.9% at closing rates of exchange versus 108.4% last year for the 2022 YOA. The reinsurance spend was £136.1m or 26.2% of written premium net of acquisition costs, £57.8m of which was ceded via a US catastrophe quota share to Syndicate 6103.

Performance review

The market's continued response to cat activity between 2018 and 2022, particularly Hurricane Ian, generated opportunities which allowed Syndicate 2791 to grow beyond its original business forecast (£433m) and, with the support of members and Lloyd's, ultimately exceeded the syndicates stamp capacity. At original PIM (£1 = $1.21), Syndicate 2791's gross net premium, excluding Syndicate 6103 was £512.6m.

UNDERWRITER'S REPORT *continued*

Pure Year 2023 *continued*

Performance review *continued*

Despite an increase of 27% in frequency loads within our catastrophe model, the portfolio's achieved technical adequacy still improved by 3%, while premium volume grew by 29% over the 2022 year of account. Combined with a hurricane season that, although active, produced no significant U.S. landfalling events, this culminated in an outstanding result.

The casualty account continued to grow in 2023, making up 11.1% of the portfolio, broadly in line with its share in 2022 and still well below the 2003 peak, when casualty accounted for circa 25% of written income. Growth was driven primarily by general liability, where rate increases remained sufficient to offset underlying inflation and overall market conditions remained satisfactory. Our focus remained on transportation risks and contractors with strong premium to limit ratios, written on an insurance rather than reinsurance basis to reduced claims latency. As with all business lines, we participated only where we have the expertise to assess and quantify the exposure.

Overall, the casualty account has been reserved using a methodology consistent with prior years. As with the 2022 year, there remains a high degree of uncertainty surrounding the casualty development pattern. In light of this uncertainty, the casualty element has been booked at an ultimate loss ratio of 112.3%.

The combined closing provisions across all lines are £50.2m (gross claims less future premium) with minimal provisions relating to major events.

The Syndicate's positive investment performance experienced in the 2024 calendar year continued, resulting in a remarkable investment performance for the 2025 calendar year of 9.2%, driven by investments in gold, a small US hedge fund and short term US treasuries. The result is an impressive bottom-line £180.7m or 38.2% return to Members.

Analysis of premium written by syndicate classification

	Gross written £'000	Net written £'000
Property reinsurance	390,853	282,461
Direct and facultative property	126,389	93,114
Marine and offshore energy	27,001	26,922
Motor	52,241	48,942
Third party liability	63,481	63,325
Accident and health	7,123	7,100
Specialist lines	5,989	5,974
Terrorism and political risks	4,124	4,113
Total	677,201	531,951

Investment Return

The investment return generated over the last three years has contributed £64.8m to the 2023 closed year result. The calendar year returns net of expenses in each period were: 4.9% in 2023, 5.9% in 2024 and 9.2% in 2025.

In line with established policy, the 2023 year of account receives a proportion of the investment performance of the three calendar years as determined by a formula which measures assets held in each year of account and allocates the result accordingly.

The Effect of Exchange Rates on the 2023 Distribution Account

These accounts are reported over the three consecutive years from 2023 during which the GBP:USD exchange rate has moved from an average of 1.24 to a closing rate of 1.35 at the end of 2025. This has resulted in an exchange loss versus the average rates of £10.5m over the three year period as further set out in note 13.

Reinsurance Debtors

Recoverable amounts from reinsurers amount to £27.7m, virtually all of which is current. There are no provisions for bad debts on the syndicate's reinsurance balances.

An analysis of the security rating for the debtors within our statement of financial position at 31 December 2025 is set out below.

Debt table by security rating

Standard & Poor's rating	On paid claims £'m	On outstanding claims £'m	On IBNR £'m	Total £'m
AA	0.9	7.7	2.8	11.4
A	12.8	2.3	1.2	16.3
	13.7	10.0	4.0	27.7

2024 Year of Account Forecast

In terms of premium volume, 2024 was the peak of the market for MAP with ultimate gross premium forecast up 14.6% over 2023 to £596m at year end rates of exchange. This falls short of the revised business plan (£625m), reflecting the fact that a number of opportunities originally anticipated did not materialise, most notably in the large property account. The casualty classes account for £61.8m or 10.4% of the overall income and net of Syndicate 6103 cession, total premium is £522m.

There were two major land-falling hurricanes during 2024. Helene struck the Big Bend of Florida, east of Tallahassee, running north into Georgia and then into the Carolinas, we believe causing ultimate market losses of nearly $20bn. Milton then struck central Florida, running from Sarasota through to Volusia and largely impacted the same area which Hurricane Ian had struck two years earlier. As such much of the housing stock had already been remediated and was consequently more resilient. Indicative market losses are less than $20bn.

The wildfires that struck Southern California in January 2025 are estimated to generate gross market losses of around $42.5bn, although there may be some subrogation recoveries if a power utility company is ultimately held liable. Circa 90% of the loss is projected to fall back to the 2024 year of account.

At year end, the 2024 year of account holds ultimate losses of $48.3m, $42.8m and $99.2m for the three major events hurricanes Helene, Milton and the California wildfires compared with incurred losses of $34.5m, $20.4m and $86.2m respectively. None of these events are of sufficient size to attach to the syndicate's retrocession programme. The attritional performance of the portfolio continues to be strong and is ahead of any comparable year at the same stage since 2009.

The investment return to date is £27.8m with an embedded yield of 3.7% in the laddered US treasury portfolio.

The current forecast is for the 2024 YOA to produce a return of between 8.5% and 16.0% on stamp.

An estimate of the 2024 underwriting result as at 36 months is set out below which is unaudited:

	£'000
Stamp capacity	647,791
Gross premiums written	723,133
Net premiums written	579,562
Claims incurred – net of reinsurance	(365,960)
Net operating expenses	(138,865)
Investment return	37,146
Profit commission	(20,329)
Personal expenses	(10,006)
Non-technical account foreign exchange	(231)
Estimate of profit for the year of account after personal expenses	81,317

Assumptions underlying the 2024 Estimated Result:

(i) There will be no material reinsurance failures.
(ii) Syndicate expenses, incurred in the calendar year 2026 to be charged to the 2024 year of account, will continue the pattern of previous years as refined by current budgets.
(iii) Exchange rates at 31 December 2026 will not be materially different from those at 31 December 2025.
(iv) Investment returns attributable to 2024 during 2026 = 1.4% for USD and 2.6% for all other currencies.
(v) Claims will be paid in line with our expected development patterns.
(vi) No material back year surplus or deficit arises from the RITC.

2025 Overview

Ultimate gross premium is forecast down around 14.5% to £516m at year end rates of exchange, which is below the original business plan of £663m. Casualty classes accounted for £59.2m or 11.4% of the overall income.

The market psychology shifted markedly in the run up to 1/1 2025, with considerable softening in terms and conditions. Whilst only around 20% of the catastrophe book renews at this time, year on year we cut back markedly, although we were able to defend our core regional account to a reasonable degree.

The California wildfires that erupted in January 2025 acted as a brake on the softening, which combined with the technical margin embedded in the incumbent portfolio, enabled underwriters to defend their books effectively. The main exception was the large property account, where income halved year on year.

Excluding 6103 and event reinstatement premiums, gross net income is down 9.3% year on year whilst the incurred loss ratio at this stage of development is the lowest since 2015.

2026 Trading Conditions

The inevitable market response to three consecutive profitable years, is carriers seeking expansion and new capital flows into the market, expecting to benefit from the favourable conditions. Basic cause and effect dynamics are ignored as competition intensifies and the desire for growth increases. The unintended, yet entirely predictable, consequence is that there is a shift in the supply demand curve in favour of buyers leading to the rapid erosion of rate adequacy. This dynamic is further compounded as carriers endeavour to increase their participations in an attempt to offset premium reduction and preserve volume.

We have witnessed this behaviour repeatedly, and our response remains consistent: maintain pricing discipline, empower underwriter autonomy, manage line size, and above all, ensure alignment of interest. Our underwriters have the expertise to price the risks they accept on behalf of the syndicate and the authority, within defined limits, to make decisions. This is reinforced by rigorous peer review and a strong alignment of interest with capital providers through MAP's remuneration structure and individual underwriters' direct participation on the syndicate.

We saw this dynamic play out at year end as rates, along with terms and conditions, came under significant pressure. MAP's focus on absolute risk pricing, rather than simple year on year relativity, enabled underwriters to continue offering capacity selectively on risks that maintained an adequate margin. Our detailed contract analysis and clear understanding of coverage value allowed us to navigate the deterioration in terms and conditions effectively. The consistency and support we have shown clients over the past three years has, where margin persists, been recognised through continued participations on programmes. Early indications suggest premium volume is down by 15% to 20% year on year, reflecting a combination of rate reductions, non renewals and reduced line sizes as deals become increasingly marginal.

We continue to identify attractive opportunities within the general liability market, albeit across a limited number of sub classes. As MAP's experience develops, our appetite and rating approach continues to evolve, supported by a thorough peer review process that provides meaningful challenge and constructive guidance. We have devoted considerable time to analysing excess trucking liability, with a particular focus on how programme structure and insured co participation influence claim outcomes. Our revised approach will, in all probability, constrain the opportunities for us to deploy capacity within this class.

2026 Trading Conditions *continued*

MAP's strategy is resolutely long term, grounded in disciplined cycle management and a commitment to responding to market conditions rather than attempting to drive them. Following three exceptionally profitable years, we are now facing the inevitable consequence: an increasingly aggressive and competitive market. Competing against carriers with marginally lower costs of capital is challenging, but when others pursue volume at almost any cost, long term success is achievable.

I expect MAP's premium volumes to continue to contract until losses emerge and competitors recognise that the premiums they have accepted are inadequate. Only then will the supply demand balance shift back in our favour. Until that adjustment occurs, we will continue to focus on pricing risk appropriately and maintaining underwriting discipline.

Seven Year Summary of Closed Years of Account

	Note	2017	2018	2019	2020	2021	2022	2023
Syndicate allocated capacity (£'m)		396.8	399.5	399.6	399.9	400.4	400.3	473.6
Number of Underwriting Members		1,701	1,681	1,639	1,597	1,554	1,513	1,471
Aggregate net premiums (£'m)		134.0	143.0	175.9	242.0	280.9	406.4	532.0
Results for illustrative share of £10,000		**%**	**%**	**%**	**%**	**%**	**%**	**%**
Utilisation of capacity at premium income monitoring rates of exchange		26.5	35.9	44.0	67.8	82.6	99.3	121.5
Gross premiums written (% of illustrative share)		39.9	44.7	56.6	80.6	95.2	132.8	143.0
Net premiums (% of illustrative share)		33.7	35.8	44.0	60.6	70.2	101.5	112.3
Profit (% of gross premiums)		9.6	6.5	13.0	2.5	10.4	13.4	26.7
Results for illustrative share of £10,000		**£**	**£**	**£**	**£**	**£**	**£**	**£**
Gross premiums	*1*	3,986	4,469	5,663	8,056	9,516	13,285	14,299
Net premiums		3,367	3,579	4,402	6,059	7,015	10,154	11,232
Reinsurance to close from an earlier year of account		5,415	4,863	4,530	4,667	5,616	5,648	5,384
Net claims		(2,306)	(2,475)	(1,839)	(3,581)	(3,752)	(5,213)	(3,626)
Reinsurance to close	*2*	(5,056)	(4,547)	(4,734)	(4,909)	(5,774)	(6,324)	(6,444)
Underwriting profit		**1,420**	**1,420**	**2,359**	**2,236**	**3,105**	**4,265**	**6,546**
Acquisition costs	*1*	(932)	(1,028)	(1,244)	(1,607)	(1,925)	(2,511)	(2,741)
Other syndicate operating expenses, excluding personal expenses		(160)	(175)	(203)	(169)	(194)	(180)	(188)
Reinsurers' commissions and profit participations		18	54	85	83	107	142	200
Exchange movement on foreign currency translation	*4*	(5)	(43)	(6)	(31)	11	(9)	(208)
Net investment income		224	227	46	(142)	275	658	1,368
Illustrative personal expenses:								
Managing agent's fee		(55)	(55)	(75)	(75)	(75)	(75)	(75)
Profit commission	*3*	(98)	(78)	(186)	(43)	(249)	(440)	(1,004)
Other personal expenses	*5*	(29)	(29)	(40)	(47)	(66)	(69)	(82)
Profit after illustrative personal expenses and illustrative profit commission		**383**	**293**	**736**	**205**	**989**	**1,781**	**3,816**

1. Gross premiums and syndicate operating expenses have been grossed up for brokerage costs.
2. Reinsurance to close is stated at relevant average rates applicable or when reserves were first set for each year of account.
3. Profit commission is reported on a pro forma basis before the application of the deficit clause brought forward.
4. Foreign currency realised gains and losses are included in exchange movement on foreign currency translation rather than within other syndicate operating expenses.
5. Other personal expenses include Lloyd's subscriptions and central fund contributions.

Solvency Capital Requirement

The managing agent is required to provide a Solvency Capital Requirement (SCR) to Lloyd's which sets the capital required to be held by the members of the syndicate for the prospective underwriting year. Lloyd's syndicate SCRs are combined to provide the basis of the Lloyd's internal model which the Prudential Regulation Authority originally approved in December 2016.

This amount is derived from the syndicate's loss distribution, which is calculated internally. It is the loss at the 99.5th confidence level, reflecting uncertainty in the ultimate run-off of underwriting liabilities (SCR 'to ultimate'). The syndicate must also calculate its SCR at the same confidence level but reflecting uncertainty over a one-year time horizon (one-year SCR) for Lloyd's to use in meeting PRA Solvency requirements. The SCRs of each syndicate are subject to review by Lloyd's and approval by the Lloyd's Capital and Planning Group. A syndicate may be comprised of one or more underwriting members of Lloyd's. Each member is liable for its own share of underwriting liabilities on the syndicate on which it is participating but not another member's shares. Accordingly, the capital requirement that Lloyd's sets for each member operates on a similar basis. Each member's SCR shall thus be determined by the sum of the member's share of the syndicate SCR 'to ultimate'. Where a member participates on more than one syndicate, a credit for diversification is provided to reflect the spread of risk, for that member. Over and above this, Lloyd's applies a capital uplift to the member's capital requirement, known as the Economic Capital Requirement (ECR). The purpose of this uplift, which is a Lloyd's not a PRA Solvency requirement, is to meet Lloyd's financial strength, licence and ratings objectives. The capital uplift applied for 2023 is 35% of the member SCR 'to ultimate'.

The syndicate's current capital requirement has been established using our internal Solvency UK model which has been run within the capital regime as prescribed by Lloyd's. The internal model uses sophisticated mathematical models reflecting key risks within the syndicate. The risks are principally Insurance (catastrophes, pricing and reserving), Market (equity, liquidity, currency, interest rate and spread), Credit (brokers, investment and reinsurance) and Operational.

The following table sets out the syndicate's ECR which is unaudited:

2023 Approved Capital

Lloyd's ECR

	2023 £'m
2791	425.8

ECR capital is provided by the members of the syndicate from syndicate retained profits plus additional contributed assets held and managed by Lloyd's of London, known as Funds at Lloyd's or FAL.

European Union Business

To ensure continued market access for syndicates to European (re)insurance business post 'Brexit', Lloyd's established a Belgian subsidiary – Lloyd's Insurance Company S.A. (LIC) – authorised and regulated as an insurance entity by the National Bank of Belgium and regulated by the Belgian Financial Services and Markets Authority.

This 100% owned European domiciled subsidiary is capitalised in accordance with Solvency II rules and is licensed to write non-life risks across the European Economic Area (EEA).

From its establishment all 'live' business underwritten by Lloyd's Insurance Company S.A. has been 100% reinsured back to the originating Lloyd's syndicate.

Future Developments

The syndicate continues to transact the majority of its business in the classes of general insurance and reinsurance that it has transacted historically.

Disclosure of Information to the Auditors

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

This managing agent's report was approved by the Board of Managing Agency Partners Limited on 19 February 2026 and signed on its behalf by:

C J Smelt
Active Underwriter
Managing Agency Partners Limited
19 February 2026

STATEMENT OF MANAGING AGENT'S RESPONSIBILITIES

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

The managing agent must prepare the syndicate underwriting year accounts which give a true and fair view of the result of the closed year of account.

In preparing the syndicate underwriting year accounts, the managing agent is required to:

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

INDEPENDENT AUDITOR'S REPORT

to the Members of Syndicate 2791

Independent auditor's report to the members of Syndicate 2791 – 2023 closed year of account

Report on the audit of the syndicate underwriting year accounts for the 2023 closed year of account for the three years ended 31 December 2025

Opinion

In our opinion the syndicate underwriting year accounts of Syndicate 2791 (the 'syndicate'):

- give a true and fair view of the profit for the 2023 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
- have been prepared in accordance with the requirements of 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) and sections 4 and 5 of the Syndicate Accounts Instructions Version 3.1 as modified by the Frequently Asked Questions Version 1.1 issued by Lloyd's (the "Lloyd's Syndicate Accounts Instructions").

We have audited the syndicate underwriting year accounts which comprise:

- the income statement: technical account – general business;
- the income statement: non-technical account;
- the statement of comprehensive income;
- the statement of financial position;
- the statement of cashflows; and
- the related notes 1 to 21.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "the Financial Reporting Standard applicable in the UK and Republic of Ireland", the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and the Lloyd's Syndicate Accounting Byelaw (no. 8 of 2005).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law and the Syndicate Accounts Instructions. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the syndicate underwriting year accounts section of our report.

We are independent of the syndicate in accordance with the ethical requirements that are relevant to our audit of the syndicate underwriting year accounts in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The other information comprises the information included in the annual report, other than the syndicate underwriting year accounts and our auditor's report thereon. The managing agent is responsible for the other information contained within the annual report. Our opinion on the syndicate underwriting year accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the syndicate underwriting year accounts or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of managing agent

As explained more fully in the managing agent's responsibilities statement, the managing agent is responsible for the preparation of the syndicate underwriting year accounts under the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and in accordance with the Lloyd's Syndicate Accounting Byelaw (no. 8 of 2005), and for being satisfied that they give a true and fair view of the result, and for such internal control as the managing agent determines is necessary to enable the preparation of syndicate underwriting year accounts that are free from material misstatement, whether due to fraud or error.

In preparing the syndicate underwriting accounts, the managing agent is responsible for assessing the syndicate's ability to realise its assets and discharge its liabilities in the normal course of business, disclosing, as applicable, any matters that impact its ability to do so.

Auditor's responsibilities for the audit of the syndicate underwriting year accounts

Our objectives are to obtain reasonable assurance about whether the syndicate underwriting year accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these syndicate underwriting year accounts.

A further description of our responsibilities for the audit of the syndicate underwriting year accounts is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the syndicate and its control environment and reviewed the syndicate's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the syndicate operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the underwriting year accounts. These included the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and the Lloyd's Syndicate Accounting Byelaw (no. 8 of 2005); and
- do not have a direct effect on the underwriting year accounts but compliance with which may be fundamental to the syndicate's ability to operate or to avoid a material penalty. These included the requirements of Solvency UK.

We discussed among the audit engagement team including relevant internal specialists such as actuarial and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the underwriting year accounts.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following areas, and our procedures performed to address them are described below:

- Auditing standards require that we presume there to be a significant risk of fraud relating to the recognition of revenue. We relate this significant risk to the estimation of pipeline premiums on proportional reinsurance and delegated authority business, specifically the estimated premium income factor adjustment that is applied by management at a block of business level. In response, our testing included, comparing management's prior year estimated premium adjustments to the current year and challenging the validity of the rationale behind the adjustments for each block of business.
- Valuation of technical provisions includes assumptions requiring significant management judgement and involves complex calculations and therefore, there is potential for management bias. There is also a risk of overriding controls by making late adjustments to the technical provisions. In response to these risks, we involved our actuarial specialists to develop independent estimates of the technical provisions. In addition, significant management judgement is exercised in the valuation of Catastrophe IBNR reserves given uncertainties in estimating claims emergence relating to event frequency and severity, data limitations and reinsurance recoveries. We assessed a sample of Catastrophe IBNR reserves classified as significant risk by inspecting case documentation, challenging management judgements, and performing benchmarking where possible.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing underwriting year accounts disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the underwriting year accounts;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with Lloyd's.

Report on other legal and regulatory requirements

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

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the managing agent's report for the financial year for which the syndicate underwriting year accounts are prepared is consistent with the syndicate underwriting year accounts; and
- the managing agent's report has been prepared in accordance with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008.

In the light of the knowledge and understanding of the syndicate and its environment obtained in the course of the audit, we have not identified any material misstatements in the managing agent's report.

Matters on which we are required to report by exception

Under the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and Lloyd's Syndicate Accounting Byelaw (no.8 of 2005) we are required to report in respect of the following matters if, in our opinion:

- the managing agent in respect of the syndicate has not kept adequate or proper accounting records; or
- the syndicate underwriting year accounts are not in agreement with the accounting records or
- we have not received all the information and explanations we require for our audit; or
- the syndicate underwriting year accounts are not in compliance with the requirements of paragraph 5 of Schedule 1 of the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the syndicate's members, as a body, in accordance with regulation 6 of 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's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ben Newton, ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

19 February 2026

INCOME STATEMENT TECHNICAL ACCOUNT – GENERAL BUSINESS

2023 Closed Year of Account for the three years ended 31 December 2025

	Note	2023 £'000
Syndicate allocated capacity		473,610
Earned premiums, net of reinsurance		
Gross premiums written	4	677,201
Outward reinsurance premiums		(145,250)
Earned premiums, net of reinsurance		531,951
Reinsurance to close premiums received, net of reinsurance	5	255,002
Allocated investment return transferred from the non-technical account		64,773
Claims incurred, net of reinsurance		
Claims paid		
Gross amount		(205,765)
Reinsurers' share		34,055
		(171,710)
Reinsurance to close premium payable, net of reinsurance	6	(305,182)
Acquisition costs		(129,814)
Reinsurers' commissions and profit participations		9,489
Administrative expenses	8	(63,910)
Net operating expenses		(184,235)
Balance on the technical account – general business	12	190,599

INCOME STATEMENT NON-TECHNICAL ACCOUNT

2023 Closed Year of Account for the three years ended 31 December 2025

	Note	2023 £'000
Balance on the technical account for general business		190,599
Investment return	11	64,773
Allocated investment return transferred to general business – technical account		(64,773)
Non-technical account foreign exchange	13	632
Profit for the 2023 Closed Year of Account excluding other comprehensive income		191,231

STATEMENT OF COMPREHENSIVE INCOME

2023 Closed Year of Account for the three years ended 31 December 2025

	Note	2023 £'000
Profit for the 2023 Closed Year of Account excluding other comprehensive income		191,231
Exchange differences on foreign currency translation	13	(10,489)
Profit for the 2023 Closed Year of Account including other comprehensive income being profit distributed to members		180,742

STATEMENT OF FINANCIAL POSITION

2023 Closed Year of Account as at 31 December 2025

	Note	2023 £'000
Assets		
Financial Investments	*14*	515,209
Deposits with ceding undertakings	*15*	251
Debtors	*16*	42,198
Reinsurance recoveries anticipated on gross reinsurance to close premiums payable to close the account	*7*	13,988
Other assets		
Cash at bank and in hand	*19*	49,894
Prepayments and accrued income		
Accrued interest		2,243
Other prepayments and accrued income		130
Total assets		623,913
Liabilities		
Amounts due to members	*17*	180,742
Reinsurance to close premiums payable to close the account – gross amount	*7*	287,085
Other creditors	*18*	153,056
Accruals and deferred income		3,030
Total liabilities		623,913

The financial statements on pages 14 to 28 were approved by the Board of Managing Agency Partners Limited on 19 February 2026 and were signed on its behalf by:

C J Smelt
Active Underwriter

T R McDermott
Finance Director

19 February 2026

STATEMENT OF CASH FLOWS

2023 Closed Year of Account for the three years ended 31 December 2025

	Note	2023 £'000
Operating profit on ordinary activities		191,231
Movement in gross technical provisions		287,085
Movement in reinsurers' share of gross technical provisions		(13,988)
Movement in debtors		(44,571)
Movement in creditors		156,086
Investment return		(64,773)
Exchange differences on foreign currency translation		5,535
Net cash inflow from operating activities		516,605
Cash flows from investing activities		
Purchase of equity and debt instruments		(1,520,051)
Sale of equity and debt instruments		994,345
Investment income received		69,344
Movement in deposits with ceding undertakings		(250)
Movement in overseas deposits and commingled fund		(10,099)
Net cash outflow from investing activities		(466,711)
Movement in cash and cash equivalents		49,894
Cash and cash equivalents at 1 January		–
Cash and cash equivalents at 31 December	*19*	49,894

NOTES TO THE ACCOUNTS

2023 Closed Year of Account for the three years ended 31 December 2025

1. Basis of Preparation and Statement of Compliance

These financial statements have been prepared under the 2008 Regulations and in accordance with the Syndicate Accounting Byelaw (No.8 of 2005) and applicable accounting standards in the United Kingdom. Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and Financial Reporting Standard 103 'Insurance Contracts' (FRS 103) have been applied.

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

The Lloyd's Syndicate Accounting Byelaw (No. 8 of 2005) requires the aggregation of movements in each of the three calendar years for any Underwriting Year of Account. For 2023's Underwriting Year Distribution Account each calendar year result is aggregated using the relevant years' average rates of exchange for each item in the income statements. The reinsurance to close received by 2023 from 2022 is presented as both a premium and as part of the reinsurance to close payable at the same rates, which are the rates at 1 January 2025. Any changes made to the opening reinsurance to close are accounted for at the average rates ruling during calendar year 2025.

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

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 2023 year of account which has been closed by reinsurance to close at 31 December 2025. Consequently, the statement of financial position represents the assets and liabilities of the 2023 year of account with the income statements and the statement of cash flows reflecting the transactions for that year of account during the three-year period until closure.

As each syndicate year of account is a separate annual venture, comparatives are not required to be disclosed.

Reinsurance to close

A Reinsurance to Close (RITC) is a reinsurance which closes a year of account and transfers the responsibility for discharging all the liabilities that attach to that year of account (and any year of account closed into that year) plus the right to any income due to the closing year of account into an open year of account of the same or a different syndicate in return for a premium.

Effective at each year-end 31 December, the RITC process means that all assets and liabilities have been transferred to a reinsuring year of account. To this extent, the risks that the syndicate is exposed to in respect of the reported financial position and financial performance are significantly less than those relating to the open years of account as disclosed in the Syndicate Annual Accounts. Accordingly, these underwriting year accounts do not include the associated risk disclosures required by section 34 of FRS 102 and section 4 of FRS 103. Full disclosures relating to these risks are provided in the main Annual Accounts of the syndicate. In addition, certain other disclosure requirements under FRS 102 and FRS 103, such as the disclosure of a Statement of Changes in Members' Balances, have not been provided as they are not required for a proper understanding of the underwriting year accounts.

The functional currency is US dollars, but the financial statements are prepared in sterling which is the presentational currency of the syndicate and rounded to the nearest £'000.

Syndicate 2791 cedes business under a quota-share treaty to Syndicate 6103 which is operated on a funds withheld basis by Syndicate 2791. Syndicate 6103 holds no cash or investments. All of Syndicate 6103's funds are held by Syndicate 2791 which makes payments of liabilities on Syndicate 6103's behalf. Debtors and creditors between the syndicates are grossed up in the syndicate statement of financial position and upon the closure of each year of account, normally after 36 months, the assets and liabilities of that closing year are netted off as part of the commutation settlement with Syndicate 6103. Syndicate 6103 is also managed by the managing agent, MAP.

2 Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements require management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenues and expenses during the year.

In the course of preparing the financial statements no judgements have been made in the process of applying the syndicate's accounting policies, other than those involving estimations that have had a significant effect on the amounts recognised in the financial statements.

However, the nature of estimation means that actual outcomes could differ from those estimates.

It should however be noted that upon RITC the uncertainties are transferred to the accepting year of account of the syndicate, being the 2024 year of account at 31 December 2025.

2. Judgements and Key Sources of Estimation Uncertainty *continued*

The following are the syndicate's key sources of estimation uncertainty:

Insurance contract technical provisions (reinsurance to close premium payable) (see note 7)

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 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 types 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 Chain Ladder, Bornheutter-Ferguson methods and individual reserving at contract level.

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 statement of financial position date, together with the provision for related claims handling costs. The provision also includes the estimated cost of claims IBNR at the statement of financial position 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 pricing and other models of the business accepted and assessments of underwriting conditions.

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

The directors consider the provisions for gross claims and related reinsurance recoveries are fairly stated on the basis of the information currently available to them. However, the ultimate liability will vary as a result of subsequent information and events and this may result in significant adjustments to the amounts provided. Adjustments to the amounts of claims provisions established in prior years are reflected in the financial statements for the period in which the adjustments are made. In addition, where losses are not settled until several years after the expiration of the policy in question, the estimates are considered to be more volatile and consequently are subjected to additional management judgemental prudence adjustments. The methods used, and the estimates made, are reviewed regularly.

Where the amount of any material salvage and subrogation recoveries is separately identified it is reported as an asset. Changes in assumptions, quantum or complexity of claims can affect the value of these provisions.

Estimates of future premiums

For certain insurance contracts, premium is initially recognised based on estimates of ultimate premiums. These estimates are judgemental. The main assumption underlying these estimates is that past premium development can be used to project future premium development.

Estimates include an element of judgement with regard to the level of claims affected future premiums receivable by the syndicate. The methods used for assessing future premiums generally involve projecting from past experience, based on the development of claims and the related inwards premiums receivable against these claims. The directors consider whether the estimates of gross future premium are fairly stated on the basis of the information available currently to them. However, the ultimate receivable will vary as a result of subsequent information or events and this may result in significant adjustments.

The estimated premium income in respect of facility contracts, for example binding authorities and lineslips, includes an estimate of the underlying business attaching to each facility at the statement of financial position date.

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.

These valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses and option pricing models. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on estimates. It incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument.

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

3. Accounting Policies

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 the three-year period, outstanding liabilities can normally be determined with sufficient accuracy to permit the year of account to be closed by payment of a reinsurance to close premium to the successor year of account.

Insurance contracts

An insurance contract (including inwards reinsurance contract) is defined as a contract containing significant insurance risk. Insurance risk is considered significant if, and only if, an insured event could cause the syndicate to pay significant additional benefits in any scenario. Such contracts remain insurance contracts until all rights and obligations are extinguished or expire.

Premiums written

Premiums written comprise premiums on contracts incepted during the financial year of account as well as adjustments made in the year to premiums written in prior accounting periods. Estimates are made for pipeline premiums, representing amounts due to the syndicate not yet received at the statement of financial position date.

Premiums written are disclosed before the deduction of acquisition costs and taxes or duties levied on them and are treated as fully earned.

Premiums for contracts where the syndicate delegates underwriting authority to another party (e.g. binding authorities, lineslips or proportional treaties) use an estimate of the proportion of premiums incepted at the reference date as an estimate based on historical inception patterns, if no pattern exists business is assumed to incept evenly over the term of the delegated authority.

Acquisition costs

Acquisition costs comprising commission and other direct or indirect costs related to the acquisition of insurance contracts are deferred to the extent that they are attributable to premiums unearned at the statement of financial position date. The value of commission paid to insurance intermediaries is determined based on the contractual amounts recorded in all contracts. Where, however, policies are issued and the insured agrees to pay a fee directly to the intermediary without reference to the insurer, the written premium comprises the premium payable to the insurer and accounting for broker acquisition costs is inappropriate.

An element of underwriters costs are transferred from administrative expenses to other acquisition costs as they are considered to be appropriate indirect costs arising from the conclusion of insurance contracts and are connected with the processing of proposals and the issuing of policies. The amount transferred is based on underwriters headcount and an estimate of time spent on the administration of insurance policies written and is earned in line with premium.

Reinsurance premium ceded

Outwards reinsurance purchased consists of excess of loss contracts and proportional reinsurance contracts. Initial excess of loss premiums are accounted for in the year of inception. Premiums ceded to reinstate reinsurance cover or additional premiums payable on loss are recognised when they may be assessed with reasonable certainty. Proportional outward reinsurance premiums are accounted for in the same accounting period as the premiums for the related direct or inwards business being reinsured.

Claims paid and related recoveries

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

Reinsurance to close premium payable

The RITC premium is determined on the basis of estimated outstanding liabilities and related claims settlement costs (including claims IBNR), net of estimated collectable reinsurance recoveries, relating to the closed year of account and all previous years of account reinsured therein.

The estimate of claims outstanding is assessed on an individual case and class basis, as appropriate, and is based on the estimated ultimate cost of all claims notified but not settled by the statement of financial position date, together with the provision for related claims handling costs. It also includes the estimated cost of claims IBNR at the statement of financial position date based on statistical methods.

Future unallocated loss adjustment expenses

An accrual for all future unallocated loss adjustment expenses ('ULAE') is made if applicable. The ULAE is comprised of those costs which are related to the settlement of earned claims but which are not directly attributable to individual claims. ULAE expenses are undiscounted and include the expenses of managing the run-off of the business on the basis the business is a going concern. Costs of administration of the reinsurance programme are included in the gross ULAE. Separate reserves are established for each year of account.

3. Accounting Policies *continued*

Legal provisions

The syndicate may be subject to legal disputes in the normal course of business. Provisions for such events and their related costs are recognised within expenses and accruals where there is an expected present obligation relating to a past event or evidence exists of the requirement for a general provision that can be measured reliably and it is probable that an outflow of economic benefit will be required to settle an obligation.

The directors of the managing agent do not expect the outcome of these claims, either individually or in aggregate, to have a material effect upon the syndicate's operations or financial position. As allowed by FRS 102, further disclosure has not been given as it may seriously prejudice the outcome of any legal proceedings.

Insurance receivables and payables

Insurance receivables and payables are recognised when due and measured on initial recognition at the fair value of the consideration received. They are derecognised when the obligation is settled, cancelled or expired.

Bad debt

Bad debts are provided for only where specific information becomes available to suggest a debtor may be unable or unwilling to settle its debts to the syndicate. Specific information may be directly attributed to the debtor company or may be indirect information from a rating agency or other source. The provision is calculated on a case by case basis.

Foreign currency translation

Financial Reporting Standard 102 requires each entity to identify its functional currency and a presentational currency. The functional currency is identified as the currency of the primary economic environment in which the entity operates. The functional currency of this syndicate is US dollars as the majority of the underwriting business, cash flows and expenses are in US dollars. We have chosen to maintain our presentational currency as sterling as the syndicate is based in the UK, complies with UK reporting standards and this enables simpler comparisons to other Lloyd's insurance syndicates.

The syndicate records transactions in four settlement currencies being sterling, US dollars, Canadian dollars and Euros and when reported these currencies are translated in the income statement at the average rates of exchange for each calendar year of the 36 month period respectively. Underwriting transactions denominated in other foreign currencies are included at the rate of exchange ruling at the date the transaction is processed.

As permitted by FRS 103, the syndicate has continued with its existing accounting policy to treat non-monetary assets and liabilities arising from insurance contracts (which include items such as unearned premiums and deferred acquisition costs) the same as monetary assets and liabilities. Consequently, all assets and liabilities denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date, or if appropriate, at the forward contract rate.

Exchange differences from the functional currency (US dollars) arising from the retranslation of opening balances and between average and year-end rates to the presentational currency are included in the statement of comprehensive income.

All other exchange differences are included in the general business non-technical account.

Where Canadian dollars or Euros are sold or bought relating to the profit or loss of the closed underwriting account after 36 months, any exchange profit or loss arising is reflected in the underwriting account into which the liabilities of that year have been reinsured. Where US dollars relating to the profit or loss of a closed underwriting account are bought or sold by the syndicate on behalf of the members on that year, any exchange profit or loss accrues to those members.

The following rates of exchange to sterling have been used in the preparation of these accounts:

	Year-end rate	Average rates during		
	2025	**2025**	2024	2023
USD	**1.35**	**1.32**	1.28	1.24
CAD	**1.84**	**1.84**	1.75	1.68
EUR	**1.15**	**1.17**	1.18	1.15

Syndicate 6103 funds withheld basis

Syndicate 2791 has purchased a proportional reinsurance contract from Syndicate 6103 also managed by Managing Agency Partners Limited. This proportional reinsurance contract operates on a funds withheld basis; reinsurance premium less recoveries payable to Syndicate 6103 are withheld by Syndicate 2791. The withheld funds are invested alongside Syndicate 2791's other investments until Syndicate 6103 closes the relevant year of account, normally at 36 months.

At the closure, by Reinsurance to Close of Syndicate 6103 the net funds are released to the members of Syndicate 6103. Syndicate 2791 has the right to request funds from the members of Syndicate 6103 if its net balance becomes a liability.

The contract between the syndicates provides that an investment return is payable by Syndicate 2791 on the average net balance owed to Syndicate 6103. The return mirrors that achieved by Syndicate 2791 on its own funds, principally, the credit for reinsurance trust fund in respect of US dollar balances.

3. Accounting Policies *continued*

Investment values

Financial investments are valued at fair value. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date.

Listed investments

Listed and other quoted investments are stated at current bid value at the statement of financial position date. For this purpose listed and quoted investments are stated at market value and deposits with credit institutions are stated at cost.

The cost of syndicate investments is the amount paid on the purchase date for those investments still held at the statement of financial position date.

Deposits

All deposits with credit institutions are stated at cost.

Unlisted investments

Some investments are not listed or in a market not regarded as active because:

- quoted prices are not readily and regularly available; or
- prices do not represent actual and regularly occurring market transactions on an arm's length basis.

In such circumstances the syndicate then seeks to establish fair value by using third party administrators with experience in valuing such assets using valuation techniques as described below:

- using recent arm's length transactions between knowledgeable, willing parties (if available);
- reference to the current fair value of other instruments that are substantially the same; and
- discounted cash flow analyses and option pricing models.

The chosen valuation technique makes maximum use of market inputs and relies as little as possible on estimates. It incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial investment.

The syndicate participates in hedge/credit funds and related financial instruments for which there are no available quoted market prices. The valuation of these hedge funds is based on fair value techniques (as described above). The fair value of the hedge/credit fund portfolio is calculated by reference to the underlying net asset values (NAVs) of each of the individual funds.

Consideration is also given to adjusting such NAV valuations for any restriction applied to distributions, the existence of any illiquid share classes, and the timing of the latest available valuations. The cost of syndicate investments is deemed to be the aggregate of market value at the accepted RITC date of those investments still held at the current statement of financial position date, and purchases during the period.

Deposits with ceding undertakings

Deposits with ceding undertakings are measured at cost less allowance for impairment.

Investment return

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

Realised gains and losses on investments carried at market value are calculated as the difference between sale proceeds and purchase price.

Movements in unrealised gains and losses on investments represent the difference between their valuation at the statement of financial position date and their purchase price or, if they have been previously valued, their valuation at the last statement of financial position date, together with the reversal of unrealised gains and losses recognised in earlier accounting periods in respect of investment disposals in the current period.

As detailed above with regard to funds withheld on behalf of Syndicate 6103, investment income earned in the period is reduced by the amount payable to Syndicate 6103.

Purchases and sales of investments are recognised on the trade date, which is the date the syndicate commits to purchase or sell the assets. Funds receivable or payable after the trade date are recorded in debtors and creditors respectively until settled.

Allocation of investment return

Investment return is initially recorded in the non-technical account. A transfer is made from the non-technical account to the general business technical account. Investment return has been wholly allocated to the technical account as all investments are generated by insurance related assets.

Investment management expenses

Comprise contractual fees and profit commissions payable to external third party investment managers for managing the syndicate's investment funds. They are accrued in the period to which they relate.

NOTES TO THE ACCOUNTS

continued

3. Accounting Policies *continued*

Overseas deposits

Overseas deposits lodged as a condition of conducting underwriting business in certain countries in compliance with Lloyd's licences are stated at the market value, based on a bid price, ruling at the statement of financial position date.

Operating expenses

Where expenses are incurred by, or on behalf of, the managing agent on the administration of managed syndicates, these expenses are apportioned using varying methods depending on the type of expense. Expenses which are incurred jointly for the agency company and managed syndicates are apportioned between the agency company and the managed syndicates on bases depending on the amount of work performed, resources used and the volume of business transacted. Syndicate operating expenses are allocated to the year of account for which they are incurred.

An element of underwriters costs are transferred from administrative expenses to other acquisition costs as detailed in the acquisition costs accounting policy note.

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.

No provision has been made for any United States Federal Income Tax payable on underwriting results or investment earnings. Any payments on account made by the syndicate during the year are included in the statement of financial position under the heading 'Debtors'.

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

Pension costs

MAP operates a defined contribution scheme. Pension contributions relating to syndicate staff are charged to the syndicate and included within net operating expenses.

Profit commission

Profit commission is charged by the managing agent at a rate of 20% of profit subject to a hurdle rate (whereby the profit commission rate reduces to 17.5%) and the operation of a deficit clause. This is charged to the syndicate on an earned basis but does not become payable until after the year of account closes, normally at 36 months. When the syndicate makes a loss that loss will be debited by year of account until fully utilised reducing the following two years of account's results for the purpose of calculating profit commission.

4. Segmental Analysis

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

	Gross written premiums (1) £'000	Gross claims incurred (2) £'000	Net operating expenses (4) £'000	Reinsurance balance £'000	Total £'000	Net technical provisions £'000
2023 year of account Direct insurance						
Accident and health	6,227	(1,757)	(2,910)	(5)	1,555	(5,450)
Fire and other damage to property	116,905	(32,350)	(37,525)	(26,926)	20,104	(10,061)
Marine, aviation and transport	19,825	(7,835)	(7,108)	(178)	4,704	(7,041)
Motor (other classes)	38,763	(18,746)	(13,866)	(3,202)	2,949	(7,081)
Third party liability	51,017	(58,946)	(7,545)	(123)	(15,597)	(83,358)
Miscellaneous	813	(18)	(473)	(9)	313	(2,007)
	233,550	(119,652)	(69,427)	(30,443)	14,028	(114,998)
Reinsurance	443,651	(122,498)	(114,808)	(94,547)	111,798	(158,099)
Total	677,201	(242,150)	(184,235)	(124,990)	125,826	(273,097)

1. Gross premiums earned are identical to gross premiums written.
2. Gross claims incurred comprise gross claims paid and movement in gross technical provisions.
3. All premiums are concluded in the UK.
4. Net operating expenses include reinsurers' commissions and profit participations.
5. All 2022 and prior years of account movements during 2025 are reflected in the above figures.
6. The business class split reported is a statutory reporting requirement but the business is managed by its own business classes and hence an element of allocation is used.

4. Segmental Analysis *continued*

The geographical analysis of gross premiums by location of risk is as follows:

	Direct £'000	Reinsurance £'000	Total £'000
UK	25,773	10,229	36,002
EU countries	108	21,140	21,248
US	173,415	360,938	534,353
Other	34,254	51,344	85,598
Total	233,550	443,651	677,201

Total commissions on direct gross premiums written amount to £52.9m.

5. Reinsurance to Close Premium Receivable

	Syndicate 2791 £'000	Syndicate 6103 £'000	Total £'000
Gross reinsurance to close premium receivable	277,013	8,392	285,405
Reinsurance recoveries anticipated	(30,403)	–	(30,403)
Reinsurance to close premium receivable, net of reinsurance	246,610	8,392	255,002

At 1 January 2025, Syndicate 2791 accepted a Reinsurance to Close Premium from Syndicate 6103 in respect of Syndicate 6103's 2022 year of account.

6. Movement in Underwriting Reserves

The following table reconciles the reinsurance to close in the income statement to the statement of financial position:

	Reserves at average rate £'000	Exchange to closing rate £'000	Closing RITC £'000
2022 and prior opening balance	(246,610)	15,609	(231,001)
Movement in paid, outstanding and IBNR in year	30,465	7,706	38,171
Change in three year period (2023 pure)	(90,599)	8,770	(81,829)
Movement in unallocated loss and loss adjustment expenses	1,562	–	1,562
	(305,182)	32,085	(273,097)

The exchange difference arising from the retranslation of the opening reinsurance to close liabilities is exactly matched by the assets transferred in at 1 January 2025 in currency and therefore the effect to the income statement is nil.

7. Reinsurance to Close Premium Payable

	2022 and prior £'000	2023 pure £'000	2023 £'000
Gross outstanding claims	59,133	29,785	88,918
Reinsurance recoveries anticipated	(7,373)	(2,616)	(9,989)
Net outstanding claims	51,760	27,169	78,929
Provision for gross claims incurred but not reported	135,394	55,954	191,348
Reinsurance recoveries anticipated	(2,704)	(1,295)	(3,999)
Provision for net claims incurred but not reported	132,690	54,659	187,349
Unallocated loss and loss adjustment expenses	4,542	2,277	6,819
Net premium for reinsurance to close	188,992	84,105	273,097

A positive run-off of £0.47m on the 2022 and prior years' reserves (2021 and prior: £27.0m) was experienced in the year. This change to the previous closed year reserves was 0.2% of the relevant provisions brought forward.

The reinsurance to close is affected to the 2024 year of account of Syndicate 2791.

8. Administrative Expenses

	£'000
Personal expenses	7,475
Managing agent's profit commission	47,550
Other administrative expenses	8,885
Administrative expenses	63,910

Personal expenses comprise managing agent's fees, Lloyd's subscriptions and central fund contributions.

Administrative expenses include:	2791 £'000	6103 £'000	Total £'000
Fees for the audit of the syndicate	293	22	315
Audit related assurance	156	43	199
	449	65	514

Audit related assurance includes reporting required by law and regulation, reviews of interim financial information and reporting on regulatory returns.

9. Staff Numbers and Costs

All staff are employed by the managing agent. The following amounts were recharged to the syndicate in respect of salary costs:

	£'000
Wages and salaries	7,133
Social security costs	669
Other pension costs	528
	8,330

Included above are the employment costs of underwriters attributable to acquisition of business and those of claims staff treated within the technical account as Acquisition Costs and Loss Adjustment Expenses respectively.

The average number of employees employed by the managing agent but working for the syndicate during the three years was as follows:

Administration and finance	20
Underwriting	31
Claims	7
	58

10. Emoluments of the Directors of Managing Agency Partners Limited

The directors of Managing Agency Partners Limited received the following aggregate remuneration charged to the syndicate and included within net operating expenses:

	£'000
Emoluments	1,399

The 2023 year of account has been charged with active underwriter's remuneration as follows:

	£'000
Emoluments – Active Underwriter	306

Profit related remuneration in respect of all directors and staff is wholly paid and borne by the managing agent.

11. Investment Return

	£'000
Investment income	
Income from investments	22,050
Gains on the realisation of investments	11,480
Losses on realisation of investments	(931)
	32,599
Net unrealised gains and losses	44,326
Investment expenses and charges	
Investment management expenses, including interest payable	(4,322)
Investment return payable to Syndicate 6103	(7,830)
	(12,152)
Total Investment Return	64,773

All investment return arises from investments designated as fair value through profit and loss.

12. Balance on the Technical Account – General Business

	2022 and prior years of account £'000	2023 pure year of account £'000	Total 2023 £'000
Balance excluding investment return and operating expenses	3,568	306,493	310,061
Brokerage and commission on gross premium	397	(130,211)	(129,814)
Allocated investment return	186	64,587	64,773
Net operating expenses other than acquisition costs	319	(54,740)	(54,421)
	4,470	186,129	190,599

13. Exchange Gains and Losses

Exchange gains and losses arise as follows:

	£'000
On 2023 balances brought forward at 1 January 2025: from opening to closing rates	295
On transactions during the calendar year: from average to year end rates	(10,152)
	(9,857)
Represented by:	
Non-technical account foreign exchange	632
Exchange differences on foreign currency translation	(10,489)
	(9,857)

14. Financial Investments

	Market value £'000	Cost £'000
Investments:		
Shares and other variable yield securities and units in unit trusts	137,151	102,961
Debt securities and other fixed income securities	365,795	363,979
Participation in investment pools	1,895	1,550
Deposits with credit institutions	269	269
Overseas deposits as investments	10,099	9,977
	515,209	478,736

Within "Shares and other variable yield securities and units in unit trusts" £49.7m are listed on a recognised exchange. These comprise 9.7% of the total market value of investments.

15. Deposits with Ceding Undertakings

This balance represents a claims float held by Lloyd's Insurance Company, Brussels (LIC) to settle Part VII claims.

16. Debtors

	£'000
Arising out of direct insurance operations	6,216
Arising out of reinsurance operations	27,997
Members' agents' fees advances	1,659
Non-standard personal expenses due from members (overseas taxation)	178
Outstanding settlements on investments	66
Sundry debtors	18
Reinsurers' profit commission and overriding commission	6,064
	42,198

Debtors arising out of reinsurance operations of £28.0m include funds due in respect of Syndicate 6103 of £16.0m.

17. Amounts Due to Members

	£'000
Profit for the 2023 closed year of account due to members at 31 December 2025	180,742

18. Other Creditors

	£'000
Arising out of direct insurance operations	
Policyholders	
Intermediaries	2,506
Arising out of reinsurance operations	63,497
Managing agent's profit commission	45,186
Inter-syndicate loan	6,829
Outstanding settlements on investments	35,038
	153,056

Creditors in respect of reinsurance operations of £63.5m include funds due to Syndicate 6103 of £57.8m.

19. Cash and Cash Equivalents

	£'000
Cash at bank and in hand	49,894
	49,894

20. Related Parties

The managing agency (MAP), the Syndicates 2791 and 6103 and the directors of MAP are all related parties.

- MAP's relationship to the syndicates is governed by a managing agent's agreement.
- The syndicates' relationship to each other is governed by a reinsurance contract for each year of account.
- Some of the directors of the managing agency own shares in the ultimate parent of the managing agent and receive remuneration from the managing agent based on MAP's profitability.
- The directors also participate alongside other capital providers in the syndicate via the following unrelated entities: MAP Capital Limited, Nomina No 208 LLP and Nomina No 570 LLP.
- An investment fund in which the syndicate formerly held investments participated in the syndicate's capital and is deemed a related party by virtue of its participation in Syndicate 2791.

MAP's relationship to the syndicates

Managing agency fees amounting to £3.6m were paid to MAP for the 2023 year and profit commission of £45.2m (at closing rates) is also due to the managing agent in respect of the results for this year of account. Expenses totaling £12.0m were recharged to this year of account through acquisition and other administrative expenses. The key management compensation charged to the syndicate is disclosed in note 10. No profit related remuneration is payable by the syndicate to employees of MAP. The managing agency agreement contract setting out fees and profit commission payable to the managing agent is under standard terms set out by Lloyd's.

The syndicates' relationship to each other

The underwriting business of Syndicate 6103 is derived solely under a reinsurance contract with Syndicate 2791. Under the terms of this contract:

- Syndicate 6103 is obliged to accept 30% for 2023 year of account of all business written by Syndicate 2791 under certain categories of its property catastrophe book depending on the year of account. Syndicate 2791 retains the balance of this book net for its own account.
- Syndicate 2791 receives a ceding commission of 5% and an overriding commission of 0.71% of gross written premiums ceded to Syndicate 6103 to cover personal expenses of Syndicate 6103 names borne by Syndicate 2791.
- A profit commission of 15% of profits, as defined in the contract, is payable to MAP.
- All funds are retained and invested by Syndicate 2791 on behalf of Syndicate 6103 and interest is payable (or charged on negative balances) to Syndicate 6103 at rates agreed.

20. Related Parties *continued*

The syndicates' relationship to each other continued

Under the terms of the reinsurance contract the balance owed to Syndicate 2791 by Syndicate 6103 at the end of the period is £40.3m and will be settled through the Lloyd's distribution process. There are no other conditions or guarantees offered by Syndicate 2791 to Syndicate 6103 under the reinsurance contract.

The following transactions between the syndicates occurred for the 2023 year of account:

	£'000
Premiums ceded	(62,246)
Paid claims recovered	13,993
Ceding commission	3,140
Overriding commission	406
Investment income payable	(7,830)
Reinsurance to close premium	2,135
Managing agent's profit commission	7,142

The directors' ownership of MAP

The managing agent, MAP, is a wholly owned subsidiary of Managing Agency Partners Holdings Limited, the equity of which is 90.1% owned by MAP Equity Limited, a company that is entirely owned by the staff of the managing agent and syndicate.

The directors' interests in the ordinary share capital of MAP Equity Limited the ultimate holding company, which has an issued share capital of 250,000 £1 shares, at the statement of financial position date were as follows:

	A Shares (voting)	B Shares (non-voting)
A Kong	22,000	–
T R McDermott	–	3,750
J J Parker	–	2,500
C J Smelt	5,000	5,000
R K Trubshaw	33,000	–
N D Williams	–	6,250

The directors' participations in the syndicate

Messrs. Foote, Kong, Parker, Shipley, Smelt, Trubshaw and Williams, or their related parties, participate on Syndicate 2791 via a dedicated, but unaligned to the managing agent, corporate member MAP Capital Limited and/or corporate member Nomina No 208 LLP and/or corporate member Nomina No 570 LLP.

For the 2023 year of account MAP Capital Limited provided £68.0m of capacity on Syndicate 2791 representing 14.4% of capacity.

For the 2023 year of account Nomina No 208 LLP has provided £13.1m of capacity representing 2.8% of capacity. For the 2023 year of account Nomina No 570 LLP has provided £4.7m of capacity representing 1.0% of capacity.

MAP has no direct or indirect interest in MAP Capital Limited, Nomina No 208 LLP or Nomina No 570 LLP. All capital is provided on an arm's length basis.

There are no other transactions or arrangements requiring disclosure.

21. Contingent Liabilities

Letters of credit

The syndicate has provided letters of credit to certain insureds and reinsureds to cover losses that might arise on their contracts written in the ordinary course of business. These amount to US$0.4m; the letters of credit are fully collateralised with cash deposits held by Citibank, on the syndicate's account, of US$0.4m.

MAP

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