Accounts disclaimer

The disclaimer on the following page is to be included at the front of each set of pdf accounts submitted to Lloyd's.

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.

SCOR Syndicate 2015

Annual Report and Accounts

31 December 2023

Contents

Directors and Administration

Managing Agent
SCOR Managing Agency Ltd (SMA)

MANAGING AGENT:

Ian Kirk (Chairman)*
Chris Beazley (CEO) (Appointed 28 February 2023)
Stuart McMurdo (CEO) (Resigned 28 February 2023)
Irfan Haq (CFO) (Appointed 15 February 2023)
Jean-Paul Conoscente-Jacopin*(Resigned 31 July 2023)
Romain Launay (Appointed 01 August 2023)
Catherine Fassi*
David Reed*
Jeremy Haynes*
Sian Fisher* (Appointed 26 January 2023)

* Non Executive Directors

Managing Agent's Registered Office
10 Lime Street
London
EC3M 7AA

Managing Agent's Registered Number
08614385

SYNDICATE:

Active Underwriter
Marie Biggas

Bankers
Lloyds Bank plc
Citibank NA
RBC Dexia

Auditor
Mazars LLP
London

Signing Actuaries
Towers Watson Limited

Investment Managers
New England Asset Management Limited

Report of the Directors of the Managing Agent

The Directors of the Managing Agent present their report in respect of Syndicate 2015 for the year ended 31 December 2023.

This annual report is prepared using the annual basis of accounting as required by Regulation 5 of the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 ("the 2008 Regulations"), this includes FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” and FRS 103 “Insurance Contracts” (United Kingdom Generally Accepted Accounting Practice).

Results

The result for calendar year 2023 is a profit of £32.6m (2022: profit of £22.6m).

Principal Activity and Review of the Business

The Syndicate's principal activity is the underwriting of direct insurance and facultative reinsurance business in the Lloyd's market.

Gross written premium income by class of business for the calendar year was as follows:

	2023	**2022**
	£’000	**£’000**
Property	210,939	195,394
Credit & Political Risk	40,071	29,225
Liability	36,924	48,563
Legal Indemnities	9,952	10,802
Other	27,834	22,230
	325,720	306,214

Key Performance Indicators

The Syndicate's key financial performance indicators during the year were as follows:

	2023	**2022**
	£’000	**£’000**
Gross Written Premiums	325,720	306,214
Profit for the financial year	32,600	22,596
Claims ratio	47.2%	45.9%
Expense ratio	44.0%	44.1%
Combined ratio	91.2%	90.1%

The claims ratio is the ratio of claims incurred net of reinsurance to earned premiums net of reinsurance. The expense ratio is the ratio of net operating expenses to earned premiums net of reinsurance.

Report of the Directors of the Managing Agent (continued)

With continued geopolitical instability, exacerbated by the Israel-Hamas conflict and Russia's continued invasion of Ukraine, 2023 was a year of further global turmoil. Inflation continues to decline in response to the numerous rate hikes and other monetary tightening strategies employed by major central banks across the world. Continued disruption to commodity trade impacted commodity prices, economic activity and the energy sector. Political unrest has created several stress points in global supply chains that have produced economic and insurance coverage challenges. We are closely monitoring the elevated general inflationary and interest rate environment to ensure we take appropriate and timely action whilst recognising the uncertainty in assessing these changes. Additionally, these global challenges are well monitored by our underwriters to anticipate the impact on our clients.

Syndicate 2015 is pleased to report a fourth successive year of profit, increasing to £32.6m (2022: £22.6m). We are building on solid foundations with a focus on sustainable profitability, and delivered a net combined ratio of 91.2% (2022: 90.1%). Property & Casualty insurance is a cyclical market exposed to volatility in the form of development of past reserves and large natural and man-made events, in addition to attritional losses. Underwriting discipline remains imperative and we have achieved sustained rate increases as well as improvements in terms and conditions across most lines of business and geographies during 2023. The business performed strongly in 2023 with Property in particular benefiting from lower than planned natural catastrophe activity during the year.

Our net operating expenses as a percentage of gross earned premium remained stable with expenses remaining below budget for the year. Earnings in 2023 exceeded expectations and Balance Sheets remained strong.

The total investment result for 2023 was a gain of £11.6m (2022: -£2.1m). Major central banks around the world continued to tighten their monetary policy in response to ongoing high levels of inflation. The Bank of England raised interest rates throughout 2023, from 3.5% to 5.25%, with the portfolio benefiting from the higher interest rates.

We expect the insurance market conditions to endure through 2024 across most lines of business however improvements are slowing as capacity returns. Our underwriters will continue to maintain underwriting discipline, with sustainable profit trumping growth, as well as paying attention to acquisition and reinsurance costs. We work closely with our colleagues across SCOR to identify and develop opportunities to leverage expertise and resources across the wider Group, and provide effective solutions for our customers.

Operating Expenses

Net operating expenses for the year are set out below:

	2023 £'000	2022 £'000
Acquisition Costs	96,979	93,889
Change in Deferred Acquisition Costs	(1,307)	(7,146)
Reinsurance Commissions	(3,685)	3,362
Managing Agency Fee	2,183	1,770
Other Personal Expenses	2,752	2,319
Other Administration Expenses	20,795	5,731
Net Operating Expenses	117,717	99,925

The increase in Other Administration Expenses in 2023 have been driven by the Service Level Agreement recharge and Inter Entity Shared Services recharge with SCOR Services UK Limited.

Investment Return

The return on Syndicate funds by currency is shown below:

	Currency	2023 £'000	2022 £'000
Average Syndicate funds available	Combined Sterling	250,168	201,424
	Sterling	25,313	27,630
	Euro	33,165	23,033
	US Dollars	171,802	125,292
	Canadian Dollars	102,041	79,871
Investment return for the year	Combined Sterling	11,573	(2,145)
	Sterling	1,115	(338)
	Euro	738	-
	US Dollars	8,661	(1,899)
	Canadian Dollars	4,757	(442)
Calendar year investment return %	Combined Sterling	4.63%	(1.06%)
	Sterling	4.40%	(1.22%)
	Euro	2.23%	0.00%
	US Dollars	5.04%	(1.52%)
	Canadian Dollars	4.66%	(0.55%)

US Dollar surplus funds are on a daily sweep to the Western Asset Liquidity Fund.
Investment return for 2023 was 4.63% (2022: -1.06%). The Syndicate's investment strategy is to preserve capital and take a prudent approach to managing investment risk.
The investment return is calculated using all funds including cash and overseas deposits.

Financial Investments

The Syndicate's investment guidelines do not allow for the holding of equities or stock lending transactions. At 31 December 2023 the portfolio composition was as follows:

	2023 £'000	2022 £'000
Liquid funds	32,950	29,167
Fixed income securities	203,197	141,991
Other Investments	3,418	3,268
	239,565	174,426

Other Investments includes a Syndicate Loan to Lloyd's Central Fund as per note 9.

Principal Risks and Uncertainties

SMA Board's ("the Board") risk appetite is aligned with the Syndicate's business planning process. The Board has established a Risk, Capital and Compliance Committee which meets quarterly to review the summary risk dashboard, the risk register and to monitor performance against risk thresholds using a series of key risk indicators and portfolio monitoring. The principal risks and uncertainties facing the Syndicate are outlined below and, where appropriate, further detail is included in note 17.

Underwriting Risk

Underwriting risk includes the risk that underwriting results vary from their expected amounts, including the risk that the frequency or severity of insured events will be higher than expected, or that estimates of claims subsequently prove to be insufficient which can also be influenced by factors beyond SMA's control at the time of underwriting, including both claims inflation mainly influenced by general economic conditions and the changing regulatory and legal environment, such as developments in legislation and litigation often referred to as "social inflation". The Board manages underwriting risk by agreeing its appetite for these risks annually through the business plan, which sets out targets for volumes, pricing, line sizes and retention by class of business. The Board then monitors performance against the business plan throughout the year.

The Syndicate uses catastrophe modelling software to model potential losses from catastrophe-exposed business and non-modelled risks are explicitly allowed for within pricing and capital models. Reserve adequacy is monitored through quarterly review by the in-house actuarial team and further review and approval by the Reserving Committee. It is also reviewed annually by an independent firm of external actuaries.

Credit Risk

The key aspect of credit risk is the risk of default by one or more of the Syndicate's reinsurers. The Board's policy is that the Syndicate will usually only use reinsurers rated by recognised third-party rating agencies in the A range or higher. The Reinsurance Committee reviews and assesses the suitability of the Company's proposed reinsurance programmes to ensure they are in line with the Board-approved business plan and reinsurance strategy as well as reviewing summaries of the Syndicate's external counterparties selected in accordance with SCOR's procedures. The Syndicate also notes and monitors credit risk that may arise through brokers and business written via delegated underwriting authority.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial investment or insurance contract will fluctuate because of changes in market prices and macro-economic variables. The Syndicate's main market risk exposures are to currency risk, spread risk and interest rate risk.

The Syndicate maintains four settlement currencies (being Sterling, Euro, Canadian Dollar, and US Dollar) and is, therefore, exposed to currency risk arising from fluctuations in the exchange rates of the reporting currency 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 in order to mitigate the currency risk inherent in these contracts.

Exposure to spread risk arises from a potential change in market assessment of the counterparty risk of financial instruments or counterparties. The Syndicate's main credit spread exposure arises through potential credit spread variations in fixed-income investments.

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 investing primarily in short-duration financial investments and cash and cash equivalents. Interest rates across most large economies experienced significant increase in 2022 following major central banks' rate rises to counteract the elevated inflation observed during that year. To some extent interest rates stabilised around mid-2023 and there was a moderate reduction in inflation rates, varying by territory. Inflation can be costly for consumers, stocks and the economy. The added pressures of inflation can cause stock prices to fall in response to the market. This creates uncertainty with regards to future interest rates that tends to create market volatility. The Investment Committee is monitoring inflation and its impacts closely as well as monitoring the duration of invested assets on a regular basis. The Syndicate holds no equities or real estate within its portfolio.

Liquidity Risk

This is the risk that the Syndicate will not be able to meet its liabilities as they fall due, owing to a shortfall in cash, or only being able to secure them at excessive cost. To mitigate this risk, cash flow projections are reviewed regularly. The Syndicate benefits from a short-term funding facility with SCOR.

Report of the Directors of the Managing Agent (continued)

Operational Risk

The Syndicate's operational risks are mainly related to staff, systems or facilities, processes, the legal/regulatory environment and risks related to external fraud and cyber-attacks having an adverse impact on the business. The Syndicate manages these risks through qualitative and quantitative measures and setting tolerances which provide guidance in the management of operational risk. This includes the use of detailed procedure manuals, risk identification, assessment, monitoring and reporting by the Risk Management function and a structured programme of audit review and testing by the Group Internal Audit function. Business continuity and disaster recovery plans are in place and are updated and tested.

In the final quarter of 2022, the employment contracts for staff employed by SMA transferred into SCOR Services UK Ltd, the employer of other SCOR staff in London, following staff consultation. With this alignment, in 2023 we have been able to enhance our ability to share synergies and enable greater mobility of staff across the wider SCOR Group.

Over 2023 management have continued to engage with staff and SCOR Group both to ensure effective business continuity post the pandemic with no significant operational issues, and to ensure staff were supported throughout this uncertain period. With SCOR's implementation of a hybrid working strategy in 2023, staff and managers have been engaged to establish and deploy new ways of working to facilitate creativity in maintaining team dynamics and innovation.

Regulatory Risk

Regulatory risk is the risk of loss owing to a breach of regulatory requirements or failure to respond to regulatory change. SMA is required to comply with the requirements of the Financial Conduct Authority ("FCA"), the Prudential Regulation Authority ("PRA") and Lloyd's. Lloyd's requirements include those imposed on the Lloyd's market by overseas regulators, particularly in respect of US situs business. SMA has a Compliance Officer who is responsible for compliance and monitors regulatory developments and assesses the impact on Agency policy.

Sustainability / Environmental, Social and Governance Risks

Sustainability risk means an environmental, social or governance (ESG) event or condition that, if it occurs, could cause an actual or a potential negative impact on the value of the investment or on the value of the liability. The Syndicate's ESG strategy and approach is fully embedded within SCOR Group objectives.

The Syndicate has an integrated governance system to consider sustainability issues in relation to its business activities, investments and operations. This system oversees a range of actions to mitigate the impact of the Syndicate on sustainability issues as well as the impact of sustainability issues on the Syndicate. This system, being embedded by the Syndicate, is structured around five core pillars:

- General reference framework, consisting of SCOR Group's Raison d'Être - the Art & Science of Risk to protect societies - and adherence to global initiatives supported by UN programmes, supplemented where appropriate by subject-specific reference frameworks and transposed into standards (e.g. the Code of Conduct, Climate Policy, Sustainability Policy, Anti-Corruption Policy and ESG Underwriting guidelines) and relevant Syndicate activities.

Report of the Directors of the Managing Agent (continued)

- Governance framework, under the supervision of the Syndicate's Board, assisted by the preparatory work of its specialised committees – in particular the Risk, Capital and Compliance Committee, Audit Committee, Executive Underwriting Committee, Investment Committee, Product Oversight Committee and the Executive Management Committee. In addition, the Syndicate benefits from the output of the SCOR Group Sustainability Committee.
- Integrated initiatives, translated into operational measures in action plans, the implementation of which is periodically reported to the supervisory and management bodies.
- Risk management system that builds on analysis and monitoring of megatrends and associated emerging and operational risks.
- SCOR Group's framework of performance conditions indexed to sustainability criteria, applied taking into account the responsibilities exercised within SCOR.

SCOR's values drive the Syndicate's interests with human capital as a key success factor. Being central to how we act and behave as an organisation, our values are helping build a culture which has sustainability at its core. Underwriting activities are exposed to climate change physical, transition and liability risks. The Syndicate is also developing products that address environmental issues. Specialty Insurance underwriting guidelines integrate ESG issues specific to certain activities that may present ethical issues in respect of health (e.g. manufacture and distribution of opioids, animal testing), the environment (e.g. palm oil production, dam construction) and human rights (e.g. textiles and forced labour). The Syndicate considers specific ESG underwriting considerations at class level including for Political & Credit Risk, Cyber, Political Violence, Property D&F, Legal Expenses, Legal Indemnities and Environmental Impairment Liability.

SCOR Group sustainable investment principles are applied at Syndicate level. We are able to leverage on SCOR's investment expertise and principles as well as that of our investment managers. Although (re)insurance is not an industrial activity with a significant impact on the environment, integrated within SCOR Group the Syndicate strives to limit the environmental impacts stemming from the management of its operational processes. These include the operation of the occupied building, business travel, office equipment supplies and waste management. Operations focus on reduction of greenhouse gas emissions and the preservation of biodiversity.

Aligned with phased and evolving action plans as we implement our ESG strategy and approach, we aim to be transparent externally in our interactions with stakeholders including insurance clients and our external disclosures, as appropriate.

Climate Change as a Major Sustainability Risk

SMA recognises that climate change poses a risk and it continues to develop processes and controls that are proportionate to the nature, scale, and complexity of its business which we anticipate will evolve and mature over time. In the longer term, SMA's business activities and operations may be exposed to risks from developing sustainability issues, such as risks stemming from global climate change and environmental degradation. Climate change is likely to impact the risks associated with SMA's strategy, underwriting, investments and operations due to physical climate risks, the creation of transition risks (due to the shift towards a low-carbon economy) as well as triggering litigation in case of clients' inadequate disclosures or preparations and the potential to negatively impact SMA's and SCOR's reputation.

Report of the Directors of the Managing Agent (continued)

SMA's underwriting business is exposed to physical climate risks, caused by changes in the frequency and severity of certain natural catastrophe events that are predicted in global warming scenarios. Although scientific understanding of the link between climate change and the changing occurrence of certain catastrophe events is still developing, catastrophe events that are potentially impacted include hurricanes (including storm surges and pluvial flooding), floods (both river flooding and pluvial flooding), heatwaves, wildfires and droughts. SMA's long-term profitability and the ongoing insurability of certain classes of business could be negatively impacted in the event that climate change causes an increase in the frequency and/or severity of these natural phenomena if there is no timely adaptation in the strategy and pricing of these risks.

The Syndicate's approach to managing the financial risks from climate change is aligned to the PRA's expectations as set out in Supervisory Statement 3/19 and the wider SCOR Group approach in respect of climate change. The Syndicate has designated the coordination of consideration and management of the financial risks from climate change responsibilities to a senior manager, supported by other functions within the organisation.

Solvency II

The business operates under the requirements of the Solvency II regime, being reformed by the UK Government and transitioning to Solvency UK, and maintains its own fully operational Internal Model, which is reviewed at least annually by Lloyd's. This includes evidencing that the Agency meets the required tests and standards. The UK Government's review of certain features of the prudential regulatory EU Solvency II regime is ongoing with some UK deviations emerging.

Future Developments

We will continue to assess our portfolio mix, taking into account market developments, and expect to develop further our specialty classes and will consider complementary classes, particularly where we can use the broader resources of the SCOR Group to provide business solutions to our clients.

The total Syndicate capacity for the 2024 year of account is £311m compared with £291m in 2023. This reflects the impact of a stronger rating environment increasing premiums. Should suitable opportunities develop we will consider requesting Lloyd's to increase our capacity in the latter part of 2024.

Directors Serving in the Year

The Directors of the Managing Agency, SMA, who served during the year ended 31 December 2023 can be seen in the Directors and Administration section on page 3.

Disclosure of Information to the Auditor

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

Report of the Directors of the Managing Agent (continued)

Syndicate Annual General Meeting

In accordance with the Syndicate Meetings (Amendment No 1) Byelaw (No 18 of 2000), the Managing Agent does not propose holding an annual meeting this year; the Managing Agent also intends to reappoint the auditor, Mazars LLP, for a further 12 months. Should the Syndicate Member object to either of these proposals, the Managing Agent should be advised before 25 April 2024.

On behalf of the Board

Chris Beazley
CEO
27 February 2024

Statement of Managing Agent's Responsibilities

The Managing Agent is responsible for preparing the Managing Agent's Report and the annual accounts in accordance with applicable law and regulations.

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

In preparing the Syndicate annual accounts, the Managing Agent is required to:

1. Select suitable accounting policies and then apply them consistently;
2. Make judgments and estimates that are reasonable and prudent;
3. State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the annual accounts; and
4. Prepare the annual accounts on the basis that the Syndicate will continue in operation unless it is inappropriate to presume that the Syndicate will do so.

The Managing Agent is responsible for keeping adequate accounting records that are sufficient to disclose with reasonable accuracy at any time the financial position of the Syndicate and enable it to ensure that the Syndicate annual accounts comply with the 2008 Regulations. The Managing Agent is also responsible for safeguarding the assets of the Syndicate and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Managing Agent confirms that it has complied with the above requirements in preparing the Syndicate annual accounts.

Independent Auditor's Report to the Member of Syndicate 2015

Opinion
We have audited the syndicate annual accounts of Syndicate 2015 (the "syndicate") for the year ended 31 December 2023 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Member's Balance, the Statement of Cash Flows and the notes to the syndicate annual accounts, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and FRS 103 "Insurance Contracts" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the syndicate annual accounts:

- give a true and fair view of the state of the syndicate's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the syndicate annual accounts" section of our report. We are independent of the syndicate in accordance with the ethical requirements that are relevant to our audit of the syndicate annual accounts in the UK, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
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.

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.

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

Other information
The other information comprises the information included in the Syndicate Annual Report and Accounts, other than the syndicate annual accounts and our auditor's report thereon. The Managing Agent is responsible for the other information contained within the Syndicate annual accounts. Our opinion on the

syndicate annual accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

- the information given in the Managing Agent's Report for the financial year for which the syndicate annual accounts are prepared is consistent with the syndicate annual accounts; and
- the Managing Agent's Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of the Managing Agent

As explained more fully in the Statement of Managing Agent's Responsibilities set out on page 13, the Managing Agent is responsible for the preparation of the syndicate annual accounts and for being satisfied that they give a true and fair view, and for such internal control as the Managing Agent determines is necessary to enable the preparation of the 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 its ability to continue as a going concern and using the going concern basis of accounting unless the Managing Agent either intends for the Syndicate to cease to operations, or has no realistic alternative but to do so.

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the syndicate and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the syndicate annual accounts: regulatory and supervisory requirements of the Prudential Regulation Authority and the Financial Conduct Authority, and regulations set by the Council of Lloyd's.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of directors and management of the Managing Agent and the syndicate's management as to whether the syndicate is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the syndicate which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the syndicate annual accounts such as: United Kingdom Generally Accepted Accounting Practice and the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008.

In addition, we evaluated the directors' and management of the Managing Agent's and the syndicate management's incentives and opportunities for fraudulent manipulation of the syndicate annual accounts, including the risk of management override of controls and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to valuation of the provisions for the settlement of future claims, premium estimates, application of earning patterns, and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management of the Managing Agent and syndicate management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud;
- Addressing the risks of fraud through management override of controls by performing journal entry testing; and
- Reviewing the accounting estimate in relation to valuation of insurance liabilities for evidence of management bias and performing procedures to respond to the fraud risk in revenue recognition.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the Syndicate annual accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Lionel Cazali (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
30 Old Bailey
London
EC4M 7AU
Date: 27 February 2024

Profit and Loss Account

Technical Account

For the year ended 31 December 2023

	Notes	2023 £'000	2022 £'000
Earned premiums, net of reinsurance			
Gross premiums written	4	325,720	306,214
Outward reinsurance premiums		(63,048)	(73,419)
Net premiums written		262,672	232,795
Change in the provision for unearned premiums			
- Gross amount	19	1,272	(16,596)
- Reinsurers' share	19	3,524	10,309
Change in the net provision for unearned premiums		4,796	(6,287)
Earned premiums, net of reinsurance		267,468	226,508
Allocated investment return transferred from the non-technical account		11,573	(2,145)
Claims incurred, net of reinsurance			
Claims paid			
- Gross amount		(111,052)	(106,856)
- Reinsurers' share		20,982	33,237
Net claims paid		(90,070)	(73,619)
Change in the provision for claims			
- Gross amount	19	(54,861)	(43,539)
- Reinsurers' share	19	18,602	13,104
Change in the net provision for claims		(36,259)	(30,435)
Claims incurred, net of reinsurance		(126,329)	(104,054)
Net operating expenses	5	(117,717)	(99,925)
Balance on the technical account for general business		**34,995**	**20,384**

All the amounts above are in respect of continuing operations.

Non-Technical Account

For the year ended 31 December 2023

	Notes	2023 £'000	2022 £'000
Balance on the general business technical account		34,995	20,384
Investment income	8	8,695	1,879
Unrealised gains/losses on investments	8	3,068	(3,892)
Investment expenses	8	(190)	(132)
Allocated investment return transferred to general business technical account		(11,573)	2,145
Profit on foreign exchange		(2,395)	2,212
Profit for the financial year		**32,600**	**22,596**

Balance Sheet

Assets

At 31 December 2023

	Notes	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Investments					
Other financial investments	9	239,565		174,426	
Deposits with ceding undertakings	9	973		312	
			240,538		174,738
Reinsurers' share of technical provisions					
Provision for unearned premiums	19	61,094		60,005	
Claims outstanding	19	102,541		88,147	
			163,635		148,152
Debtors					
Debtors arising out of direct insurance operations	10	59,818		72,021	
Debtors arising out of reinsurance operations	11	40,933		35,035	
Other debtors		9,397		4,503	
			110,148		111,559
Other assets					
Cash at bank and in hand	12	22,261		39,764	
Overseas deposits	13	26,202		24,897	
			48,463		64,661
Prepayments and accrued income					
Accrued interest and rent		1,348		679	
Deferred acquisition costs	14	79,173		79,722	
Other prepayments and accrued income		2		570	
			80,523		80,971
Total assets			**643,307**		**580,081**

Balance Sheet

Liabilities
At 31 December 2023

	Notes	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Capital and reserves					
Member's balance			32,317		19,564
Technical provisions					
Provision for unearned premiums	19	238,728		248,064	
Claims outstanding	19	288,884		243,555	
			527,612		491,619
Creditors					
Creditors arising out of direct insurance operations	15	845		1,070	
Creditors arising out of reinsurance operations	16	55,531		53,888	
Other creditors including taxation and social security		17,677		8,906	
			74,053		63,864
Accruals and deferred income			9,325		5,034
Total liabilities			**643,307**		**580,081**

The notes on pages 22 to 46 form an integral part of these annual accounts.

The annual accounts on pages 18 to 46 were approved by the Board of SCOR Managing Agency Ltd on 27 February 2024 and were signed on its behalf by

Irfan Haq
CFO
27 February 2024

Statement of Changes in Member's Balance

For the year ended 31 December 2023

	2023 £'000	2022 £'000
At 1 January	19,564	(13,075)
Members' profit distribution and cash calls	(19,847)	10,043
Profit for the year	32,600	22,596
At 31 December	32,317	19,564

Statement of Cash Flows

For the year ended 31 December 2023

	Notes	2023 £'000	2022 £'000
Cash flows from operating activities			
Profit for the year		32,600	22,596
Increase in gross technical provisions		35,994	90,672
Increase in reinsurers' share of technical provisions		(15,483)	(34,840)
Increase in debtors		(9,601)	(27,051)
Increase in creditors		25,939	21,490
Movement in other assets/liabilities		-	(7,508)
Investment return		(11,573)	2,145
Other		8,741	-
Net cash inflows from operating activities		66,617	67,504
Cash flows from investing activities			
Purchase of debt instruments		(166,117)	(92,333)
Sale of debt instruments		100,894	31,604
Investment income received		6,666	1,962
Other*		(5,716)	(3,828)
Cash flows from financing activities			
Members' (profit distribution) / cash call		(19,847)	10,043
Net increase/(decrease) in cash and cash equivalents		(17,503)	14,952
Foreign Exchange		-	(3,468)
Movement in cash and cash equivalents		(17,503)	11,484
Cash and cash equivalents at 1 January 2023		39,764	28,280
Cash and cash equivalents at 31 December 2023	12	22,261	39,764

*Other cash flows from investing activities contains movements in Overseas deposits and variable yield securities along with the investment income received from these investments

Notes to the Accounts

For the year ended 31 December 2023

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 FRS 102 and FRS 103, being applicable UK GAAP accounting standards, and in accordance with the provisions of Schedule 3 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations relating to insurance companies.

The financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value and certain judgement and estimates detailed in note 2.

The financial statements are presented in Sterling, which is the Syndicate's functional currency. All amounts have been rounded to the nearest thousand unless otherwise shown.

Having assessed the principal risks, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

2. Use of judgement and estimates

In preparing these financial statements, the Directors of SMA have made judgments, 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 those on which management's estimates are based. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Premiums written and earned include signed premiums as well as estimated premium income (EPI), being business which has an attachment date prior to the end of the reporting period. The gross written premium for binders is initially based on the EPI for each contract, this is based on either historical information of established patterns which reflect expected timings and risk exposures or underwriter's expert judgement. The EPI will be adjusted as necessary to reflect changes in an underwriter's expectation through consultations with brokers and third-party coverholders, changes in market conditions, historic experience and to reflect actual cash received for a contract. The EPI is reviewed regularly and as a year of account matures adjustments will be made and if the premium cannot be reliably estimated at that date, then the premium written is recognised as soon as it can be reliably determined.

Underwriters adjust their EPI estimates as the year of account matures. Estimation techniques are necessary to quantify the EPI on all Syndicate business written and are commonly used within the Lloyd's insurance market. The process of determining the EPI is based on a number of factors, which can include; historical trends of business written versus expectation; current and expected market conditions for the line of business; and coverholder business plan documents provided prior to binding.

Notes to the Accounts (continued)

Due to the nature of the Lloyd's business and the settlement patterns of the underlying business it is also not uncommon for some contracts to take a number of years to finalise and settle, and as such remain as a receivable on the balance sheet.

Premiums written under binding authority contracts, binders, are booked as the contracts incept under a straight line basis. Binder EPI is pro-rated across the binder period.

Global economic and geo-political uncertainties remain high. Global economic growth slowed in 2023 leading to the risks of recession particularly in Europe. The combination of lower growth, persisting inflation and higher borrowing costs could cause systemic debt distress, further economic slow-down, credit risk events and financial market volatility. The Syndicate is exposed to the effects of inflation on future claims and expenses. Longer-tail lines can be disproportionately affected by price pressures that transition from goods to services. As interest rate levels are at decade-highs in one of the steepest and fastest cycles to develop in generations, there is a risk of a reversal of these rate increases should the global economic slowdown materialise in combination with disinflation or deflation. With the ongoing war in Ukraine and recent escalation of conflict in the Middle East, there is heightened risk of further deepening in polarisation between countries which could lead to violence and terrorist activity increasing in the region and beyond. This could expose the Syndicate to higher-than-expected claims and further financial market volatility as well as potentially reducing demand for insurance amidst reduced economic growth and inflation. This situation is evolving and the associated uncertainties cannot be accurately assessed.

An explicit impact for claims inflation has been included within the best estimate reserves, in line with SCOR Group scenarios and Lloyd's guidelines. The overall impact across all lines of business for all underwriting years is £4.2m/£3.8m (gross/net) on an ultimate basis and £3.6m/£3.2m (gross/net) on an earned basis.

Actual results may differ from these estimates. SMA carry out reserving on a quarterly basis, and so all estimates and underlying assumptions are reviewed periodically throughout the year, with any revisions to estimates approved by the SMA Board. An actual compared to expected analysis is carried out by the Reserving Team on a quarterly basis. Comparing emerging experience to expectation is an important part of the reserve setting process. Actual versus expected movements within the quarter as well as actual versus expected movements during the year to date are compared. These analyses inform the Reserving Committee and Board in their validation and challenge of the quarterly reserves.

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 judgmental and complex area due to the subjectivity inherent in estimating the impact of claims events that have occurred but for which the eventual outcome remains uncertain. In particular, judgement is applied when estimating the value of amounts that should be provided for claims that have been incurred at the reporting date but have not yet been reported (IBNR) to the Syndicate.

Notes to the Accounts (continued)

The amount included in respect of IBNR is based on statistical techniques of estimation applied by SMA's Reserving Team and peer reviewed by the SMA Chief Actuary. The Head of Reserving makes recommendations of reserves to the Reserving Committee. The Reserving Committee meets quarterly to consider these recommendations and in turn recommend suitable reserves to the SMA Board. In addition, an external independent Actuary is engaged by SMA to evaluate the Syndicate's solvency reserves and provide a Statement of Actuarial Opinion ("SAO") at each year end. The main conclusions of the SAO Actuary are shared with the Audit Committee and the Board to provide a further point of consideration in respect of the recommended levels of IBNR.

The statistical techniques used to estimate IBNR are widely accepted actuarial techniques and generally involve projecting from past experience the development of claims over time in view of the likely ultimate claims to be experienced. However, due to the Syndicate's relatively short history in writing some classes of business, it is not always possible to carry out actuarial projections of ultimate claims liabilities on actual Syndicate experience alone. Instead, development curves derived from LMA (Lloyd's Market Association) risk code level triangle data are combined to create benchmark curves for these classes of business, in addition to any other reasonable external benchmark data. These derived benchmark development patterns are then used to project ultimate claims based on paid and incurred Bornhuetter-Ferguson and chain ladder methods. These benchmark patterns are reviewed at least annually. As the Syndicate history of writing some classes of business matures, more weight will be placed on the business' own experience instead of LMA data.

For the more recent underwriting years, regard is given to variations in business accepted and the underlying terms and conditions. For these years, in deriving ultimate claims liabilities, more reliance is placed on loss ratios from the Syndicate's current business plan (unless more current information to suggest deviating from the plan loss ratios is available).

Reinsurance IBNR is made up of general IBNR on Treaty, Facultative and Quota Share programmes, and specific reinsurance IBNR on known losses. Reinsurance IBNR calculations take into account the actual programmes that are purchased to cover each class of business and where appropriate the assumed reinsurance loss ratios are based on the Syndicate's latest views calculated from the Internal Model.

The provision for claims also includes amounts in respect of internal and external claims handling costs. The reserves are calculated on an undiscounted basis by class of business and year of account. The held reserves make allowance for emerging matters where appropriate. Further information about reserving risk is included in Note 17.

3. Significant Accounting Policies

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

Gross Premiums Written

Gross premiums written comprise premiums on insurance and reinsurance contracts incepted during the financial year, as well as adjustments made in the year to premiums written in prior accounting periods. Premiums are shown gross of brokerage payable to intermediaries and exclude taxes and duties levied on these premiums.

Notes to the Accounts (continued)

Premiums written is reported based on a management estimation of when the premium will be written. Binding authority contract premiums include estimates for pipeline premiums (disclosed in note 2), this is an estimate of premiums written during the year that have not yet been booked by the financial year-end and made on a risk-by-risk basis. These are made net of estimated future cancellations, representing amounts due to the Syndicate not yet notified.

For binding authority contracts, the underwriters estimate how much business will incept based on prior year information, the information provided and using their underwriting experience with reference to market conditions. If the contract is a new binder the premium is based on market data and the judgement of the underwriter. The estimate is updated on a regular basis. It is assumed that these risks incept under a straight-line basis and therefore only the proportion of risks which have incepted by the year-end date are reported within written premium in the financial statements.

Unearned Premiums

Gross written premiums are recognised as earned according to the risk profile of the policy. A provision for unearned premiums represents the proportion of premiums written that relate to unexpired terms of policies in force at the balance sheet date and estimated to be earned in the following financial periods. The provision is calculated on the basis of established earnings patterns which reflects underlying risk exposures and may include straight line earning patterns where appropriate. In a limited number of cases bespoke earning patterns are used to reflect the expected exposure of the underlying risks.

Reinsurance Premium Ceded

Outward reinsurance premiums comprise premium for contracts incepting during the financial year together with adjustments to outward reinsurance ceded in previous years.

Claims Provisions and Related Recoveries

Gross claims incurred comprise the estimated cost of all claims occurring during the financial year, whether reported or not, including related direct and indirect claims handling costs and adjustments to claims outstanding established in previous years.

The provision for claims outstanding is assessed on:

1) An individual case basis and is based on the estimated ultimate cost of all claims notified but not settled by the balance sheet date, together with the provision for related claims handling costs; and

2) The estimated cost of IBNR claims at the balance sheet date based on statistical methods.

The Directors consider that the provisions for gross claims and related reinsurance recoveries are fairly stated on the basis of the information currently available to them. However, the ultimate liability will vary as a result of subsequent information and events and this may result in significant adjustments to the amounts provided, as set out in Note 2.

Notes to the Accounts (continued)

Unexpired Risk Provision
A provision for unexpired risks is made where claims and related expenses arising after the end of the financial period in respect of contracts concluded before that date are expected to exceed the unearned premiums and premiums receivable under these contracts, after the deduction of any acquisition costs deferred. The provision for unexpired risks is calculated separately by reference to classes of business which are managed together after taking into account any future investment return. No provision is necessary at the year end (2022: £nil).

Deferred Acquisition Costs
Acquisition costs, comprising commission and other costs related to the acquisition of new insurance contracts, are deferred to the extent that they are attributable to premiums unearned at the balance sheet date.

Foreign Currencies
Transactions in US Dollars, Canadian Dollars and Euros are translated at the average rates of exchange for the year. Transactions denominated in other foreign currencies are included at the rate of exchange ruling at the date the transaction is processed.

Monetary assets and liabilities denominated in non-Sterling currencies are re-translated at the rate of exchange at the balance sheet date. Insurance assets and liabilities are treated as monetary assets and liabilities.

Exchange differences are recorded in the non-technical account.

Investments
Investments are stated at fair value at the balance sheet date. The Syndicate Loan is akin to an unlisted investment similar to an equity instrument, which is recognised at fair value through profit and loss. For this purpose, listed investments are stated at market value (bid value) and deposits with credit institutions and overseas deposits are stated at market value as notified by Lloyd's. As permitted by FRS 102, the Syndicate has elected to apply the recognition and measurement provisions of IAS 39- Financial Instruments to account for all of its financial instruments.

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

Realised gains and losses on investments are calculated as the difference between sale proceeds and purchase price. Unrealised gains and losses on investments represent the difference between the valuation at the balance sheet date and their valuation at the previous balance sheet date or purchase price, if acquired during the year, together with the reversal of unrealised gains and losses recognised in earlier accounting periods in respect of investment disposals in the current period.

Investment return is initially recorded in the non-technical account. A transfer is made from the non-technical account to the general business technical account. Investment return has been wholly allocated to the technical account as all investments relate to the technical account.

Notes to the Accounts (continued)

Taxation
Under Schedule 19 of the Finance Act 1993 Managing Agents are not required to deduct basic rate income tax from trading income. In addition, all UK basic rate income tax deducted from Syndicate investment income is recoverable by Managing Agents and consequently the distribution made to Members or their Members' agents is gross of tax. Capital appreciation is included 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.
No provision has been made for any overseas tax payable by the Member on underwriting results.

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.

Debtors and creditors arising out of direct and reinsurance operations
Debtors and creditors arising out of direct and reinsurance operations are initially recognised at transaction price and are subsequently carried at the recoverable amount. The carrying value is reviewed for impairment whenever events or circumstances arise indicating that the carrying amount is greater than the recoverable amount, with the impairment adjustment recorded in the profit and loss. Debtors arising out of direct insurance and reinsurance operations are stated net of specific provisions against doubtful debts which are made on the basis of reviews conducted by management.

Other debtors and creditors
Any other debtors and creditors are recognised initially at transaction price and subsequently carried at the recoverable amount. The carrying value of other debtors is reviewed for impairment whenever events or circumstances arise indicating that the carrying amount is greater than the recoverable amount, with the impairment adjustment recorded in the profit and loss account. All other debtors and creditors are due within one year, unless otherwise stated.

4. Analysis of Business Written

2023	Gross written premium £'000	Gross premium earned £'000	Gross claims incurred £'000	Gross operating expenses £'000	Re-insurance balance £'000	Total £'000
Direct insurance:						
Accident and health	186	186	101	(34)	(5)	248
Motor (Other Classes)	28	28	(2)	(7)	(4)	15
Marine	1,253	1,541	39	(946)	(194)	440
Transport	2,677	1,428	(544)	(315)	(68)	501
Fire and other damage to property	178,503	177,555	(78,249)	(70,089)	(9,458)	19,759
Third party liability	33,521	45,877	(29,870)	(14,502)	(2,429)	(924)
Pecuniary loss	25,472	26,147	(10,403)	(11,536)	(3,893)	315
Other	13,652	14,445	(1,037)	(5,951)	(121)	7,336
	255,292	267,207	(119,965)	(103,380)	(16,172)	27,690
Reinsurance	70,428	59,785	(45,947)	(14,337)	(3,769)	(4,268)
	325,720	326,992	(165,912)	(117,717)	(19,941)	23,422

2022	Gross written premium £'000	Gross premium earned £'000	Gross claims incurred £'000	Gross operating expenses £'000	Re-insurance balance £'000	Total £'000
Direct insurance:						
Accident and health	-	-	134	4	(7)	131
Motor (Other Classes)	-	-	6	(1)	(2)	3
Marine	121	197	(111)	(148)	(96)	(158)
Transport	237	221	(136)	(49)	(20)	16
Fire and other damage to property	167,505	156,366	(71,763)	(60,635)	(6,867)	17,101
Third party liability	43,207	41,456	(25,224)	(12,598)	(3,985)	(351)
Pecuniary loss	26,893	25,352	(15,156)	(11,499)	(2,555)	(3,858)
Other	13,769	11,430	(1,996)	(4,544)	-	4,890
	251,732	235,022	(114,246)	(89,470)	(13,532)	17,774
Reinsurance	54,482	54,596	(36,150)	(10,455)	(3,237)	4,756
	306,214	289,618	(150,396)	(99,925)	(16,769)	22,530

An analysis of the underwriting result before investment return is set out above.

The reinsurance balance represents the charge to the technical account from the aggregate of all the items relating to outwards reinsurance.

All contracts were concluded in the UK, albeit that the business emanates from around the world.

Notes to the Accounts (continued)

5. Net Operating Expenses

	2023 £'000	2022 £'000
Acquisition costs	(96,979)	(93,889)
Change in deferred acquisition costs (note 14)	1,307	7,146
Administrative expenses	(25,730)	(9,821)
Reinsurance commissions	3,685	(3,362)
	(117,717)	(99,925)

The increase in Administration Expenses in 2023 have been driven by the Service Level Agreement recharge and Inter Entity Shared Services recharge with SCOR Services UK Limited.
Commission for direct insurance business for the year was £74,028,000 (2022: £64,672,000).

Administrative expenses include:

	2023 £'000	2022 £'000
Auditor's remuneration		
Audit of the annual accounts	(238)	(190)
Other services:		
Other assurance services	(16)	(15)
Interim reporting	(25)	(23)
	(279)	(228)

Standard personal expenses (Lloyd's subscriptions, New Central Fund Contributions, Managing Agent's fees)	(4,936)	(4,089)

6. Staff Numbers and Costs

All staff in the UK are employed by the Group services Company, SCOR Services UK Ltd, and the full staff cost disclosures will be included in the notes to these accounts. Amounts are recharged to the Syndicate as part of the quarterly Service Level Agreement fee charged by the Service Company.

Notes to the Accounts (continued)

7. Emoluments of the Directors of SMA

The Directors of SMA and the Active Underwriter received the following aggregate emoluments, as defined by Schedule 1 to the 2008 Regulations, charged to the Syndicate and included within net operating expenses.

	2023 £'000	2022 £'000
Directors of SMA	597	794
Active Underwriter	336	433

8. Investment Return

	2023 £'000	2022 £'000
Interest and dividend income	7,956	2,116
Realised (losses)	739	(237)
Total investment income	8,695	1,879
Unrealised gains/(losses)	3,068	(3,892)
Investment expenses	(190)	(132)
Total investment return	11,573	(2,145)

All realised and unrealised gains and losses arise from investments designated as fair value through profit and loss.

9. Financial Investments

	2023		2022	
	Fair Value £'000	Cost £'000	Fair Value £'000	Cost £'000
Shares and other variable securities and units in unit trusts	32,950	32,950	29,167	29,167
Debt securities and other fixed income securities	203,197	200,170	141,991	145,964
Deposits with ceding undertakings	973	973	312	312
Loans and deposits with credit institutions	3,418	3,644	3,268	3,644
Total	240,538	237,737	174,738	178,711

Notes to the Accounts (continued)

The Syndicate has not traded in derivatives.

All financial investments are designated as at fair value through profit or loss.

All "Shares and other variable yield securities and units in unit trusts" and "Debt Securities and other fixed income securities" are listed.

The other investments are a syndicate loan to the Lloyd's Central Fund which is an unlisted financial instrument, recognised through profit and loss.

The Syndicate classifies the measurement bases of its financial investments as follows:

- Level 1: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable for the asset or liability.

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

Fair Value Hierarchy

As at 31 December 2023	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Shares and other variable yield securities and unit trusts	32,950	-	-	32,950
Debt securities and other fixed income securities	53,322	149,875	-	203,197
Deposits with ceding undertakings	-	973	-	973
Loans and deposits with credit institutions	-	-	3,418	3,418
Total	86,272	150,848	3,418	240,538

As at 31 December 2022	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Shares and other variable yield securities and unit trusts	29,167	-	-	29,167
Debt Securities and other fixed income securities	61,804	80,187	-	141,991
Deposits with ceding undertakings	-	312	-	312
Loans and deposits with credit institutions	-	-	3,268	3,268
Total	90,971	80,499	3,268	174,738

Notes to the Accounts (continued)

10. Debtors arising out of Direct Insurance Operations

	2023 £'000	2022 £'000
Due within one year – intermediaries	59,818	72,021
Due after one year – intermediaries	-	-
	59,818	72,021

11. Debtors arising out of Reinsurance Operations

	2023 £'000	2022 £'000
Due within one year – intermediaries	40,929	35,035
Due after one year – intermediaries	4	-
	40,933	35,035

12. Cash at bank and in hand

	2023 £'000	2022 £'000
Cash at bank and in hand	22,261	39,764

13. Overseas Deposits

The overseas deposits are held under Lloyd's premium trust deed arrangements, where applicable, and are administered by Lloyd's. The Syndicate is required to lodge deposits in various overseas insurance markets as a condition of conducting underwriting business in those markets. All such overseas deposits are calculated in accordance with the relevant territorial authority's requirements, usually by reference to outstanding liabilities derived from business written in those territories.

As these assets are managed by Lloyd's, without reference to SMA, overseas deposits are disclosed as Other Assets on the Balance Sheet.

14. Deferred Acquisition Costs

	2023 £'000	2022 £'000
At 1 January	79,722	70,674
Change in deferred acquisition costs (note 5)	1,307	7,146
Foreign exchange	(1,856)	1,902
At 31 December	79,173	79,722

Notes to the Accounts (continued)

15. Creditors arising out of Direct Insurance Operations

	2023 £'000	2022 £'000
Due within one year	845	1,070
	845	1,070

16. Creditors arising out of Reinsurance Operations

	2023 £'000	2022 £'000
Due within one year	55,531	53,888
	55,531	53,888

17. Risk and Capital Management

Overview

The principal objective of SMA's risk and financial management framework is to protect the Syndicate from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit commercial opportunities. SMA recognises the critical importance of having efficient, robust and effective risk management systems in place.

SMA has a Risk Management function and governance structure for the business with clear terms of reference from the Board of Directors and its appointed Committees. Day to day management of the business is the responsibility of the Executive Management team. This is supplemented with a clear organisational structure with documented delegated authorities and responsibilities from the Board.

The Risk Management function reports to the Board via the Chief Risk Officer. All Executive Directors and selected senior management also maintain responsibility for identified risks and risk policies. These policies define the identification of risk and its interpretation to ensure the appropriate quality and diversification of assets, align underwriting and reinsurance strategy to the Syndicate goals, and specify reporting requirements.

The Board, and its relevant Committees, approve the risk management policies and meet regularly to approve any commercial, regulatory and organisational requirements of such policies. Significant emphasis is placed on the assessment of the articulation and approval of i) SMA Risk Appetites, monitoring against which is provided regularly to the Board; ii) Own Risk and Solvency Assessment (ORSA) process and reporting; iii) regular assessment and documentation of risks and controls; and iv) adherence to Lloyd's Oversight Framework (set out in the Principles for Doing Business at Lloyd's), which in turn support the ability to demonstrate meeting Solvency II and Lloyd's requirements.

Notes to the Accounts (continued)

Underwriting Risk

Underwriting risk includes the risk that underwriting results vary from their expected amounts, including the risk that the frequency or severity of insured events will be higher than expected, or that estimates of claims subsequently prove to be insufficient.

Factors considered for underwriting risk include, but are not limited to:

- Our financial condition and operating results may be adversely affected by the occurrence of natural or man-made catastrophic events and/or large losses;
- The models we use to assess our exposure to losses from future natural catastrophes contain inherent uncertainties and our actual losses may therefore differ significantly from expectations;
- Our operating results may be adversely affected by an unexpected accumulation of attritional losses;
- The effects of emerging claim and coverage issues on our business are uncertain; and
- Our financial condition and operating results may be adversely affected if actual claims exceed our loss reserves.

Management of Underwriting Risk

The SMA Board has implemented a robust governance framework to enable suitable oversight and challenge of the business to enable it to oversee underwriting risk.

The Executive Underwriting Committee and Underwriting Guidelines provide the framework to manage and monitor underwriting risk. The Syndicate makes use of both proportional and non-proportional reinsurance to mitigate the risk of incurring significant losses linked to one or more events. Where an individual exposure is deemed to exceed the Syndicate's appetite additional facultative reinsurance can be purchased, subject to appropriate approval.

The Reserving Committee oversees the management of reserving risk. The use of proprietary and standardised modelling techniques, internal and external benchmarking, and the review of claims development are all instrumental in mitigating reserving risk.

Large and catastrophe risks are managed via an Exposure Management team, as an intrinsic part of our Risk Management, who also leverage specialist knowledge and catastrophe accumulation expertise within the SCOR Group where appropriate.

Notes to the Accounts (continued)

Concentration of Underwriting Risk

The Syndicate's underwriting portfolio is well diversified. The following table provides an analysis of its written premium by geographical segment. Where a policy provides worldwide coverage, the geographical segment is determined by the location of the (re)insured.

	2023	2022
United States	41%	49%
United Kingdom	19%	15%
Canada	11%	12%
Australia & New Zealand	9%	8%
Europe (excluding United Kingdom)	9%	6%
Africa	4%	2%
Asia	3%	2%
Middle East	1%	2%
Caribbean & Central America	2%	2%
South America	1%	2%
	100%	100%

Sensitivity to Reserve Risk

The table below shows the impact on the result and net assets of a ten percent increase or decrease in the net claims reserves.

	2023 £'000 10 per cent		2022 £'000 10 per cent	
	Increase	decrease	increase	decrease
Property	(7,302)	7,302	(6,866)	6,866
Liability	(6,734)	6,734	(4,820)	4,820
Credit & Political Risk	(2,026)	2,026	(1,739)	1,739
Legal Indemnities	(496)	496	(834)	834
Other	(2,125)	2,125	(1,280)	1,280
Total	(18,683)	18,683	(15,539)	15,539

Notes to the Accounts (continued)

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:
- Financial investments;
- Reinsurers' share of insurance liabilities;
- Amounts due from intermediaries (re/insurance brokers);
- 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. The business has a low appetite for this risk category.

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.

The Syndicate's exposure to reinsurance counterparties is monitored by the Reinsurance Committee.

All intermediaries must meet minimum requirements established by the Syndicate and are approved by a sub-set of the Executive Committee.

The 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 impact of reinsurer default is regularly assessed, modelled, and managed accordingly.

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

Notes to the Accounts (continued)

As at 31 December 2023

	AAA £'000	AA £'000	A £'000	BBB £'000	Not Rated £'000	Total £'000
Shares & other variable yield securities & unit trusts	-	-	32,950	-	-	32,950
Debt securities	105,416	22,668	73,385	1,728	-	203,197
Loans with credit institutions	-	-	3,418	-	-	3,418
Overseas deposits	13,749	1,957	1,908	3,106	5,482	26,202
Deposits with ceding undertakings	-	-	-	-	973	973
Reinsurers' share of claims outstanding	910	32,422	67,775	1,434	-	102,541
Reinsurance recoverable on paid claims	192	2,083	2,435	147	-	4,857
Cash & cash equivalents	-	-	22,261	-	-	22,261
Other debtors	-	-	-	-	121,608	121,608
Total credit risk	120,267	59,130	204,132	6,415	128,063	518,007

As at 31 December 2022

	AAA £'000	AA £'000	A £'000	BBB £'000	Not Rated £'000	Total £'000
Shares & other variable yield securities & unit trusts	-	-	29,167	-	-	29,167
Debt securities	23,208	89,339	27,636	1,808	-	141,991
Other Investments	-	-	-	-	3,268	3,268
Overseas deposits	11,844	2,807	1,831	1,583	6,832	24,897
Deposits with ceding undertakings	-	-	-	-	312	312
Reinsurers' share of claims outstanding	1,458	44,227	40,956	1,506	-	88,147
Reinsurance recoverable on paid claims	178	1,388	2,377	43	-	3,986
Cash & cash equivalents	-	-	39,764	-	-	39,764
Other debtors	-	-	-	-	111,559	111,559
Total credit risk	36,688	137,761	141,731	4,940	10,412	443,091

Notes to the Accounts (continued)

Credit Risk – Ageing and Impairment

As at 31 December 2023		Past due but not impaired			
	Neither past due or impaired £'000	**Up to three months £'000**	**Three to six months £'000**	**Greater than six months £'000**	**Total £'000**
Shares & other variable yield securities & unit trusts	32,950	-	-	-	32,950
Debt securities	203,197	-	-	-	203,197
Loans with credit institutions	3,418	-	-	-	3,418
Overseas deposits	26,202	-	-	-	26,202
Deposits with ceding undertakings	973	-	-	-	973
Reinsurers' share of claims outstanding	102,541	-	-	-	102,541
Reinsurance recoverable on paid claims	4,857	-	-	-	4,857
Cash & cash equivalents	22,261	-	-	-	22,261
Insurance debtors	59,300	-	-	518	59,818
Other debtors	187,091	-	-	-	187,091
Total credit risk	642,790	-	-	518	654,768
As at 31 December 2022					
Shares & other variable yield securities & unit trusts	29,167	-	-	-	29,167
Debt securities	141,991	-	-	-	141,991
Loans with credit institutions	3,268	-	-	-	3,268
Overseas deposits	24,897	-	-	-	24,897
Deposits with ceding undertakings	312	-	-	-	312
Reinsurers' share of claims outstanding	88,147	-	-	-	88,147
Reinsurance recoverable on paid claims	3,986	-	-	-	3,986
Cash & cash equivalents	39,764	-	-	-	39,764
Insurance debtors	70,987	29	72	933	72,021
Other debtors	176,528	-	-	-	176,528
Total credit risk	579,047	29	72	933	580,081

Market Risk
Market risk is the risk that the fair value or future cash flows of a financial investment or insurance contract will fluctuate because of changes in market prices and macro-economic variables. The Syndicate's main market risk exposures are to currency risk, spread risk and interest rate 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.

For each of the major components of market risk policies and procedures are in place which detail the appetite for and how each risk should be managed and monitored. The management of each of these major components of market risk and the Syndicate's exposure to each major component at the reporting date are addressed below.

Currency Risk:
The Syndicate maintains four settlement currencies being Sterling, Euro, Canadian Dollar, and US Dollar 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 in order to mitigate the currency risk inherent in these contracts.

Spread Risk:
Exposure to spread risk arises from a potential change in market assessment of the counterparty risk of financial instruments or counterparties. The Syndicate's main exposure arises through potential credit spread variations in fixed-income investments.

Interest Rate Risk:
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 Investment Committee monitors the duration of these assets on a regular basis.

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 calls on its available cash resources mainly from claims arising from its core underwriting activity.

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. The business has a low appetite for this risk category.

Notes to the Accounts (continued)

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. The risk of forced sales to meet liquidity needs is limited by a high level of communication between underwriting, claims and finance as well as with reinsurers. The Syndicate benefits from a short-term funding facility with SCOR.

The Syndicate's approach to managing its liquidity risk is as follows:

- Forecasts are prepared and reviewed to predict future cash flows;
- The Syndicate sets limits for the average duration of investments;
- Assets purchased by the Syndicate are required to satisfy specified marketability requirements; and
- The Syndicate maintains cash and liquid assets to meet daily calls on its insurance contracts.

As at 31 December 2023

	Carrying Amount £'000	Less than 1 year £'000	1-3 Years £'000	3-5 Years £'000	More than 5 years £'000
Outstanding claims liabilities	288,884	123,981	112,664	33,133	19,106
Other creditors	74,053	73,766	287	-	-
Total	362,937	197,747	112,951	33,133	19,106

As at 31 December 2022

	Carrying amount £'000	Less than 1 year £'000	1-3 years £'000	3-5 years £'000	More than 5 years £'000
Outstanding claims liabilities	243,555	111,610	57,775	52,339	21,831
Other creditors	63,864	63,864	-	-	-
Total	307,419	175,474	57,775	52,339	21,831

SCOR The Art & Science of Risk

Notes to the Accounts (continued)

Currency Risk
As at 31 December 2023

	GBP £'000	USD £'000	EURO £'000	CAD £'000	Total £'000
Investments	3,419	157,830	22,314	56,002	239,565
Reinsurers' share of technical provisions	22,731	118,341	19,648	2,915	163,635
Insurance & reinsurance receivables	17,666	58,283	20,808	3,995	100,752
Cash & cash equivalents	10,548	482	11,231	-	22,261
Overseas deposits	17,154	2,082	-	6,966	26,202
Other assets	49,262	29,120	8,120	4,390	90,892
Total assets	120,780	366,138	82,121	74,268	643,307
Technical provisions	(143,598)	(295,063)	(50,824)	(38,127)	(527,612)
Insurance & reinsurance payables	(9,315)	(30,675)	(14,822)	(1,563)	(56,375)
Other creditors and accruals	(21,420)	(3,761)	(1,801)	(21)	(27,003)
Total liabilities	(174,333)	(329,499)	(67,447)	(39,711)	(610,990)
Net assets/(liabilities)	(53,553)	36,639	14,674	34,557	32,317

As at 31 December 2022

	GBP £'000	USD £'000	EURO £'000	CAD £'000	Total £'000
Investments	3,268	124,377	-	46,781	174,426
Reinsurers' share of technical provisions	23,401	106,078	16,020	2,653	148,152
Insurance & reinsurance receivables	22,979	68,104	11,647	4,326	107,056
Cash & cash equivalents	15,259	674	23,831	-	39,764
Overseas deposits	16,533	2,384	-	5,980	24,897
Other assets	45,281	30,508	4,446	5,551	85,786
Total assets	126,721	332,125	55,944	65,291	580,081
Technical provisions	(147,832)	(269,591)	(36,231)	(37,965)	(491,619)
Insurance & reinsurance payables	(10,418)	(26,384)	(16,521)	(1,635)	(54,958)
Other creditors and accruals	(13,777)	(595)	432	(0)	(13,940)
Total liabilities	(172,027)	(296,570)	(52,320)	(39,600)	(560,517)
Net assets/(liabilities)	(45,306)	35,555	3,624	25,691	19,564

Notes to the Accounts (continued)

Sensitivity to Market Risks for Financial Investments

Sensitivity Analysis
An analysis of the Syndicate's sensitivity to interest rate increase and decrease for its financial investments at the period end is shown in the table below.

The table shows the impact on the result and member's balance.

Interest Rate Risk	**2023 £'000**	**2022 £'000**
Impact of 50 basis point increase on result/member's balance	(1,751)	(1,174)
Impact of 50 basis point decrease on result/member's balance	1,778	1,188

Sensitivity to Foreign Exchange Rate Changes

Sensitivity Analysis
An analysis of the Syndicate's sensitivity to GBP/USD, GBP/EUR and GBP/CAD exchange rate increase and decrease for its result and member's balance at the period end is shown in the table below.

Currency Risk	**2023 £'000**	**2022 £'000**
Impact of 10 percent increase in GBP/USD	3,664	3,555
Impact of 10 percent decrease in GBP/USD	(3,664)	(3,555)
Impact of 10 percent increase in GBP/EUR	1,467	363
Impact of 10 percent decrease in GBP/EUR	(1,467)	(363)
Impact of 10 percent increase in GBP/CAD	3,456	2,569
Impact of 10 percent decrease in GBP/CAD	(3,456)	(2,569)

Capital Management

SMA operates under the UK's Solvency II requirements and the Society of Lloyd's capital framework.

The Society of Lloyd's (Lloyd's) is a regulated undertaking and subject to supervision by the PRA under the Financial Services and Markets Act 2000 and operates in accordance with the UK's Solvency II Framework with an approved Internal Model.

Within this supervisory framework, Lloyd's applies capital requirements at Member level and centrally to ensure that Lloyd's meets with the UK's Solvency II requirements and beyond that to meet its own financial strength, licensing and ratings objectives. Each member may provide capital to meet its requirement either by assets held in trust by Lloyd's specifically for that member (funds at Lloyd's), held within and managed within a Syndicate (funds in Syndicate) and/or as the member's share of the members' balance.

Lloyd's capital setting processes use a capital requirement set at individual Syndicate level as a starting point. However, the requirement to meet UK Solvency II and Lloyd's capital requirements only applies at Member level (SCOR Underwriting Limited), not at Syndicate level. The Syndicate is supported 100% by SCOR via the SCOR Underwriting Limited Member. As such, the capital requirement in respect of the Syndicate is not disclosed in these financial statements.

In order to meet Lloyd's and regulatory requirements, each Syndicate is required to calculate its Solvency Capital Requirement (SCR) in line with the business plan for the prospective underwriting year that is proposed for approval. The amounts are to be sufficient to cover losses at the 99.5th percentile, reflecting uncertainty in the run-off of underwriting liabilities to ultimate (SCR to ultimate) and for a one-year time horizon (1 year SCR). The SCRs of each Syndicate are subject to review and agreement by Lloyd's.

For establishing Lloyd's minimum solvency requirements, Lloyd's uses the agreed Syndicate SCR to ultimate as a starting point. Over and above this, Lloyd's applies a market wide capital uplift, currently 35%, to the SCR, to derive the Economic Capital Assessment (ECA). The purpose of this uplift, which is a Lloyd's rather than a Solvency II requirement, is to meet Lloyd's financial strength, license and ratings objectives.

Any material change in business plan will trigger the recalculation of the SCR to ultimate and be advised to Lloyd's. SMA must also confirm the Syndicate's solvency position quarterly to Lloyd's.

18. Claims Development

The following table represents the estimated ultimate claims development by underwriting year in respect of the cumulative premiums earned at each relevant year end. Premiums written are allocated to an underwriting year based on the inception date of the policy or the inception date of the facility where the premium is written under a delegated authority agreement. As such the earned premium for an underwriting year will continue to increase in subsequent years leading to an underlying increase in estimated ultimate claims in subsequent years. There is no data in respect of the 2017 and prior years as these years have been reinsured into another Lloyd's Syndicate through an external Reinsurance to Close.

Gross

Year U/W Pure	At end of UW year £'000	One year later £'000	Two years later £'000	Three years later £'000	Four years later £'000	Five years later £'000
2018	87,854	190,840	186,965	187,546	186,837	198,749
2019	43,391	106,377	118,075	117,039	120,597	
2020	40,910	105,515	110,396	122,362		
2021	62,064	138,288	151,632			
2022	67,971	143,777				
2023	46,638					

Net

Year U/W Pure	At end of UW year £'000	One year later £'000	Two years later £'000	Three years later £'000	Four years later £'000	Five years later £'000
2018	62,479	151,910	151,862	153,292	153,715	160,589
2019	39,290	97,047	101,129	97,938	101,657	
2020	36,385	84,840	86,067	89,680		
2021	38,027	93,024	99,411			
2022	48,491	112,127				
2023	40,170					

Notes to the Accounts (continued)

Underwriting Pure year	Gross estimated balance to pay £'000	Net estimated balance to pay £'000
2018	33,286	20,361
2019	30,878	18,482
2020	33,360	16,736
2021	57,934	30,987
2022	92,484	65,222
2023	40,942	34,555
	288,884	186,343

The Syndicate has loss reserves for various events and for IBNR. Losses continue to develop, both positively and negatively on these open balances. Whilst the Syndicate has a reasonable degree of confidence as to the ultimate adequacy of its reserves for all events, volatility exists around the final settlement value.

Overall, on an aggregate basis, a reserve release of £5.6m net of reinsurance was made to prior year reserves during 2023 (2022 £8.8m).

The reserve release was primarily due to the favourable development across Property classes partially offset by adverse development on the Legal Indemnities class.

Notes to the Accounts (continued)

19. Technical Provisions

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

	Gross provisions £'000	Reinsurance assets £'000	Net £'000
Provision for Claims			
At 1 January 2023	243,555	(88,147)	155,408
Movement per technical account	54,861	(18,602)	36,259
Foreign Exchange	(9,532)	4,208	(5,324)
At 31 December 2023	288,884	(102,541)	186,343
Unearned Premiums			
At 1 January 2023	248,064	(60,005)	188,059
Movement per technical account	(1,272)	(3,524)	(4,796)
Foreign Exchange	(8,064)	2,435	(5,629)
At 31 December 2023	238,728	(61,094)	177,634

	Gross provisions £'000	Reinsurance assets £'000	Net £'000
Provision for Claims			
At 1 January 2022	184,872	(68,050)	116,822
Movement per technical account	43,539	(13,104)	30,435
Foreign Exchange	15,144	(6,993)	8,151
RITC Transfer			
At 31 December 2022	243,555	(88,147)	155,408
Unearned Premiums			
At 1 January 2022	216,075	(45,262)	170,813
Movement per technical account	16,596	(10,309)	6,287
Foreign Exchange	15,393	(4,434)	10,959
At 31 December 2022	248,064	(60,005)	188,059

Notes to the Accounts (continued)

20. Subsequent Events

There are no significant post Balance Sheet events.

21. Disclosure of Interests

Managing Agent's Interests

The Financial Statements of SMA are available by application to the Registered Office (see page 3).

Related Companies' Interests

Syndicate 2015's dedicated capital provider is SCOR Underwriting Limited which shares the same ultimate parent as SMA, SCOR SE.

SMA, a subsidiary undertaking of SCOR SE, provides management services to the Syndicate with all staff being employed through SCOR Services UK Limited, a fellow company within SCOR SE Group. In 2023 the recharge to the Syndicate through SCOR Services UK Limited was £33,060,000. In 2022 all staff were employed through SMA and the recharge to the Syndicate was 2022 £20,133,000. The balance outstanding at the year-end owed by the Syndicate to SMA was £2,745,000 (2022 £2,928,000). The balance outstanding at year-end owed by the Syndicate to its sister company SCOR UK Company Ltd was £0 (2022: £33,000). The balance outstanding at year-end owed by the Syndicate to its sister company SCOR Services UK Ltd was £11,357,000 (2022: £5,422,000).

The amount of reinsurance ceded to SCOR SE companies was £2,043,000 (2022: £4,021,000). The amount owed from SCOR SE companies was £475,000 (2022: £541,000).

No guarantees were given to, or received from, related parties during the year (2022: £0). No provision was held for uncollectible receivables from related parties at 31 December 2023 (2022: £0) and no bad debt expense in relation to such balances recognised during the year (2022: £0). Amounts owed to or from related parties are unsecured, interest free, have no fixed date of repayment and are repayable on demand.