Important information about Syndicate Reports and Accounts

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

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

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

Syndicate 2008

Annual Report and Financial Statements
For the year ended 31 December 2022

Table of Contents

Directors and Administration

Managing agent

Enstar Managing Agency Limited

Directors

The directors named below held office for the period 1 January 2022 to 31 December 2022.

M Goddard (Chair and Non-Executive)

A Elliott (Non-Executive)

K Felisky (Non-Executive)

B Dimmock

D Truman

M Batterbury

N Shah

S Hextall

Former directors who served during the year

C Forbes (resigned 7 March 2022)

Directors and Administration (continued)

Managing agent's secretary

F Brook

S Hextall

Managing agent's registered office

8th Floor, One Creechurch Place
London, EC3A 5AY
United Kingdom

Managing agent's registered number

10595512

Syndicate

Run-off manager
M Batterbury

Banker
Citibank, Barclays, Royal Bank of Canada

Investment manager
Goldman Sachs

Registered auditor
PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

Consulting actuary
Lane Clark & Peacock LLP

Report of the directors of the managing agent

The directors of the managing agent, Enstar Managing Agency Limited ("EMAL") present their managing agent's report for Syndicate 2008 ("the Syndicate") for the year ended 31 December 2022.

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 and applicable United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ('FRS102') and Financial Reporting Standard 103 "Insurance Contracts" ('FRS103'). There is no 2020 YOA as the Syndicate did not execute any Reinsurance To Close ("RITC") transactions during that year.

The results for year ended 31 December 2022 are shown in the table below.

2022	2021 YOA £'000	2022 YOA £'000	All YOA's £'000
Net premiums earned	5,931	52,776	58,707
Total technical charges	(27,009)	(53,521)	(80,530)
Technical loss	**(21,078)**	**(745)**	**(21,823)**
Investment income	(25,939)	190	(25,749)
Net expenses	(16,099)	(1,437)	(17,536)
Non-technical account - other income/charges	(5,443)	-	(5,443)
Profit on foreign exchange	3,355	-	3,355
Net loss	**(65,204)**	**(1,992)**	**(67,196)**

Principal activities

The principal activity of the business of Syndicate 2008 is to provide finality solutions for The Society of Lloyd's ("Lloyd's") run-off business through either reinsurance to close, quota share agreements, adverse development cover or loss portfolio transfer.

Business Review

Syndicate 2008 did not execute any RITC transactions during the year.

Over the year, a number of factors have impacted the world economies such as rising interest rates and inflation. In addition, the Russia-Ukraine conflict continues to cast a long shadow, with economic and market stresses being particularly intense in Europe given its dependence on Russian energy and commodities.

Claims inflation has been flagged as one of the key challenges facing the insurance industry in the near-term. An exercise was performed across each portfolio to identify areas most impacted by the current economic climate in regard to inflation which resulted in an uplift to the claims reserves.

Report of the directors of the managing agent (continued)

Business Review (continued)

There were two key factors that drove the Syndicate's £67.2m loss in 2022. The first was a technical loss of £21.1m driven by a strengthening of reserves of £35.5m following adverse development on its general liability business, partly offset by reductions in claims ultimates across the rest of the book. The Syndicate may benefit from future additional premium if the trend seen in 2022 continues. The second was the increase in interest rates over the course of 2022 which caused the market value of the Syndicate's fixed income holdings to decrease giving rise to an unrealised investment loss of £33.3m.

On 31 August 2022, Syndicate 2008 completed a Loss Portfolio Transfer ("LPT") with Probitas Managing Agency Limited ("Probitas"), pursuant to which the Syndicate has reinsured a diversified portfolio of legacy insurance business underwritten by Probitas Syndicate 1492. The LPT is effective from 31 August 2022 and it is on a partial Funds Withheld basis. Through this transaction, Probitas ceded net insurance reserves of £54.6m as at 31August 2022 relating to 2018 and prior-year business.

During the year, the Syndicate made its first attestations to Lloyd's in respect of The Principles for Doing Business at Lloyd's which replaced the Lloyd's Minimum Standard's. The Principles provide an articulation of the outcomes expected by all Lloyd's Syndicates and managing agents.

Principal Risks and Uncertainties

A description of the principal risks and uncertainties facing the Syndicate is set out in note 4 of the financial statements.

Going Concern

The directors have performed an assessment of the Syndicate's ability to continue as a going concern, including the impact of rising interest rates and inflation.

The Syndicate has financial resources to meet its financial needs and manages a mature portfolio of insurance risk through an experienced and stable team. The directors believe that the Syndicate is well positioned to manage its business risks successfully in the current economic environment. The directors have continued to review the business plans, liquidity and operational resilience of the Syndicate, particularly in light of the risks associated with rising interest rates and inflation.

The Syndicate performed an exercise across each portfolio to identify areas where the current economic climate in regard to inflation may have impacted the reserves. Where necessary, the Syndicate's reserves were strengthened.

The significant rise in interest rates to combat high inflation continues to drive unrealised losses on the Syndicate's investment portfolio. However, we expect that these losses will materially unwind as the investments/bonds will amortise back to par or full principal value as they reach maturity.

The Syndicate made a loss during the year amounting to £67.2m of which £33.3m was as a result of net unrealised losses on investments. The unrealised losses resulted in a reduction in value of the Syndicate's financial assets. However, this fall in assets does not have an impact on the going concern assessment of the Syndicate as the Syndicate aims to hold its investments to maturity which removes this risk associated with fluctuations in market value.

Report of the directors of the managing agent (continued)

Climate Risk

The Syndicate specialises in run-off, and is not a live underwriter of new policies, Exposure to climate-related risks emanates from the acquired insurance liabilities and the assets that back those liabilities. In assuming future insurance run-off liabilities, as part of our disciplined due diligence approach, we insist upon informed excellence in risk selection. This includes consideration of climate-related risk exposures and the impact of potential concentrations on our existing liabilities, as well as ESG investment risk exposures in our asset portfolios.

Our Enterprise Risk Management (ERM) framework defines the roles and responsibilities for effective oversight and management of environmental, social and governance (ESG) and climate-related risks and opportunities at the Board and senior management levels.

Climate change presents risks and opportunities to the sustainability of our business. The Syndicate's business strategy is exposed to the following risks over the short (<2030), medium (<2040) and longer (≥2040) term time horizons, across three major types of climate risk:

- **Physical risks (Short to Longer term):** These are the first order risks arising from weather-related events, such as floods and storms. Their impact may be felt directly through property damage, or indirectly through subsequent events such as disruption of global supply chains or resource scarcity. Our operations may be impacted by physical risks affecting key supporting infrastructure and/or our outsourced service providers. The impact and likelihood of this risk is considered low, given our global presence and the Business Continuity Framework and procedures we have in place.
- **Transition risks (Short to Medium Term):** These include financial risks deriving from the transition to a carbon net zero economy, and for the Syndicate this includes potential swift, adverse repricing of carbon-intensive financial assets.

  In the near term our investment portfolio could be exposed to the loss of value in specific investments due to disruption caused by transitioning to a lower carbon emitting economy. The impact could increase over time if part of the transition to a greener economy is associated with increased production costs. Certain sectors could be subject to significant impairments due to changing consumer demand, the repricing of assets or changing regulatory requirements.

  The recent geo-political tensions resulting from the Russia-Ukraine conflict has the potential to accelerate these traditional risks through the need to diversify existing energy sources, including increased investment in energy derived from more sustainable sources.
- **Liability risks (Short to Medium Term):** These include third-party exposures such as claimants who have suffered climate-change related losses and damage seeking compensation. Liability risks also include the unknown and potentially high costs of dealing with losses or damage from physical or transition risk factors. Liability risks are particularly high for those directors and officers who do not properly manage and report climate-related risks and commit errors and omissions.

As we acquire liabilities, there is a risk that our current practices and processes do not successfully identify and/or price the risks arising from Climate Change resulting in actual returns deviating adversely from those assumed when the transaction was priced.

Many of our underlying portfolios contain lines of business that could, at the industry-wide level, be exposed to significant Climate Change risk (e.g., Environmental claims, Professional Lines etc.). Given the Syndicate's business model of acquiring and efficiently settling legacy claims, we do not underwrite new exposures.

In order to quantify the financial impact of risks/opportunities brought about by the climate-related risks set out above, we undertake periodic analysis to quantify the potential impact on both our assets and liabilities. Stress and scenario testing conducted in 2022 indicates that the impact of physical, transition and liability risks on the Syndicate's portfolios is low.

Report of the directors of the managing agent (continued)

Russia's Invasion of Ukraine

On 24 February 2022, Russia launched an invasion of Ukraine. Following the invasion the United Kingdom, European Union, United States, Australia, Canada and Japan announced punitive sanctions and export controls including blocking sanctions on significant Russian financial institutions and members of Russia's government and elite and trading restrictions on Russia's sovereign debt. The sanctions do not only apply to direct payments to named individual or entities, they apply to any payments or financial services that would lead to a benefit to these parties. Payments of claims are covered by the sanctions. Management have carried out an assessment of the impact on the Syndicate's future performance and this has been deemed to be immaterial.

Future developments

The intention of the Board is to continue to pursue reinsurance opportunities and other Lloyd's closure solutions as they arise, and to manage the ongoing liabilities of the Syndicate as economically and efficiently as possible.

Directors

The current directors of the managing agent are set out on page 2.

None of the directors participate directly on the Syndicate.

Disclosure of information to auditor

The directors of the managing agent who held office at the date of approval of this managing agent's report confirm that, as far as they are each aware, there is no relevant audit information of which the Syndicate's auditor is unaware; and each director has taken all the steps that they ought to have taken in their capacity as a director to make themselves aware of any relevant audit information and to establish that the Syndicate's auditor is aware of that information.

Auditor

In accordance with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) (the 2008 Regulations), PricewaterhouseCoopers LLP ("PwC") were appointed as the Syndicate's auditors.

Pursuant to Section 14(2) of Schedule 1 of the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) (the 2008 Regulations), the auditor will be deemed to be reappointed and PwC will therefore continue in office.

Syndicate meeting

The managing agent confirms that it does not propose to hold an annual general meeting of the members of the Syndicate.

B Dimmock
Director
For and on behalf of the Board
27 February 2023

Statement of managing agent's directors' responsibilities

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

The Insurance Accounts Directive (Lloyds's Syndicate and Aggregate Accounts) Regulations 2008 requires the directors of the managing agent to prepare their Syndicate's annual accounts for each financial year. Under that law they have elected to prepare the annual accounts in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under Insurance Accounts Directive (Lloyds's Syndicate and Aggregate Accounts) Regulations 2008 the directors of the managing agent must not approve the annual accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Syndicate and of the profit or loss of the Syndicate for that period. In preparing these annual accounts, the directors of the managing agent are 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 annual accounts;
- Assess the syndicate's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use the going concern basis of accounting unless they either intend to cease trading or have no realistic alternative but to do so.

The directors of the managing agent are responsible for keeping adequate accounting records that are sufficient to show and explain the Syndicate's transactions and disclose with reasonable accuracy at any time the financial position of the Syndicate and enable them to ensure that the Syndicate annual accounts comply with the Insurance Accounts Directive (Lloyds's Syndicate and Aggregate Accounts) Regulations 2008. They are responsible for such internal control as they determine is necessary to enable the preparation of Syndicate annual accounts that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Syndicate and to prevent and detect fraud and other irregularities.

B Dimmock
Director
For and on behalf of the Board
27 February 2023

Independent auditor’s report to the members of Syndicate 2008

Report on the audit of the syndicate annual accounts

Opinion

In our opinion, 2008’s syndicate annual accounts:

- give a true and fair view of the state of the syndicate’s affairs as at 31 December 2022 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”, and applicable law); and
- have been prepared in accordance with the requirements of The Insurance Accounts Directive (Lloyd’s Syndicate and Aggregate Accounts) Regulations 2008.

We have audited the syndicate annual accounts included within the Annual Report and Financial Statements (the “Annual Report”), which comprise: the Statement of financial position - Assets; the Statement of financial position- Liabilities as at 31 December 2022; the Income statement: Technical account - General business; the Income Statement: Non-technical account - General business, the Statement of cash flows, and the Statement of changes in members’ balances for the year then ended; and the notes to the syndicate annual accounts, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”), and The Insurance Accounts Directive (Lloyd’s Syndicate and Aggregate Accounts) Regulations 2008 and other applicable law. Our responsibilities under ISAs (UK) are further described in the *Auditors’ responsibilities for the audit of the syndicate annual accounts* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the syndicate in accordance with the ethical requirements that are relevant to our audit of the syndicate annual accounts in the UK, which includes the FRC’s Ethical Standard, as applicable to other entities of public interest, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC’s Ethical Standard were not provided.

Other than those disclosed in note 7, we have provided no non-audit services to the syndicate in the period under audit.

Independent auditor's report to the members of Syndicate 2008 (continued)

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the syndicate's ability to continue as a going concern for a period of at least twelve months from when the syndicate annual accounts are authorised for issue.

In auditing the syndicate annual accounts, we have concluded that the Managing Agent's use of the going concern basis of accounting in the preparation of the syndicate annual accounts is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the syndicate's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Managing Agent with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the syndicate annual accounts and our auditors' report thereon. The Managing Agent is responsible for the other information. Our opinion on the syndicate annual accounts does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the syndicate annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the syndicate annual accounts or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the syndicate annual accounts or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Report of the directors of the managing agent (the "Managing Agent's Report") , we also considered whether the disclosures required by The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 have been included.

Based on our work undertaken in the course of the audit, The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 requires us also to report certain opinions and matters as described below.

Managing Agent's Report

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 year ended 31 December 2022 is consistent with the syndicate annual accounts and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the syndicate and its environment obtained in the course of the audit, we did not identify any material misstatements in the Managing Agent's Report.

Independent auditor's report to the members of Syndicate 2008 (continued)

Responsibilities for the syndicate annual accounts and the audit

Responsibilities of the Managing Agent for the syndicate annual accounts

As explained more fully in the Statement of managing agent's directors' responsibilities, the Managing Agent is responsible for the preparation of the syndicate annual accounts in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Managing Agent is also responsible for such internal control as they determine is necessary to enable the preparation of syndicate annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the syndicate annual accounts, the Managing Agent is responsible for assessing the syndicate's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless it is intended for the syndicate to cease operations, or it has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the syndicate annual accounts

Our objectives are to obtain reasonable assurance about whether the syndicate annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 annual accounts.

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.

Based on our understanding of the syndicate and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK and European regulatory principles, such as those governed by the Prudential Regulation Authority and the Financial Conduct Authority, and those regulations set by the Council of Lloyd's, and we considered the extent to which non-compliance might have a material effect on the syndicate annual accounts. We also considered those laws and regulations that have a direct impact on the syndicate annual accounts such as The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008. We evaluated management's incentives and opportunities for fraudulent manipulation of the syndicate annual accounts (including the risk of override of controls), and determined that the principal risks were related to the postings of inappropriate journals and management bias in significant accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management, internal audit and the syndicate's compliance function, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud.
- Reviewing relevant meeting minutes including those of the Risk Committee, Finance and Investment Committee, Claims, Reinsurance and Reserving Committee and Audit Committee and correspondence with regulatory authorities, including Lloyd's of London and the Prudential Regulatory Authority.
- Challenging assumptions and judgements made by management when determining their significant accounting estimates, in particular in relation to valuation of the IBNR component of claims outstanding and the valuation of level 3 investment securities

Independent auditor's report to the members of Syndicate 2008 (continued)

Auditors' responsibilities for the audit of the syndicate annual accounts (continued)

- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations impacting IBNR, journals with unusual words and those posted late in the year end close process.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the syndicate annual accounts. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for the syndicate's member in accordance with part 2 of The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Under The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Managing Agent in respect of the syndicate; or
- certain disclosures of Managing Agent remuneration specified by law are not made; or
- the syndicate annual accounts are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

Mark Bolton (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
27 February 2023

Income statement: Technical account – General business

For the year ended 31 December 2022

	Note	2022 £'000	2022 £'000	2021 (Restated)* £'000	2021 (Restated)* £'000
Earned premiums, net of reinsurance					
Gross premiums written	*5*	**50,385**		418,398	
Outwards reinsurance premiums		**3,456**		(568)	
			53,841		417,830
Change in the provision for unearned premiums					
Gross amount		**12,740**		25,152	
Reinsurers' share		**(7,874)**		(13,913)	
			4,866		11,239
	17		**58,707**		429,069
Allocated investment return transferred from the non-technical account	*10*		**(25,749)**		8,185
Claims incurred, net of reinsurance	*17*				
Claims paid					
Gross amount		**(330,034)**		(275,405)	
Reinsurers' share		**120,989**		130,900	
			(209,045)		(144,505)
Change in the provision for claims	*17*				
Gross amount		**274,422**		(73,236)	
Reinsurers' share		**(145,907)**		(145,370)	
			128,515		(218,606)
Net operating expenses	*7*		**(17,536)**		(15,823)
Balance on the technical account – general business			**(65,108)**		58,320

*See note 23

All operations relate to continuing activities.

The notes on pages 19 to 59 form an integral part of these financial statements.

Income statement: Non-technical account – General business

For the year ended 31 December 2022

	Note	2022 £'000	2021 (Restated)* £'000
Balance on the technical account – general business		**(65,108)**	58,320
Non-technical account – other charges		**(5,443)**	(5,332)
Investment income	*10*	**7,771**	10,874
Unrealised losses on investments	*10*	**(33,329)**	(2,499)
Investment expenses and charges	*10*	**(191)**	(190)
Allocated investment return transferred to technical account	*10*	**25,749**	(8,185)
Profit on foreign exchange		**3,355**	23
(Loss)/profit for the financial year		**(67,196)**	53,011

*See note 23

All operations relate to continuing activities.

There are no items of other comprehensive income in the accounting period, therefore no statement of other comprehensive income has been presented.

The notes on pages 19 to 59 form an integral part of these financial statements.

Statement of financial position – Assets

As at 31 December 2022

	Note	2022		2021 (Restated)*	
		£'000	£'000	£'000	£'000
Investments					
Other financial investments	*11*	**646,194**		847,989	
Deposits with ceding undertakings		**265,823**		336,849	
			912,017		1,184,838
Reinsurers' share of technical provisions	*17*				
Provision for unearned premiums		**7,559**		14,646	
Claims outstanding		**537,057**		641,261	
			544,616		655,907
Debtors					
Debtors arising out of direct insurance operations	*12*	**4,566**		7,458	
Debtors arising out of reinsurance operations	*13*	**15,204**		25,590	
Other debtors	*14*	**63,136**		58,195	
			82,906		91,243
Other assets					
Other assets	*15*	**2,640**		12,671	
Cash at bank and in hand	*20*	**35,694**		14,014	
			38,334		26,685
Prepayments and accrued income					
Accrued interest		**3,043**		3,695	
Deferred acquisition costs		**6,651**		5,638	
			9,694		9,333
Total assets			**1,587,567**		1,968,006

*See note 23

The notes on pages 19 to 59 form an integral part of these financial statements.

Statement of financial position – Liabilities

As at 31 December 2022

	Note	2022		2021 (Restated)*	
		£'000	**£'000**	£'000	£'000
Capital and reserves					
Members' balances			**(15,864)**		98,674
Technical provisions	*17*				
Provision for unearned premiums		**15,147**		26,713	
Claims outstanding		**1,186,259**		1,363,774	
			1,201,406		1,390,487
Deposits received from reinsurers			**352,767**		428,286
Creditors					
Creditors arising out of reinsurance operations	*18*	**11,829**		16,139	
Other creditors	*19*	**28,270**		28,905	
			40,099		45,044
Accruals and deferred income			**9,159**		5,515
Total liabilities and equity			**1,587,567**		1,968,006

*See note 23

The notes on pages 19 to 59 form an integral part of these financial statements.

The Syndicate financial statements on pages 13 to 59 were approved by the Board of Enstar Managing Agency Limited on 23 February 2023 and were signed on its behalf by:

B Dimmock
Director
27 February 2023

Statement of changes in members' balances

For the year ended 31 December 2022

	2022 £'000	2021 (Restated)* £'000
Members' balances brought forward at 1 January	**98,674**	114,983
(Loss)/profit for the financial year	**(67,196)**	53,011
Payments of profit to members' personal reserve fund [1]	**(47,342)**	(69,320)
Members' balances carried forward at 31 December	**(15,864)**	98,674

*See note 23

The notes on pages 19 to 59 form an integral part of these financial statements.

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

[1] During the period the Syndicate distributed profits of £47.3m (2021: £69.3) to SGL No.1 Limited, the corporate member.

Statement of cash flows

For the year ended 31 December 2022

	2022		2021 (Restated)*	
	£'000	**£'000**	£'000	£'000
Cash flows from operating activities				
(Loss)/profit for the year	**(67,196)**		53,011	
Adjustments:				
(Decrease)/increase in technical provisions	**(189,082)**		40,215	
Decrease in reinsurers share of technical provisions	**111,291**		158,155	
Decrease in debtors	**18,367**		24,459	
(Decrease)/increase in creditors	**(4,444)**		23,795	
Investment return	**25,749**		(8,185)	
Movement in other assets/liabilities	**(1,024)**		(416,515)	
Foreign exchange (gain)/loss	**(52,467)**		11,317	
Net cash outflow from operating activities		**(158,806)**		(113.748)
Cash Flow from investing activities				
Acquisitions of financial instruments	**(132,376)**		(112,404)	
Proceeds from sales of financial instruments	**213,986**		238,086	
Investment income received	**7,580**		10,684	
Decrease in deposit with credit institutions	**91,699**		37,023	
Decrease in overseas deposits	**44,563**		11,651	
Net cash inflow from investing activities		**225,452**		185,040
Net cash flow from financing activities:				
Transfer to members in respect of underwriting participations	**(47,342)**		(69,320)	
Net cash outflow from financing activities		**(47,342)**		(69,320)
Net increase in cash and cash equivalents		**19,304**		1,972
Cash at bank and in hand at 1 January		**14,014**		12,475
Effect of exchange rate changes on cash and cash equivalents		**2,376**		(433)
Cash at bank and in hand at 31 December		**35,694**		14,014

*See note 23

The notes on pages 19 to 59 form an integral part of these financial statements.

Notes (forming part of the financial statements)

1. Basis of preparation

The financial statements have been prepared in accordance with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and applicable accounting standards in the United Kingdom and Republic of Ireland, including Financial Reporting Standard 102 *The Financial Reporting Standard* ("FRS 102"). FRS 102 requires the application of Financial Reporting Standard 103 *Insurance Contracts* ("FRS 103").

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

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

The managing agent has prepared the financial statements on the expectation that continued capital support will be in place such that the Syndicate will continue to write new RITC business in future underwriting years of account.

Going concern

The Directors have performed an assessment of the Syndicate's ability to continue as a going concern. Having assessed the Syndicate's financial position at 31 December 2022, performance for the year then ended and to the date of signing of the financial statements, we have not found any evidence to suggest that the Syndicate will have difficulty in meeting future obligations. The Directors are satisfied that the Syndicate's operating model is sufficiently flexible to support the continuing delivery of key services for the foreseeable future.

Restatements

The Syndicate has made a number of restatements in the financial statements. The restatements were as a result of the following:

(i) Recalculation of the claims handling provision in order to meet requirements under FRS 103. This resulted in reduction of the provision for this year and the prior year amount was also restated.

(ii) Reclassification of reinstatement premiums payable from reinsurers' share of technical provisions to creditors arising out of reinsurance. This was to correct an error as the reinstatement premiums payable had been incorrectly reported as part of the reinsurers' share of technical provisions.

(iii) Reclassification of foreign exchange gain/loss reported in the statement of cash flows under investing activities to operating activities. This was to correct an error as the foreign exchange gain/loss had been incorrectly reported under investing activities.

(iv) Reclassification of unrealised gains and losses from investing activities to operating activities. This was to correct an error as the unrealised gains and losses had been incorrectly reported under investing activities.

(v) Reclassifying EEA business/transactions as reinsurance. This was to correct an error as the EEA business had previously been incorrectly reported under the respective direct lines of business.

(vi) Reclassification of investments between level 1 and 2 under the Fair Value hierarchy disclosure. This was to correct an error in the prior year's disclosure as the assessment of one of the investment funds (Patcham) had been completed on a look-through basis instead of being completed at the fund level as required by FRS102.

The impact of the above restatements has been presented in note 23 to the accounts.

Notes (continued)

2. Use of judgements and estimates

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

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The measurement of the provision for claims outstanding involves judgments and assumptions about the future that have the most significant effect on the amounts recognised in the financial statements.

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

The amount included in respect of IBNR is based on statistical techniques of estimation applied by the Syndicate Managing Agent's in-house actuaries and is reviewed by external consulting actuaries. These techniques generally involve projecting from past experience the development of claims over time in view of the likely ultimate claims to be experienced. The provision for claims also includes amounts in respect of internal and external claims handling costs.

In arriving at the level of claims provisions no margin is applied over and above the actuarial best estimate.

Further information about the risk that the provision for claims outstanding could be materially different from the ultimate cost of claims settlement is included in note 4.

3. Significant accounting policies

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

Premiums written

Premiums written comprise the reinsurance to close and loss portfolio transfer premiums on contracts incepted during the financial year as well as adjustments made in the year to premiums written in prior accounting periods by the reinsured Syndicates. Premiums exclude taxes and duties levied on them.

Unearned premiums

Written premiums are recognised as earned according to the risk profile of the policy. Unearned premiums represent the proportion of premiums written that relate to unexpired terms of policies in force at the statement of financial position date, calculated on the basis of established earnings patterns or time apportionment as appropriate.

Notes (continued)

3. Significant accounting policies (continued)

Acquisition costs

Costs incurred in acquiring general insurance contracts are deferred. Acquisition costs include direct costs such as brokerage and commission, and indirect costs such as administrative expenses connected with the processing of proposals and the issuing of policies. The deferred acquisition cost asset represents the proportion of acquisition costs which corresponds to the proportion of gross premiums written that is unearned at the balance sheet date.

Claims provisions and related recoveries

Claims incurred comprise claims and claims handling expenses (both internal and external) paid in the year and the movement in provision for outstanding claims and settlement expenses.

Outstanding claims include an allowance for the cost of claims incurred by the balance sheet date but not reported until after the year end (IBNR). The calculation of IBNR involves projecting the development of claims from past experience to form a view of the likely ultimate claims to be incurred. The key sensitivities in this calculation are the choices of development patterns and loss ratios. The most critical assumption in regard to claims provisions is that the past is a reasonable predictor of the likely level of claims development in the future.

Outstanding claims also includes a provision for all claims handling expenses to cover the anticipated future costs of negotiating and settling claims which have been incurred, whether reported or not, up to the reporting date. The provision is estimated using forecast expenses and claims development patterns.

Anticipated salvage and subrogation and other recoveries are recognised as other assets.

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

Reinsurance assets are assessed for impairment at each balance sheet date. A reinsurance asset is deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the Syndicate may not recover all amounts due, and that event has a reliably measurable impact on the amount that the Syndicate will receive from the reinsurer. Impairment losses are recognised in profit or loss in the period in which the impairment loss is recognised

Foreign currencies

The Syndicate has adopted Pounds Sterling as both its presentational and functional currency. As such, no differences arise on conversion between the two. This achieves consistency with prior year reporting.

Transactions in foreign currencies are translated to the functional currency using the average rates of exchange for the period. The Syndicate's monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rates of exchange at the statement of financial position date. For the purposes of foreign currency translation, unearned premiums and deferred acquisition costs are treated as if they are monetary items.

Differences arising on translation of foreign currency amounts relating to the insurance operations of the Syndicate are included in the non-technical account.

Notes (continued)

3. Significant accounting policies (continued)

Financial assets and liabilities

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

Classification

The accounting classification of financial assets and liabilities determines the way in which they are measured and changes in those values are presented in the income statement. Financial assets and liabilities are classified on their initial recognition. Subsequent reclassifications are permitted only in restricted circumstances.

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

Deposits with credit institutions, debtors, and accrued interest are classified as loans and receivables.

Recognition

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

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

Measurement

A financial asset or financial liability is measured initially at fair value plus, for a financial asset or financial liability not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue.

Financial assets at fair value through profit or loss are measured at fair value with fair value changes recognised immediately in the income statement. Net gains or net losses on financial assets measured at fair value through profit or loss includes foreign exchange gains/losses arising on their translation to the functional currency but excludes interest and dividend income.

Loans and receivables and non-derivative financial liabilities are measured at amortised cost using the effective interest method.

Notes (continued)

3. Significant accounting policies (continued)

Identification and measurement of impairment

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

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

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

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

Off-setting

Financial assets and financial liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Syndicate currently has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Investment return

Investment income comprises interest income, dividends receivable and realised investment gains. Investment return comprises investment income and movements in unrealised gains and losses on financial instruments at fair value through profit or loss, less investment management expenses, interest payable, realised losses and impairment losses.

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

For investments at fair value through profit or loss, realised gains and losses represent the difference between the net proceeds on disposal and the purchase price. For investments measured at amortised cost, realised gains and losses represents the difference between the net proceeds on disposal and the latest carrying value (or if acquired after the last reporting date, the purchase price).

Notes (continued)

3. Significant accounting policies (continued)

Investment return (continued)

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

Investment return is initially recorded in the non-technical account. The return is transferred in full to the general business technical account to reflect the investment return on funds supporting underwriting business.

Deposits with ceding undertakings

Deposits with ceding undertakings are funds retained by ceding (re)insurers and those held by Lloyd's Brussels on behalf of the Syndicate to settle Part VII claims. These funds are held at amortised cost in the balance sheet.

Cash and cash equivalents

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

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

Taxation

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

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

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

Pension costs

Enstar (EU) Limited, which employs the staff utilised by EMAL, operates a defined contribution pension scheme. Pension costs relating to staff performing Syndicate duties are charged to the Syndicate and included within "net operating expenses".

Notes (continued)

4. Risk and capital management

Introduction and overview

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

Risk management framework

The Board of EMAL sets the risk appetite annually as part of the Syndicate's business planning and Individual Capital Assessment process. The Board of the managing agent has established procedures to review and update the risk register regularly and to monitor performance against the risk appetite using a series of key risk indicators. The principal risks and uncertainties facing the Syndicate are as follows:

Insurance risk

Insurance risk includes the risks that a policy will be written for too low a premium or provide inappropriate cover (underwriting risk), that the frequency or severity of insured events will be higher than expected (claims risk), or that estimates of claims subsequently prove to be insufficient (reserving risk). Given that the business of the Syndicate is reinsuring Syndicates in run-off, the remaining insurance risk is primarily claims and reserving risk. Reserve adequacy is monitored through quarterly review.

Notes (continued)

4. Risk and capital management (continued)

Concentration of insurance risk

The Syndicate's exposure to insurance risk is well diversified. The following table provides an analysis of the geographical breakdown of its gross and net claims reserves by class of business.

2022 Gross	Accident and Health £'000	Marine, aviation and transport £'000	Fire and other damage to property £'000	Third party liability £'000	Other £'000	Reinsurance £'000	Total £'000
United States	(987)	6,108	21,326	111,863	(19,312)	371,653	490,651
United Kingdom	847	5,374	2,081	116,556	2,748	102,880	230,486
EEA	-	-	-	-	-	245,868	245,868
Other Non-EEA	41	79	269	18,756	4,622	62,949	86,716
Australia & New Zealand	24	28	3,916	72,257	1,929	7,266	85,420
Canada	1	455	1,194	27,399	790	17,279	47,118
Total	(74)	12,044	28,786	346,831	(9,223)	807,895	1,186,259

2021 (Restated)* Gross	Accident and Health £'000	Marine, aviation and transport £'000	Fire and other damage to property £'000	Third party liability £'000	Other £'000	Reinsurance £'000	Total £'000
United States	1,057	10,198	14,928	104,044	15,510	448,992	594,729
United Kingdom	411	7,063	2,808	127,094	2,916	92,235	232,527
EEA	-	-	-	-	-	249,881	249,881
Other Non-EEA	272	268	325	29,070	14,297	85,623	129,855
Australia & New Zealand	104	39	3,638	71,322	2,293	8,692	86,088
Canada	2	180	1,474	55,141	2,424	11,473	70,694
Total	1,846	17,748	23,173	386,671	37,440	896,896	1,363,774

*See note 23

Notes (continued)

4. Risk and capital management (continued)

Concentration of insurance risk (continued)

2022 Net	Accident and Health £'000	Marine, aviation and transport £'000	Fire and other damage to property £'000	Third party liability £'000	Other £'000	Reinsurance £'000	Total £'000
United States	**(662)**	**2,190**	**6,431**	**39,159**	**(7,493)**	**299,076**	**338,701**
United Kingdom	**(242)**	**768**	**1,014**	**44,872**	**(375)**	**62,960**	**108,997**
EEA	**-**	**-**	**-**	**-**	**-**	**112,110**	**112,110**
Other Non-EEA	**22**	**42**	**(19)**	**7,801**	**851**	**27,747**	**36,444**
Australia & New Zealand	**13**	**7**	**1,537**	**19,571**	**109**	**4,504**	**25,741**
Canada	**-**	**137**	**585**	**11,950**	**94**	**14,443**	**27,209**
Total	**(869)**	**3,144**	**9,548**	**123,353**	**(6,814)**	**520,840**	**649,202**

2021 (Restated)* Net	Accident and Health £'000	Marine, aviation and transport £'000	Fire and other damage to property £'000	Third party liability £'000	Other £'000	Reinsurance £'000	Total £'000
United States	350	3,321	3,801	37,912	3,407	356,952	405,743
United Kingdom	259	1,497	1,347	47,118	239	48,694	99,154
EEA	-	-	-	-	-	106,464	106,464
Other Non-EEA	145	100	(390)	9,840	2,527	37,547	49,769
Australia & New Zealand	55	13	1,065	24,121	392	4,395	30,041
Canada	1	100	747	21,120	922	8,452	31,342
Total	810	5,031	6,570	140,111	7,487	562,504	722,513

*See note 23

Notes (continued)

4. Risk and capital management (continued)

Sensitivity to insurance risk

The liabilities established could be significantly lower or higher than the ultimate cost of settling the claims arising. This level of uncertainty varies between the classes of business and the nature of the risk being underwritten and can arise from developments in case reserving for large losses and catastrophes, or from changes in estimates of claims incurred but not reported (IBNR). A five per cent increase or decrease in the ultimate cost of settling claims arising is considered to be reasonably possible at the reporting date.

A five percent increase or decrease in total net claims liabilities would have the following effect on profit or loss and equity:

	2022		2021 (Restated)*	
	5 per cent increase £'000	5 per cent decrease £'000	5 per cent increase £'000	5 per cent decrease £'000
Accident and health	**43**	**(43)**	(40)	40
Marine, aviation and transport	**(157)**	**157**	(252)	252
Fire and other damage to property	**(477)**	**477**	(329)	329
Third party liability	**(6,168)**	**6,168**	(7,006)	7,006
Other	**341**	**(341)**	(374)	374
Reinsurance	**(26,042)**	**26,042**	(28,125)	28,125
Total	**(32,460)**	**32,460**	(36,126)	36,126

*See note 23

Financial risk

The focus of financial risk management for the Syndicate is ensuring that the proceeds from its financial assets are sufficient to fund the obligations arising from its insurance contracts. The goal of the investment management process is to optimise the risk-adjusted investment income and risk-adjusted total return by investing in a diversified portfolio of securities, whilst ensuring that the assets and liabilities are managed on a cash flow and duration basis.

Credit risk

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

- debt securities;
- deposits with ceding undertakings
- reinsurers' share of insurance liabilities;
- amounts due from intermediaries;
- amounts due from reinsurers in respect of settled claims;
- cash and cash equivalents; and
- other debtors and accrued interest.

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

Notes (continued)

4. Risk and capital management (continued)

Management of credit risk

The Syndicate's credit risk in respect of debt securities is managed by placing limits on its exposure to a single counterparty, by reference to the credit rating of the counterparty. Financial assets are graded according to current credit ratings issued by rating agencies such as Standard and Poor's.

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

Exposure to credit risk

The Syndicate's exposure to intermediaries and reinsurance counterparties is monitored by the individual business units as part of their credit control processes. The impact of reinsurer default is regularly assessed and managed accordingly.

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

The Syndicate assesses the creditworthiness of all reinsurers by reviewing public rating information and by internal investigations.

The carrying amount of financial assets and reinsurance assets represents the maximum credit risk exposure. The Syndicate does not hold any collateral as security or purchase any credit enhancements (such as guarantees, credit derivatives and netting arrangements that do not qualify for offset).

The Syndicate has inherited the reinsurance programs of the reinsured Syndicates, so the risk is largely the exposure to reinsurers on past reinsurance rather than new purchases of reinsurance. Intra-group reinsurance arrangements are in place in relation to Syndicates 588/861 and are collateralised 100% on a funds withheld basis. The Syndicate also has an intra-group reinsurance arrangement with Cavello Bay Reinsurance Ltd for 50% of the net results on the 2018 and 2019 underwriting years. It is collateralised at 120% through a combination of funds withheld and a letter of credit.

The Syndicate holds deposits with ceding undertakings arising from the LPTs with Hiscox and Probitas and cash transferred to Lloyd's Europe following Lloyd's Part VII transfer.

Any new purchase of reinsurance may only be carried out with the Board's prior approval of the related security.

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

Notes (continued)

4. Risk and capital management (continued)

Year 2022	AAA	AA	A	BBB	<BBB	Not rated	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Financial investments							
Shares and other variable yield securities and units in unit trusts	**-**	**-**	**-**	**-**	**-**	**275,268**	**275,268**
Debt securities and other fixed income securities	**82,272**	**51,221**	**101,144**	**50,535**	**7,349**	**10,133**	**302,654**
Deposits with credit institutions	**-**	**-**	**2,904**	**-**	**-**	**-**	**2,904**
Overseas deposits	**35,863**	**10,512**	**10,262**	**4,936**	**2,840**	**955**	**65,368**
Deposits with ceding undertakings	**-**	**-**	**265,823**	**-**	**-**	**-**	**265,823**
Reinsurers' share of claims outstanding	**-**	**54,691**	**148,519**	**19,476**	**361**	**314,010**	**537,057**
Cash at bank and in hand	**-**	**8**	**35,686**	**-**	**-**	**-**	**35,694**
Total	**118,135**	**116,432**	**564,338**	**74,947**	**10,550**	**600,366**	**1,484,768**

Year 2021 (Restated)*	AAA	AA	A	BBB	<BBB	Not rated	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Financial investments							
Shares and other variable yield securities and units in unit trusts	-	-	-	-	-	339,733	339,733
Debt securities and other fixed income securities	31,435	102,394	162,237	85,317	12,782	3,213	397,378
Deposits with credit institutions	-	-	3,836	-	-	-	3,836
Overseas deposits	48,447	22,134	13,386	7,216	3,320	12,539	107,042
Deposits with ceding undertakings	-	-	336,849	-	-	-	336,849
Reinsurers' share of claims outstanding	-	72,418	183,251	16,785	49	368,758	641,261
Cash at bank and in hand	-	3	14,011	-	-	-	14,014
Total	79,882	196,949	713,570	109,318	16,151	724,243	1,840,113

*See note 23

Notes (continued)

4. Risk and capital management (continued)

Financial assets that are past due or impaired

The Syndicate has debtors arising from direct insurance and reinsurance operations that are past due but not impaired at the reporting date. The Syndicate does not consider these debtors to be impaired on the basis of stage of collection of amounts owed to the Syndicate.

These debtors have been individually assessed for impairment by considering information such as the occurrence of significant changes in the counterparty's financial position, patterns of historical payment information and disputes with counterparties. An analysis of the carrying amounts of past due or impaired debtors is presented in the table below.

Year 2022	Debtors arising from direct insurance operations £'000	Debtors arising from reinsurance operations £'000
Past due but not impaired financial assets:		
Past due by:		
Up to 3 months	-	8,346
Three to Six Months	-	5,769
Six Months to one year	-	2,601
Greater than one year	-	(1,930)
Past due but not impaired financial assets	-	14,786
Impaired financial assets	-	-
Gross value of past due and impaired financial assets	-	14,786
Less: individually assessed impairment allowances	-	-
Net carrying value of past due and impaired financial assets	-	14,786
Neither past due nor impaired financial assets	4,566	-
Net carrying value	**4,566**	**14,786**

Notes (continued)

4. Risk and capital management (continued)

Financial assets that are past due or impaired (continued)

Year 2021	Debtors arising from direct insurance operations £'000	Debtors arising from reinsurance operations £'000
Past due but not impaired financial assets:		
Past due by:		
Up to 3 months	-	23,166
Three to Six Months	-	5,811
Six Months to one year	-	(1,693)
Greater than one year	-	(2,439)
Past due but not impaired financial assets	-	24,845
Impaired financial assets	-	-
Gross value of past due and impaired financial assets	-	24,845
Less: individually assessed impairment allowances	-	-
Net carrying value of past due and impaired financial assets	-	24,845
Neither past due nor impaired financial assets	7,458	-
Net carrying value	7,458	24,845

Liquidity risk

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

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

Management of liquidity risk

The Syndicate's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Syndicate's reputation. Cashflow forecasts are regularly prepared and reviewed. The only source of additional funds currently available to the Syndicate is a cash call though other options may be investigated in due course.

Notes (continued)

4. Risk and capital management (continued)

Management of liquidity risk (continued)

The maturity analysis presented in the table below shows the remaining contractual maturities for the Syndicate's insurance contracts and financial instruments. For insurance contracts, the contractual maturity is the estimated date when the gross undiscounted contractually required cash flows will occur. For financial assets and liabilities, it is the earliest date on which the gross undiscounted cash flows (including contractual interest payments) could be paid assuming conditions are consistent with those at the reporting date.

Year 2022	Carrying amount	Total cash flows	Undiscounted net cash flows Less than 1 year	1-2 years	2-5 years	More than 5 years
	£'000	£'000	£'000	£'000	£'000	£'000
Financial investments						
Shares and other variable yield securities and units in unit trusts	**275,268**	**275,268**	**275,268**	**-**	**-**	**-**
Debt securities	**302,654**	**302,654**	**24,453**	**36,237**	**140,376**	**101,588**
Deposits with credit institutions	**2,904**	**2,904**	**2,904**			
Overseas deposits	**65,368**	**65,368**	**65,368**	**-**	**-**	**-**
Deposits with ceding undertakings	**265,823**	**265,823**	**90,475**	**57,519**	**95,818**	**22,011**
Reinsurers share of claims outstanding	**537,057**	**537,057**	**126,801**	**164,028**	**104,109**	**142,119**
Debtors and accrued interest	**85,949**	**85,949**	**85,949**	**-**	**-**	**-**
Cash at bank and in hand	**35,694**	**35,694**	**35,694**	**-**	**-**	**-**
Total assets	**1,570,717**	**1,570,717**	**706,912**	**257,784**	**340,303**	**265,718**
Technical provisions	**1,186,259**	**1,186,259**	**280,079**	**362,307**	**229,958**	**313,915**
Creditors	**40,099**	**40,099**	**40,099**	**-**	**-**	**-**
Total liabilities	**1,226,358**	**1,226,358**	**320,178**	**362,307**	**229,958**	**313,915**

Notes (continued)

4. Risk and capital management (continued)

Management of liquidity risk (continued)

Year 2021 (Restated)*	Carrying amount £'000	Total cash flows £'000	Less than 1 year £'000	1-2 years £'000	2-5 years £'000	More than 5 years £'000
Financial investments						
Shares and other variable yield securities and units in unit trusts	339,733	339,733	339,733	-	-	-
Debt securities	397,378	397,378	44,886	60,690	166,667	125,135
Deposits with credit institutions	3,836	3,836	3,836			
Overseas deposits	107,042	107,042	107,042	-	-	-
Deposits with ceding undertakings	336,849	336,849	187,077	46,724	58,601	44,447
Reinsurers share of claims outstanding	641,261	641,261	178,836	165,016	107,607	189,802
Debtors and accrued interest	94,938	94,938	94,938	-	-	-
Cash at bank and in hand	14,014	14,014	14,014	-	-	-
Total assets	1,935,051	1,935,051	970,362	272,430	332,875	359,384
Technical provisions	1,363,774	1,363,774	380,332	350,942	228,848	403,652
Creditors	45,044	45,044	45,044	-	-	-
Total liabilities	1,408,818	1,408,818	425,376	350,942	228,848	403,652

*See note 23

In the above tables, equity investments, which have no contractually required cash flows, but which are actively traded, are included in the 'less than one year' column. In practice cash could be realised through the sale of these equity investments, and through the sale of the Syndicate's investments in debt securities, the majority of which are actively traded. The disclosure does not take account of premiums received from new business written which can be used to pay claims arising.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument or insurance contract will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk.

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

Notes (continued)

4. Risk and capital management (continued)

Management of market risks

The agency's Finance and Investment Committee meets quarterly to review the performance of the investments held and the return achieved on the Syndicate's cash deposits. Goldman Sachs Asset Management Limited ("GSAM") were appointed in August 2017 as an investment manager acting on behalf of the Syndicate. The other key aspect of market risk is that the Syndicate could incur losses on foreign exchange movements as a result of mismatches between the currencies in which assets and liabilities are denominated. This has been mitigated by the currency matching of assets and liabilities as far as can be achieved allowing for regulatory funding restrictions.

In line with group policy, as at 31 December 2022, the Syndicate had no currency forward contracts.

Interest rate risk

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

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

Currency risk

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

The foreign exchange policy is to maintain assets in the currency in which the cash flows from liabilities are to be settled.

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

Notes (continued)

4. Risk and capital management (continued)

Currency risk (continued)

Year 2022	GBP £'000	USD £'000	EUR £'000	CAD £'000	AUD £'000	JPY £'000	Total £'000
Financial investments	173,404	237,881	140,564	49,988	44,357	-	646,194
Deposits with ceding undertakings	18,945	220,677	15,327	10,706	168	-	265,823
Reinsurers' share of technical provisions	146,694	206,276	124,031	19,748	46,518	1,349	544,616
Insurance and reinsurance receivables	4,128	8,563	6,396	311	382	(10)	19,770
Cash and cash equivalents	11,882	3,835	17,274	81	2,527	95	35,694
Other assets	39,236	29,703	7,576	(117)	(928)	-	75,470
Total assets	394,289	706,935	311,168	80,717	93,024	1,434	1,587,567
Technical provisions	276,901	581,643	226,760	46,731	67,136	2,235	1,201,406
Insurance and reinsurance payables	1,537	8,430	1,407	(18)	473	-	11,829
Other creditors	113,771	147,710	85,513	20,434	22,460	308	390,196
Total liabilities	392,209	737,783	313,680	67,147	90,069	2,543	1,603,431
Net assets/(liabilities)	2,080	(30,848)	(2,512)	13,570	2,955	(1,109)	(15,864)

Notes (continued)

4. Risk and capital management (continued)

Currency risk (continued)

Year 2021 (Restated)*	GBP £'000	USD £'000	EUR £'000	CAD £'000	AUD £'000	JPY £'000	Total £'000
Financial investments	203,546	369,393	161,230	61,652	52,168	-	847,989
Deposits with ceding undertakings	10,396	303,476	18,665	4,310	2	-	336,849
Reinsurers' share of technical provisions	164,718	267,235	138,625	38,550	45,714	1,065	655,907
Insurance and reinsurance receivables	10,397	6,052	10,669	2,969	2,971	(10)	33,048
Cash and cash equivalents	4,929	1,250	2,394	231	5,101	109	14,014
Other assets	41,863	20,651	9,886	1,748	6,051	-	80,199
Total assets	435,849	968,057	341,469	109,460	112,007	1,164	1,968,006
Technical provisions	289,558	717,982	239,695	70,281	71,414	1,557	1,390,487
Insurance and reinsurance payables	2,967	9,242	2,171	(8)	1,767	-	16,139
Other creditors	131,490	181,544	97,324	19,314	32,080	954	462,706
Total liabilities	424,015	908,768	339,190	89,587	105,261	2,511	1,869,332
Net assets/(liabilities)	11,834	59,289	2,279	19,873	6,746	(1,347)	98,674

*See note 23

Sensitivity analysis to market risks

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

Notes (continued)

4. Risk and capital management (continued)

Sensitivity analysis to market risks (continued)

	2022 **Profit or loss for the year** **£'000**	2021 Profit or loss for the year £'000
Interest rate risk		
+ 100 basis points (2021 +50) shift in yield curves	**(12,914)**	(13,713)
- 100 basis points (2021 -50) shift in yield curves	**12,914**	13,713
Currency risk		
10 percent increase in GBP/euro exchange rate	**251**	(228)
10 percent decrease in GBP/euro exchange rate	**(251)**	228
10 percent increase in GBP/US dollar exchange rate	**3,085**	(5,929)
10 percent decrease in GBP/US dollar exchange rate	**(3,085)**	5,929
Equity price risk		
5 percent increase in equity prices	**128**	2,077
5 percent decrease in equity prices	**(128)**	(2,077)

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

A 10% increase/decrease in exchange rates, 5% increase/decrease in equity prices and a 100 basis point increase/decrease in yield curves have been selected on the basis that these are considered to be reasonably possible changes in these risk variables over the following year.

The sensitivity analysis demonstrates the effect of a change in a key variable while other assumptions remain unchanged. However, the occurrence of a change in a single market factor may lead to changes in other market factors as a result of correlations.

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

Operational risk

This is the risk that errors caused by people, processes or systems lead to losses to the Syndicate. The agency seeks to manage this risk through the use of detailed procedure manuals and a structured programme of compliance testing of processes and systems, including those of sub-contractors used. This includes cyber security risk, which is the threat posed by the higher maturity of attack tools and methods and the increased motivation of cyber attackers.

Notes (continued)

4. Risk and capital management (continued)

RITC risks

These are risks relating to our acquisitions, including our ability to evaluate opportunities, successfully price acquisitions, address operational challenges, assimilate acquired portfolios into our internal control system in order to maintain effective internal controls.

Group risk

This is the risk that changes in group strategy or the fortunes of other group companies will lead to losses to the Syndicate. This risk is reviewed quarterly as part of the regular review processes.

Regulatory risk

The managing agent is required to comply with the requirements of the Prudential Regulation Authority, the Financial Conduct Authority and Lloyd's. Lloyd's requirements include adherence to oversight principles and those imposed on the Lloyd's market by overseas regulators, particularly in respect of US situs business. Regulatory risk is the risk of loss owing to a breach of regulatory requirements or failure to respond to a regulatory change. The agency monitors regulatory developments and assesses their impact on agency policy and procedures. In addition, the agency carries out a compliance monitoring programme.

Reputation risk

This is the risk that negative publicity regarding an institution's business practices will lead to a loss of revenue or litigation.

In the modern digital era, reputational risk and subsequent threat to our strong brand is becoming more significant. Loss of confidence from customers or regulators could cause long-term harm to the business.

Reputation risk is included as a specific category in the Syndicate's risk register and forms part of the regular risk assessment process, facilitated by the Risk Management team.

Capital management

Capital framework at Lloyd's

Lloyd's is a regulated undertaking and subject to supervision by the Prudential Regulatory Authority (PRA) under the Financial Services and Markets Act 2000, and in accordance with the Solvency II Framework.

Within this supervisory framework, Lloyd's applies capital requirements at member level and centrally to ensure that Lloyd's would comply with the Solvency II requirements, and beyond that to meet its own financial strength, licence and ratings objectives.

Although, as described below, Lloyd's capital setting processes use a capital requirement set at Syndicate level as a starting point, the requirement to meet Solvency II and Lloyd's capital requirements apply at overall and member level only respectively, not at Syndicate level. Accordingly, the capital requirement in respect of Syndicate 2008 is not disclosed in these financial statements.

4. Risk and capital management (continued)

Lloyd's capital setting process

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

A Syndicate may be comprised of one or more underwriting members of Lloyd's. Each member is liable for its own share of underwriting liabilities on the Syndicates on which it is participating but not other members' shares. Accordingly, the capital requirements 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, but consistent with determining an SCR which reflects the capital requirement to cover a 1 in 200 loss 'to ultimate' for that member. Over and above this, Lloyd's applies a capital uplift to the member's capital requirement, known as the Economic Capital Assessment (ECA). The purpose of this uplift, which is a Lloyd's not a Solvency II requirement, is to meet Lloyd's financial strength, licence and ratings objectives. The capital uplift applied for 2022 was 35% of the member's SCR 'to ultimate'.

Provision of capital by members

Each member may provide capital to meet its ECA either by assets held in trust by Lloyd's specifically for that member (funds at Lloyd's), assets held and managed within a Syndicate (funds in Syndicate), or as the member's share of the members' balances on each Syndicate on which it participates. Accordingly, all of the assets less liabilities of the Syndicate, as represented in the members' balances reported on the statement of financial position on pages 15 and 16, represent resources available to meet members' and Lloyd's capital requirements.

Notes (continued)

5. Analysis of underwriting result

An analysis of the underwriting result before investment return is presented in the table below:

Year 2022	Gross premiums written £'000	Gross premiums earned £'000	Gross claims incurred £'000	Gross operating expenses £'000	Reinsurance balance £'000	Net Technical Result £'000
Accident and health	**14**	**785**	**652**	**(168)**	**(826)**	**443**
Marine, aviation and transport	**(281)**	**-**	**5,553**	**(664)**	**(4,185)**	**704**
Fire and other damage to property	**(981)**	**3,122**	**(2,147)**	**(648)**	**285**	**612**
Third party liability	**62**	**1,661**	**(10,812)**	**(6,550)**	**7,439**	**(8,262)**
Other	**(1,613)**	**4,780**	**31,853**	**(741)**	**(26,049)**	**9,843**
Total direct	**(2,799)**	**10,348**	**25,099**	**(8,771)**	**(23,336)**	**3,340**
Reinsurance*	**53,184**	**52,777**	**(80,711)**	**(8,765)**	**(6,000)**	**(42,699)**
Total	**50,385**	**63,125**	**(55,612)**	**(17,536)**	**(29,336)**	**(39,359)**

Year 2021 (Restated)**	Gross premiums written £'000	Gross premiums earned £'000	Gross claims incurred £'000	Gross operating expenses £'000	Reinsurance balance £'000	Net Technical Result £'000
Accident and health	(1,536)	(332)	(820)	(22)	(1,418)	(2,592)
Marine, aviation and transport	(123)	(90)	5,412	(208)	(2,345)	2,769
Fire and other damage to property	180	12,943	4,680	(269)	(9,727)	7,627
Third party liability	(1060)	312	3,576	(4,496)	(3,031)	(3,639)
Other	1797	11,572	2,397	(431)	(5,864)	7,674
Total direct	(742)	24,405	15,245	(5,426)	(22,385)	11,839
Reinsurance	419,140	419,145	(363,886)	(10,397)	(6,566)	38,296
Total	418,398	443,550	(348,641)	(15,823)	(28,951)	50,135

*The reinsurance gross written premium and net earned premium amounts within the financial result are mainly as a result of premium received on the LPT with Probitas.

**See note 23

Notes (continued)

6. Claims

Negative movements on claims incurred net of reinsurance arose in respect of the following classes of business:

	2022 £'000	2021 (Restated)* £'000
Accident and health	**146**	(1,676)
Marine, aviation and transport	**1,368**	3,060
Fire and other damage to property	**(528)**	5,692
Third party liability	**(2,552)**	1,386
Other	**10,567**	5,238
Reinsurance	**(86,714)**	(369,762)
Change in prior year provisions	**(77,713)**	(356,062)
Current year movement	**(2,817)**	(7,049)
Claims incurred, net of reinsurance	**(80,530)**	(363,111)

*See note 23

7. Net operating expenses

	2022 £'000	2021 £'000
Acquisition costs:		
Brokerage and commissions	**8,291**	9,302
Administrative expenses	**17,718**	15,138
Paid ULAE transferred to gross incurred claims	**(8,473)**	(8,617)
Net operating expenses	**17,536**	15,823

Notes (continued)

7. Net operating expenses (continued)

Administrative expenses include:

	2022 £'000	2021 £'000
Auditors' remuneration:		
- fees payable to the Syndicate's auditor for the audit of these financial statements	**432**	476
- fees payable to the Syndicate's auditor for the audit of regulatory returns	**106**	130
- fees payable to the Syndicate's auditor and its associates in respect of other services pursuant to legislation	**121**	85
Fee Paid to managing agent	**1,236**	1,000
Management fee	**26,821**	23,233
Reinsurers' share of expenses	**(13,210)**	(13,274)
Other	**2,212**	3,488
	17,718	15,138

In 2022, a fixed fee of £1.2m was charged to the Syndicate by the Managing Agent. The fee was based on 0.5% of the Syndicate's economic capital assessment ("ECA"). The Syndicate then recharged 70% of this fee to the Managing agent as an estimate of the managing agent's expenses incurred by the Syndicate. This amount is included within "net operating expenses".

In 2022, the Syndicate transferred £8.5m of its expenses to the technical account. These expenses are related to the unallocated loss adjustment expenses ("ULAE") paid during the year.

8. Key management personnel compensation

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

	2022 £'000	2021 £'000
Directors' emoluments	**1,018**	1,691
Contribution to pension schemes	**75**	84
	1,093	1,775

Notes (continued)

8. Key management personnel compensation (continued)

The amounts charged to the Syndicate by its managing agent in respect of emoluments paid to the Syndicate's run-off manager in the financial year were:

	2022 **£'000**	2021 £'000
Emoluments	**253**	396
Contribution to pension schemes	**28**	37
	281	433

9. Staff numbers and costs

During 2022, all staff continued to be employed on behalf of EMAL by Enstar EU Limited ("EEUL"). EEUL charges EMAL a management fee that covered all salary, pension, accommodation, computer and other costs as a single amount. The total amount of EEUL management fees recharged to EMAL and the Syndicate for the year amounts to £26.8m (2021: £23.2m).

	2022	2021 (Restated)*
Administration and finance	**88**	58
Underwriting	**1**	1
Claims	**60**	50
	149	109

* The prior year number of administration and finance staff has been increased by 14 due to an error where the IT allocated staff were not included in the reported number of staff.

10. Investment return

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

	2022 **£'000**	2021 £'000
Investment income:		
Interest and dividend income	**11,887**	11,949
Realised losses	**(4,116)**	(1,075)
Unrealised losses on investments	**(33,329)**	(2,499)
Investment management expenses, including interest	**(191)**	(190)
Investment return transferred to the technical account from the non-technical account	**(25,749)**	8,185

Notes (continued)

10. Investment return (continued)

As at 31 December 2022 and 31 December 2021 all financial assets were measured at fair value through profit and loss.

The table below presents the average amounts of funds in the year per currency and analyses by major currency the average investment yields in the year.

	2022	2021
	£'000	£'000
Average amount of Syndicate funds available for investment during the year		
Sterling	**185,000**	227,893
Euro	**142,123**	171,833
US Dollar	**300,422**	398,763
Canadian Dollar	**55,433**	69,937
Australian Dollar	**50,445**	62,032
Japanese Yen	**733,422**	930,459
Total funds available for investment, in Sterling	**1,466,845**	1,860,917
Total investment return	**(25,749)**	8,185
Annual investment yield		
Sterling	**-3.40%**	-0.42%
Euro	**-3.78%**	1.94%
US Dollar	**-4.01%**	1.51%
Canadian Dollar	**-1.62%**	-0.48%
Australian Dollar	**-2.64%**	0.25%
Japanese Yen	**0.00%**	0.00%
Total annual investment yield, in Sterling	**-1.76%**	0.44%

Notes (continued)

11. Financial investments

	Carrying value		Cost	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Shares and other variable yield securities and units in unit trusts	**275,268**	339,733	**259,845**	297,037
Debt securities and other fixed income securities	**302,654**	397,378	**346,284**	397,588
Overseas deposits	**65,368**	107,042	**65,368**	107,041
Loans and deposits with credit institutions	**2,904**	3,836	**2,904**	3,836
Total financial investments	**646,194**	847,989	**674,401**	805,502

The Syndicate classifies its financial instruments held at fair value in its balance sheet using a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 – financial assets that are measured by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.
- Level 2 – financial assets measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions. For example, assets for which pricing is obtained via pricing services but where prices have not been determined in an active market, financial assets with fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using the Syndicate's own models whereby the significant inputs into the assumptions are market observable.
- Level 3 – financial assets measured using a valuation technique (model) based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Therefore, unobservable inputs reflect the Syndicate's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are developed based on the best information available, which might include the Syndicate's own data.

Notes (continued)

11. Financial investments (continued)

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

2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Shares and other variable yield securities and units in unit trusts	**18,762**	**180,899**	**75,607**	**275,268**
Debt securities and other fixed income securities	**-**	**302,654**	**-**	**302,654**
Loans and deposits with credit institutions	**-**	**2,904**	**-**	**2,904**
Overseas deposits	**-**	**65,368**	**-**	**65,368**
Total	**18,762**	**551,825**	**75,607**	**646,194**

2021 (Restated)*	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Shares and other variable yield securities and units in unit trusts	18,001	261,933	59,799	339,733
Debt securities and other fixed income securities	-	397,378	-	397,378
Loans and deposits with credit institutions	-	3,836	-	3,836
Overseas deposits	-	107,042	-	107,042
Total	18,001	770,189	59,799	847,989

*See note 23

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

Equity instruments listed on a recognised exchange are valued using prices sourced from the primary exchange on which they are listed. Units in unit trusts are valued using the latest unit price or share price provided by the unit trust. Shares and other variable securities and units in unit trusts are generally categorised as level 1 in the fair value hierarchy except where they are not actively traded, in which case they are generally measured on prices of recent transactions in the same instrument. The Syndicate has no exposure to hedge funds.

Debt securities are generally valued using prices provided by external pricing vendors. Pricing vendors will often determine prices by consolidating prices of recent trades for identical or similar securities obtained from a panel of market makers into a composite price. The pricing service may make adjustments for the elapsed time from a trade date to the valuation date to take into account available market information. Lacking recently reported trades, pricing vendors will use modelling techniques to determine a security price.

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

Notes (continued)

11. Financial investments (continued)

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

The fair values for all securities in the fixed maturity investments portfolio are independently provided by the investment accounting service providers, investment managers and investment custodians, each of which utilize internationally recognized independent pricing services. The unadjusted price provided by the investment accounting service providers, investment managers or investment custodians is recorded and validated through a process that includes, but is not limited to:

(i) comparison of prices against alternative pricing sources;
(ii) quantitative analysis (e.g. comparing the quarterly return for each managed portfolio to its target benchmark);
(iii) evaluation of methodologies used by external parties to estimate fair value, including a review of the inputs used for pricing;
(iv) comparing the price to our knowledge of the current investment market.

The Syndicate has on-going due diligence processes with respect to the other investments carried at fair value and their managers. These processes are designed to assist in assessing the quality of information provided by, or on behalf of, each fund and in determining whether such information continues to be reliable or whether further review is warranted. Certain funds do not provide full transparency of their underlying holdings; however, the Syndicate obtains the audited financial statements for funds annually, and regularly review and discuss the fund performance with the fund managers to corroborate the reasonableness of the reported net asset values.

At the reporting date all debt instruments were valued using valuation techniques based on observable market data.

Movement in level 3 investments

The following table provides an analysis of investments valued with reference to level 3 inputs.

	2022	2021
	£'000	£'000
At 1 January	**59,799**	38,802
Purchases	**8,404**	14,518
Disposals	**(787)**	-
Fair value gains recognised in profit from continuing operations	**3,891**	7,001
Foreign exchange gain/(loss)	**4,300**	(522)
At 31 December	**75,607**	59,799

Notes (continued)

12. Debtors arising out of direct insurance operations

	2022 £'000	2021 £'000
Due within one year	**4,566**	7,458
	4,566	7,458

13. Debtors arising out of reinsurance operations

	2022 £'000	2021 £'000
Amounts due within one year	**15,204**	25,590
	15,204	25,590

14. Other debtors due within one year

	2022 £'000	2021 £'000
LCA debtors	**29,462**	24,576
Loss funds	**26,203**	26,939
Commission receivable	**1,185**	1,104
Other	**6,286**	5,576
	63,136	58,195

15. Other assets

As at 31 December 2022, assets of £2.6m pertained to the 2019 year of account RITC (2021: 2019 year of account of £5.3m, 2018 year of account £7.4m). These amounts are amortised on a straight-line basis over a five-year period from when they were initially recognised. The total net amortised during the year was £5.4m (2021: £5.3m).

Notes (continued)

16. Claims development

Claims development is shown in the tables below, both gross and net of reinsurance ceded, on an underwriting year basis. Balances have been translated at exchange rates prevailing at 31 December 2022 in all cases.

Pure underwriting year - Gross	2013	2014	2015	2016	2021	2022	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Estimate of ultimate gross claims							
At end of underwriting year	-	-	-	-	1,721,649	174,771	1,896,420
One year later	-	-	-	-	1,717,103	-	1,717,103
Two years later	-	-	-	-	-	-	-
Three years later	-	-	904,310	591,558	-	-	1,495,868
Four years later	-	801,549	1,126,849	631,747	-	-	2,560,145
Five years later	624,776	1,058,803	1,164,847	639,734	-	-	3,488,160
Six years later	887,946	1,086,931	1,147,150	635,737	-	-	3,757,764
Seven years later	886,431	1,051,639	1,119,106	-	-	-	3,057,176
Eight years later	859,554	1,000,390	-	-	-	-	1,859,944
Nine years later	816,056	-	-	-	-	-	816,056
Less gross claims paid	746,879	900,409	995,916	539,602	1,444,700	124,366	4,751,872
Gross ultimate claims reserve	69,177	99,981	123,190	96,135	272,403	50,405	711,291
Gross ultimate claims reserve for 2012 and prior years	474,968	-	-	-	-	-	474,968
Gross claims reserves	544,145	99,981	123,190	96,135	272,403	50,405	1,186,259

Pure underwriting year - Net	2013 £'000	2014 £'000	2015 £'000	2016 £'000	2021 £'000	2022 £'000	Total £'000
Estimate of ultimate gross claims							
At end of underwriting year	-	-	-	-	1,721,649	174,771	1,896,420
One year later	-	-	-	-	1.717.103	-	1,717,103
Two years later	-	-	-	-	-	-	-
Three years later	-	-	355,182	232,344	-	-	587,526
Four years later	-	314,821	442,588	248,129	-	-	1,005,538
Five years later	245,390	415,862	457,512	241,742	-	-	1,360,506
Six years later	348,755	426,909	433,484	240,316	-	-	1,449,464
Seven years later	348,160	397,392	423,034	-	-	-	1,168,586
Eight years later	324,807	378,158	-	-	-	-	702,965
Nine years later	308,478	-	-	-	-	-	308,478
Less net claims paid	282,328	340,365	376,467	203,975	1,444,700	124,366	2,772,201
Net ultimate claims reserve	26,150	37,793	46,567	36,341	272,403	50,405	469,659
Net ultimate claims reserve for 2012 and prior years	179,543	-	-	-	-	-	179,543
Net claims reserves	205,693	37,793	46,567	36,341	272,403	50,405	649,202

Notes (continued)

17. Technical provisions

	2022			2021 (Restated)*		
	Gross	**Reinsurance**	**Net**	Gross	Reinsurance	Net
	£'000	**£'000**	**£'000**	£'000	£'000	£'000
Incurred claims outstanding:						
Claims notified	**1,018,937**	**(551,347)**	**467,590**	1,058,997	(654,171)	404,826
Claims incurred but not reported	**344,837**	**(89,914)**	**254,923**	238,115	(130,645)	107,470
Balance at 1 January	**1,363,774**	**(641,261)**	**722,513**	1,297,112	(784,816)	512,296
Change in prior year provisions	**55,612**	**24,918**	**80,530**	348,641	14,470	363,111
Claims paid during the year	**(330,034)**	**120,989**	**(209,045)**	(275,405)	130,900	(144,505)
Effect of movements in exchange rates	**96,907**	**(41,703)**	**55,204**	(6,574)	(1,815)	(8,389)
Balance at 31 December	**1,186,259**	**(537,057)**	**649,202**	1,363,774	(641,261)	722,513
Claims notified	**941,338**	**(480,175)**	**461,163**	1,018,937	(551,347)	467,590
Claims incurred but not reported	**244,921**	**(56,882)**	**188,039**	344,837	(89,914)	254,923
Balance at 31 December	**1,186,259**	**(537,057)**	**649,202**	1,363,774	(641,261)	722,513
Unearned premiums						
Balance at 1 January	**26,713**	**(14,646)**	**12,067**	53,161	(29,246)	23,915
Premiums written during the year	**50,385**	**3,456**	**53,841**	418,398	(568)	417,830
Premiums earned during the year	**(63,125)**	**4,418**	**(58,707)**	(443,550)	14,481	(429,069)
Effect of movements in exchange rate	**1,174**	**(787)**	**387**	(1,296)	687	(609)
Balance at 31 December	**15,147**	**(7,559)**	**7,588**	26,713	(14,646)	12,067

*See note 23

The table above shows changes in the insurance contract liabilities and assets from the beginning of the period to the end of the period.

Notes (continued)

18. Creditors arising out of reinsurance operations

Creditors arising out of reinsurance operations	2022	2021 (Restated)*
	£'000	£'000
Due within one year	**11,829**	16,139
	11,829	16,139

*See note 23

19. Other creditors

	2022	2021
	£'000	£'000
Profit commissions	**17,131**	12,402
Other creditors	**11,139**	16,503
	28,270	28,905

Of the £11.1m of other creditors balance, £5.7m relates to intercompany payables (2021: £6.3m) and £Nil to settled direct creditor (2021: £4.6m).

20. Cash and cash equivalents

Only deposits with credit institutions with maturities of three months or less that are used by the Syndicate in the management of its short-term commitments are included in cash and cash equivalents.

	2022	2021
	£'000	£'000
Short term deposits with credit institutions	**2,904**	3,836
Cash at bank and in hand	**35,694**	14,014
Total cash and cash equivalents	**38,598**	17,850

21. Related parties

The main component of operating expenses was the Enstar EU limited, management fees of £26.8m (2021: £23.2m) as shown in note 7.

At 31 December 2022, Syndicate 2008 owed £7.3m to EMAL (2021: £7.9m). No amount of profit commission is due to EMAL at 31 December 2022 (2021: £Nil).

B Dimmock, J Lee, M Heap and S Hextall are directors of SGL No.1 Limited which provides 100% of the nominal stamp capacity of the Syndicate. The Syndicate is in the process of arranging its 2023 stamp (2022 YOA: £3.0m).

Notes (continued)

21. Related parties (continued)

In 2008, the Syndicate ceded to Fitzwilliam (SAC) Insurance Limited ("FW") a 100% quota share in respect of the reinsurance to close of Syndicates 588 and 861. The amount owing to FW at 31 December 2022 is £7.7m (2021: £9.4m). This amount is collateralised on a "funds withheld" basis.

The Syndicate cedes 100% of all profits or losses in relation to the unexpired risks on Syndicate 2243 to StarStone Insurance SE ("SISE"). As at 31 December 2022, the amount owed by SISE was £5.4m.

The Syndicate also has an intra-group reinsurance arrangement with Cavello Bay Reinsurance Ltd ("Cavello Bay") for 50% of the net results on the 2018 and 2019 underwriting years. It is collateralised at 120% through a combination of funds withheld and a letter of credit. As at 31 December 2022, the amount owed by Cavello Bay was £303.8m and this amount was supported by funds withheld amounting to £334.2m plus letter of credit amounting to £134.7m.

22. Foreign exchange rates

The following currency exchange rates have been used for principal foreign currency transactions

	2022		2021	
	Year-end rate	**Average rate**	Year-end rate	Average rate
Euro	**1.1297**	**1.1720**	1.1887	1.1632
US dollar	**1.2099**	**1.2321**	1.3534	1.3752
Canadian dollar	**1.6370**	**1.6039**	1.7119	1.7242
Australian dollar	**1.7743**	**1.7771**	1.8599	1.8322
Japanese yen	**158.5118**	**161.9128**	155.6774	151.0284

23. Prior year restatement

The following restatements have been made as a result of adjustments made to some of the prior year's balances as detailed in the basis of preparation section (note 1) to the accounts.

(i) Income Statement – Technical account

	As reported £'000	Restated £'000
Change in the provision for claims: Gross amount	(108,544)	(73,236)
Change in the provision for claims: Reinsurers' share	(128,859)	(145,370)

Notes (continued)

23. Prior year restatement (continued)

(ii) Statement of financial position

	As reported £'000	Restated £'000
Statement of financial position - Assets		
Reinsurers' share of technical provisions: Claims outstanding	647,356	641,261
Statement of financial position - Liabilities		
Members' balances	79,877	98,674
Technical provisions: Claims outstanding	1,399,082	1,363,774
Creditors arising out of reinsurance operations	5,723	16,139

(iii) Statement of changes in members' balances

	As reported £'000	Restated £'000
Profit for the year	34,214	53,011

(iv) Statement of cash flows

	As reported £'000	Restated £'000
Cash flows from operating activities		
Increase in technical provisions	75,523	40,215
Decrease in reinsurers share of technical provisions	152,060	158,155
Increase in creditors	13,379	23,795
Movement in other assets/liabilities	(415,838)	(416,515)
Foreign exchange gain	433	11,317
Cash Flow from investing activities		
Acquisitions of financial instruments	(95,053)	(112,404)
Proceeds from sales of financial instruments	238,422	238,086
Decrease in deposit with credit institutions	19,337	37,023
Foreign exchange gain	10,206	-

Notes (continued)

23. Prior year restatement (continued)

(v) Concentration of insurance risk – Note 4

2021 Gross	Accident and Health £'000	Marine, aviation and transport £'000	Fire and other damage to property £'000	Third party liability £'000	Other £'000	Reinsurance £'000	**Total £'000**
Total - As reported	2,914	22,623	24,546	445,353	42,302	861,344	1,399,082
Total – Restated	1,846	17,748	23,173	386,671	37,440	896,896	1,363,774

2021 Net	Accident and Health £'000	Marine, aviation and transport £'000	Fire and other damage to property £'000	Third party liability £'000	Other £'000	Reinsurance £'000	Total £'000
Total - As reported	1,169	6,712	7,874	153,537	7,939	574,495	751,726
Total – Restated	810	5,031	6,570	140,111	7,487	562,504	722,513

(vi) Sensitivity to insurance risk note – Note 4

Year 2021	5 per cent decrease £'000	5 per cent decrease £'000
Total - As reported	(37,587)	37,587
Total – Restated	(32,460)	32,460

Notes (continued)

23. Prior year restatement (continued)

(vii) Credit risk - Note 4

Year 2021	AAA £'000	AA £'000	A £'000	BBB £'000	<BBB £'000	Not rated £'000	Total £'000
As reported							
Financial investments							
Shares and other variable yield securities and units in unit trusts	12,782	18,963	56,004	77,802	39,950	134,232	339,733
Overseas deposits as investments	41,080	8,858	8,114	7,216	3,315	38,459	107,042
Reinsurers' share of technical provisions	-	71,272	180,351	16,519	49	379,165	647,356
Cash at bank and in hand	-	-	14,014	-	-	-	14,014
Restated							
Financial investments							
Shares and other variable yield securities and units in unit trusts	-	-	-	-	-	339,733	339,733
Overseas deposits as investments	48,447	22,134	13,386	7,216	3,320	12,539	107,042
Reinsurers' share of technical provisions	-	72,418	183,251	16,785	49	368,758	641,261
Cash at bank and in hand	-	3	14,011	-	-	-	14,014

(viii) Liquidity risk - Note 4

			Undiscounted net cash flows			
Year 2021	Carrying amount £'000	Total cash flows £'000	Less than 1 year £'000	1-2 years £'000	2-5 years £'000	More than 5 years £'000
As reported						
Reinsurers share of technical provisions	647,356	647,356	180,536	166,585	153,007	147,228
Technical provisions	1,399,082	1,399,082	390,178	360,028	330,683	318,192
Creditors	34,628	34,628	34,628	-	-	-
Restated						
Reinsurers share of technical provisions	641,260	641,260	178,836	165,016	107,607	189,801
Technical provisions	1,363,774	1,363,774	380,332	350,942	228,848	403,652
Creditors	45,043	45,043	45,043	-	-	-

Notes (continued)

23. Prior year restatement (continued)

(ix) Currency risk - Note 4

Year 2021	GBP £'000	USD £'000	EUR £'000	CAD £'000	AUD £'000	JPY £'000	Total £'000
As reported							
Reinsurers' share of technical provisions	179,742	261,303	136,683	38,544	44,665	1,065	662,002
Technical provisions	324,866	717,982	239,695	70,281	71,414	1,557	1,425,795
Insurance and reinsurance payables	1,481	3,309	229	(13)	717	-	5,723
Restated							
Reinsurers' share of technical provisions	164,718	267,235	138,625	38,550	45,714	1,065	655,907
Technical provisions	289,558	717,982	239,695	70,281	71,414	1,557	1,390,487
Insurance and reinsurance payables	2,967	9,242	2,171	(8)	1,767	-	16,139

(x) Analysis of underwriting result – Note 5

Year 2021	Gross premiums written £'000	Gross premiums earned £'000	Gross claims incurred £'000	Gross operating expenses £'000	Reinsurance balance £'000	Net Technical Result £'000
Total - As reported	418,398	443,550	(383,949)	(15,823)	(12,440)	31,338
Total – Restated	418,398	443,550	(348,641)	(15,823)	(28,951)	50,135

(xi) Claims – Note 6

	Year 2021 £'000
Total - As reported	(381,908)
Total – Restated	(363,111)

(xii) Fair value hierarchy – Note 11

Year 2021	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Total - As reported	160,879	627,311	59,799	847,989
Total – Restated	18,001	770,189	59,799	847,989

Notes (continued)

23. Prior year restatement (continued)

(xiii) Technical provisions – Note 17

Year 2021	Gross £'000	Reinsurance £'000	Net £'000
As reported			
Change in prior year provisions	383,949	(2,041)	381,908
Effect of movements in exchange rates	(6,574)	8,601	2,027
Claims notified	1,018,937	(540,931)	478,006
Claims incurred but not reported*	380,145	(106,425)	273,720
Restated			
Change in prior year provisions	348,641	14,470	363,111
Effect of movements in exchange rates	(6,574)	(1,815)	(8,389)
Claims notified	1,018,937	(551,347)	467,590
Claims incurred but not reported*	344,837	(89,914)	254,923

* The restatement is not on the incurred but not reported claims (IBNR) but the ULAE that has been included in the IBNR amount.

24. Funds at Lloyd's

Every member is required to hold capital at Lloyd's which is held in trust and known as Funds at Lloyds ("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 Prudential Regulatory Authority requirements and resource criteria. The determination of FAL has regard to a number of factors including the nature and amount of risk to be underwritten by the member and the assessment of the reserving risk in respect of business that has been underwritten. Since FAL is not under the management of the Managing Agent, no amount has been shown in these financial statements by way of such capital resources. However, the Managing agent is able to make a call on the members FAL to meet liquidity requirements or to settle losses.

25. Ultimate parent company

The ultimate parent company and controlling entity of EMAL is Enstar Group Limited, incorporated in Bermuda.

The annual U.S. Securities and Exchange Commission filing of Enstar Group Limited may be obtained from:

U.S. Securities and Exchange Commission
450 Fifth Street, NW
Washington, D.C. 20549
U.S.A.
www.sec.gov

Notes (continued)

26. Post-balance sheet events

In February 2023, the Syndicate entered into RITC agreement with Probitas Managing Agency Limited for syndicate 1492, reinsuring their 2018 and prior years of account. The RITC is effective from 1 January 2023 and Syndicate 2008 will assume net reserves of £49.7m.

Syndicate 2008 assumed Syndicate 1301's assets and liabilities in respect of the 2020 and prior YOAs with effect from 1 January 2023. Similar to Syndicate 2008, Syndicate 1301's 2020 and prior YOAs was managed by Enstar Managing Agency Limited and SGL No. 1 Limited ("SGL1") is the corporate member for both Syndicate 2008 and S1301, 2020 and prior YOAs. As at 31 December 2021, Syndicate 1301 held a net liability position following cumulated 2020 YOA losses. SGL1 will settle this loss to Syndicate 2008. Syndicate 2008 will assume net reserves of £163.1m.

On 16 February 2023, Enstar Group Limited announced that its wholly-owned subsidiaries have reached an agreement for a ground-up Loss Portfolio Transfer ("LPT") with certain subsidiaries of QBE Insurance Group Limited ("QBE") on a diversified portfolio of business, covering International and North America financial lines, European and North American reinsurance portfolios, and several US discontinued programs. The transaction will complete upon receipt of regulatory approvals and satisfaction of various other closing conditions. Upon completion, a portion of the portfolio currently underwritten via QBE's Lloyd's syndicates 386 and 2999 will be transferred into Enstar Syndicate 2008.