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SCOR Syndicate 2015

Annual Report and Accounts
31 December 2022

Contents

Directors and Administration

Managing Agent
SCOR Managing Agency Ltd (SMA)

On 5 April 2022 the company changed its name from The Channel Managing Agency Limited (TCMA) to SCOR Managing Agency Ltd

MANAGING AGENT:

Ian Kirk (Chairman)*
Stuart McMurdo (CEO)
Paul Chubb (CFO) (Resigned 07 October 2022)
Irfan Haq (CFO) (Appointed 15 February 2023)
Jean-Paul Conoscente-Jacopin*
Catherine Fassi*
Terence Hayday* (Resigned 31 March 2022)
Peter Eckert* (Resigned 31 March 2022)
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
N Forti (resigned 25 February 2022)
S McMurdo (appointed interim Active Underwriter between 26 February 2022 and 16 June 2022)
Marie Biggas (appointed 17 June 2022)

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 2022.

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 2022 is a profit of £22.6m (2021: profit of £14.1m).

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:

	2022	2021
	£'000	£'000
Property	195,394	163,260
Liability	48,563	42,786
Credit & Political Risk	29,225	24,759
Legal Indemnities	10,802	18,949
Other	22,230	15,985
	306,214	265,739

Key Performance Indicators

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

	2022	2021
	£'000	£'000
Gross Written Premiums	306,214	265,739
Profit for the financial year	22,596	14,080
Claims ratio	45.9%	46.7%
Expense ratio	44.1%	45.8%
Combined ratio	90.1%	92.5%

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.

With the global increase in geopolitical instability, exacerbated by Russia's invasion of Ukraine in February as developed countries emerged from the Covid-19 pandemic, 2022 was another challenging year. Subsequent wide-ranging macroeconomic consequences including soaring commodity prices and rising public debt led major central banks to increase interest rates to battle the acceleration of inflation. Risks to the global economic situation have further developed during 2022, with the UK entering a cost-of-living crisis. The increase in energy and food prices during 2022, as well as higher overall inflation, have significantly reduced household spending power. The war in Ukraine has continued to create several stress points in various 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, which were initially considered transitory. Additionally, these global challenges have been monitored by our underwriters for the impact on our clients.

The Syndicate 2015 remediation work undertaken in recent years has created a solid foundation for us to build on and we are pleased to report a third successive year of profit which has increased from £14.1m last year to £22.6m this year with the net combined ratio falling from 92.5% to 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 losses. 2022 has been marked by a combination of exceptional events and underwriting discipline remains imperative. We have achieved sustained rate increases as well as improvements in terms and conditions across most lines of business and geographies; we agreed an increase with Lloyd's in our Syndicate capacity during 2022. Most areas of the business performed strongly with Property, Environmental Impairment Liability (EIL), Tech Liability, Legal Expenses, Terrorism & Political Violence and Fine Art all delivering a profit in 2022.

One focal point for the market has been climate change, as profitability for insurers was impacted by a series of major natural catastrophe events, such as Hurricane Ian in the US and floods in Australia, leading to above average large losses but is still within the Syndicate's risk appetite.

With the ongoing conflict in Ukraine, the impact being felt worldwide, we estimate that our ultimate loss is £1.3m all within our Credit and Political Risks segment, with the reserve currently held within IBNR. As the conflict continues, this estimate can evolve.

We are still achieving meaningful risk adjusted rate increases in most areas although these improvements are slowing as capacity continues to return. Our underwriters will continue to maintain underwriting discipline, with sustainable profit continuing to trump growth, as well as paying attention to acquisition and reinsurance costs. We continue to work with our colleagues across the SCOR Group to identify and develop opportunities and provide effective solutions for our customers.

We are pleased to report that our continuing actions have led to a further reduction in our net operating expenses as a percentage of gross earned premium and that our reserves proved more than adequate producing a net reserve release in 2022. Our expenses remain below budget and cost control continues to remain a key focus.

Report of the Directors of the Managing Agent (continued)

The total investment result for 2022 was a loss of £2.1m. Inflation has risen significantly in 2022, with the UK and US reaching levels not seen in decades. Continued disruptions to the global supply chain, heightened by the conflict in Ukraine, mean inflation has been more persistent than initially expected. Major central banks around the world are tightening monetary policy, with the Bank of England raising interest rates throughout 2022, from 0.5% to 3.5%.

Operating Expenses

Net operating expenses for the year are set out below:

	2022 £'000	2021 £'000
Acquisition Costs	93,889	81,240
Change in Deferred Acquisition Costs	(7,146)	(8,689)
Reinsurance Commissions	3,362	(2,016)
Managing Agency Fee	1,770	1,583
Other Personal Expenses	2,319	1,876
Other Administration Expenses	5,731	11,999
Net Operating Expenses	99,925	85,993

Investment Return

The return on Syndicate funds by currency is shown below:

	Currency	2022 £'000	2021 £'000
Average Syndicate funds available	Combined Sterling	201,424	144,098
	Sterling	27,630	19,296
	Euro	23,033	18,628
	US Dollars	125,292	99,993
	Canadian Dollars	79,871	59,987
Investment return for the year	Combined Sterling	(2,145)	(243)
	Sterling	(338)	94
	Euro	-	-
	US Dollars	(1,899)	(316)
	Canadian Dollars	(442)	(184)
Calendar year investment return %	Combined Sterling	(1.06%)	(0.17%)
	Sterling	(1.22%)	0.49%
	Euro	0.00%	0.00%
	US Dollars	(1.52%)	(0.32%)
	Canadian Dollars	(0.55%)	(0.31%)

US Dollar surplus funds are on a daily sweep to the Western Asset Liquidity Fund.
Investment return for 2022 was -1.06% (2021: -0.17%). The Syndicate's investment strategy is to preserve capital and have 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 2022 the portfolio composition was as follows:

	2022 £'000	2021 £'000
Liquid funds	29,167	25,033
Fixed income securities	141,991	81,108
Other Investments	3,268	3,750
	174,426	109,891

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.

Insurance Risk

Insurance 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, including both claims inflation mainly influenced by general economic conditions and the changing regulatory and legal environment, including developments in legislation and litigation often referred to as "social inflation". The Board manages insurance 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 is required to assess and approve all new reinsurers before business is placed with them. 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. For the Syndicate, market risk comprises three types of risk: interest rate risk and currency 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 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 the year. 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.

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.

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.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, controls, resources, systems or from external events that have 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 regularly updated and tested.

Report of the Directors of the Managing Agent (continued)

Over 2022 management have continued to engage with SMA 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 2022, 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 (ESG)

The Syndicate set out its ESG strategy and approach in 2022, fully embedded within SCOR Group objectives:

Framework and Governance

- General reference framework, consisting of the 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, Sustainable Investment Policy, Anti-Corruption Policy and ESG Underwriting guidelines) and relevant Group activities
- Governance framework, under the supervision of the Syndicate's Board, assisted by the preparatory work of its specialised committees.

Human Capital and Culture

- SCOR's values drive the Syndicate's interests and the common good – Innovation, Excellence, Team Work, Diversity, Sustainability, Integrity – 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.

Sustainable Underwriting

- Focus on both climate change physical and transition risks
- SCOR Group commits to transitioning all operational and attributable greenhouse gas emissions from its insurance and underwriting portfolios to net-zero emissions by 2050
- SCOR has been a founding signatory of the UN Principles for Sustainable Insurance in 2012 and the Net Zero Insurance Alliance in 2021; beyond its own positioning, SCOR is a signatory of the Climate Transition Pathway accreditation framework to actively support clients in their own commitments to follow credible transition pathways, helping them attain a net-zero emissions business model
- 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 and Credit Risk, Cyber, Political Violence, Property D&F, Legal Expenses, Legal Indemnities and Environmental Impairment Liability.

Sustainable Investments

- 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
- Identify risks and opportunities, detecting new trends and collaborating.

Sustainable Operations

- Although (re)insurance is not an industrial activity with a significant impact on the environment, SCOR Group strives to limit the environmental impacts stemming from the management of its operational processes, which include the operation of the buildings it occupies, business travel and, to a far lesser extent, office equipment supply. Through its involvement in the act4nature international initiative, SCOR has reaffirmed its commitments in this field
- Due to shared use of facilities, Syndicate operational reporting is monitored on a shared group basis
- Focus on the following areas: environmental quality and certification of offices, energy consumption management, and renewable energy use, greenhouse gas emissions and voluntary offsetting.

Reporting and Disclosure

- SCOR 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 is evolving through annual action planning
- 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.

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 we have been able to enhance our ability to share synergies and enable greater mobility of staff across the wider SCOR Group.

Climate change

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. The Syndicate has designated the climate change responsibilities to a senior manager.

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) and the potential to negatively impact the SMA's and SCOR's reputation.

Report of the Directors of the Managing Agent (continued)

With respect to climate change, SMA's underwriting business could be 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 precise causal mechanisms between global warming and the occurrence of particular natural phenomena are still being established, 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.

Solvency II

The business operates under the requirements of the Solvency II regime 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 tests and standards required by the Solvency II Directive. The UK Government's review of certain features of the prudential regulatory regime, EU Solvency II, is underway and the Solvency II regime continues to apply.

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 2023 year of account is £291m compared with £236m in 2022. 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 2023.

Directors Serving in the Year

The Directors of the Managing Agency, SMA, who served during the year ended 31 December 2022 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 2023.

On behalf of the Board

Irfan Haq
CFO
24 February 2023

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.

SCOR
The Art & Science of Risk

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 2022 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 2022 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. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the syndicate annual accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on the 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 emoluments 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 in operation, disclosing, as applicable, matters related to its ability to continue in operation and using the going concern basis of accounting unless the Managing Agent either intends to cease to operate the syndicate, 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 the insurance sector in which it operates, 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 impact on the preparation of the syndicate annual accounts such as: United Kingdom Generally Accepted Accounting Practice, 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 is available 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: 24 February 2023

Profit and Loss Account

Technical Account

For the year ended 31 December 2022

	Notes	2022 £'000	2021 £'000
Earned premiums, net of reinsurance			
Gross premiums written	4	306,214	265,739
Outward reinsurance premiums		(73,419)	(54,269)
Net premiums written		232,795	211,470
Change in the provision for unearned premiums			
- Gross amount	19	(16,596)	(35,396)
- Reinsurers' share	19	10,309	11,553
Change in the net provision for unearned premiums		(6,287)	(23,843)
Earned premiums, net of reinsurance		226,508	187,627
Allocated investment return transferred from the non-technical account		(2,145)	(243)
Claims incurred, net of reinsurance			
Claims paid			
- Gross amount		(106,856)	(92,450)
- Reinsurers' share		33,237	2,891
Net claims paid		(73,619)	(89,559)
Change in the provision for claims			
- Gross amount	19	(43,539)	(39,042)
- Reinsurers' share	19	13,104	41,050
Change in the net provision for claims		(30,435)	2,008
Claims incurred, net of reinsurance		(104,054)	(87,551)
Net operating expenses	5	(99,925)	(85,993)
Balance on the technical account for general business		**20,384**	**13,840**

All the amounts above are in respect of continuing operations.

Non-Technical Account

For the year ended 31 December 2022

	Notes	2022 £'000	2021 £'000
Balance on the general business technical account		20,384	13,840
Investment income	8	1,879	1,241
Unrealised losses on investments	8	(3,892)	(1,385)
Investment expenses	8	(132)	(99)
Allocated investment return transferred to general business technical account		2,145	243
Profit on foreign exchange		2,212	240
Profit for the financial year		**22,596**	**14,080**

Balance Sheet

Assets

At 31 December 2022

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Investments					
Other financial investments	9	174,426		109,687	
Deposits with ceding undertakings	9	312		204	
			174,738		109,891
Reinsurers' share of technical provisions					
Provision for unearned premiums	19	60,005		45,262	
Claims outstanding	19	88,147		68,050	
			148,152		113,312
Debtors					
Debtors arising out of direct insurance operations	10	72,021		60,779	
Debtors arising out of reinsurance operations	11	35,035		31,362	
Other debtors		4,503		1,916	
			111,559		94,057
Other assets					
Cash and cash equivalents	12	39,764		28,280	
Overseas deposits	13	24,897		18,318	
			64,661		46,598
Prepayments and accrued income					
Deferred acquisition costs	14	79,722		70,674	
Accrued interest and rent		679		303	
Other prepayments and accrued income		570		445	
			80,971		71,422
Total assets			**580,081**		**435,280**

Balance Sheet

Liabilities

At 31 December 2022

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Capital and reserves					
Member's balance			19,564		(13,075)
Technical provisions					
Provision for unearned premiums	19	248,064		216,075	
Claims outstanding	19	243,555		184,872	
			491,619		400,947
Creditors					
Creditors arising out of direct insurance operations	15	1,070		581	
Creditors arising out of reinsurance operations	16	53,888		38,121	
Other creditors including taxation and social security		8,906		5,087	
			63,864		43,789
Accruals and deferred income			5,034		3,619
Total liabilities			**580,081**		**435,280**

The notes on pages 22 to 45 form an integral part of these annual accounts.

The annual accounts on pages 18 to 45 were approved by the Board of SCOR Managing Agency Ltd on 24 February 2023 and were signed on its behalf by

Irfan Haq
CFO
24 February 2023

Statement of Changes in Member's Balance

For the year ended 31 December 2022

	2022 £'000	2021 £'000
At 1 January	(13,075)	(27,417)
Distribution loss and open year cash calls	10,043	262
Profit for the year	22,596	14,080
At 31 December	19,564	(13,075)

Statement of Cash Flows

For the year ended 31 December 2022

	Notes	2022 £'000	2021 £'000
Cash flows from operating activities			
Profit for the year		22,596	14,080
Increase in gross technical provisions		90,672	76,188
Increase in reinsurers' share of technical provisions		(34,840)	(53,761)
Increase in debtors		(27,051)	(23,953)
Increase in creditors		21,490	16,585
Movement in other assets/liabilities		(7,508)	(4,947)
Investment return		2,145	243
Net cash inflows from operating activities		67,504	24,435
Cash flows from investing activities			
Purchase of debt instruments		(92,333)	(58,472)
Sale of debt instruments		31,604	45,484
Investment income received		1,962	1,136
Other		(3,828)	(1,251)
Cash flows from financing activities			
Distribution loss		10,043	262
Net increase/(decrease) in cash and cash equivalents		14,952	11,594
Foreign Exchange		(3,468)	193
Movement in cash and cash equivalents		11,484	11,787
Cash and cash equivalents at 1 January 2022		28,280	16,493
Cash and cash equivalents at 31 December 2022	12	39,764	28,280

Notes to the Accounts

For the year ended 31 December 2022

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.

There is significant uncertainty around the potential impact of the Russian/Ukraine conflict on the global economy. The main risks are related to the uncertain geopolitical and economic environment, particularly with regards to the future development of economic growth, interest rates and inflation, due to the current geopolitical tensions. Economic uncertainties amplified by geopolitical trends have the potential to negatively impact the global economy and trade. Multi-disciplinary teams at SCOR are monitoring the different drivers of claims inflation taking into consideration economic, non-social excess inflation and social excess inflation.

The Syndicate has performed an analysis of its portfolio of insurance contracts to determine the exposure to general uncertainty in respect of exposure to the increasing, persistent and uncertain inflationary environment and the impact of this on losses across multiple lines of business, particularly but not limited to longer tail lines. Rate change is being monitored closely along with discussions with underwriting team. Inflation and rate change assumptions will be adjusted accordingly to reflect actual rate change achieved.

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 £9.0m/£8.6m (gross/net) on an ultimate basis and £4.6m/£4.3m (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.

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).

Notes to the Accounts (continued)

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

Premiums written comprise premiums on 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 and exclude taxes and duties levied on them. Premiums include estimates for pipeline premiums, net of estimated future cancellations, representing amounts due to the Syndicate not yet notified.

Unearned Premiums

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

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.

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 (2021: £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.

Notes to the Accounts (continued)

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.

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.

Pension Costs
SMA operates a defined contribution scheme. Pension contributions relating to Syndicate staff are charged to the Syndicate and included within net operating expense.

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.

Notes to the Accounts (continued)

4. Analysis of Business Written

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

2021	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	-	-	(539)	(7)	(3)	(549)
Motor (Other Classes)	39	44	4	(12)	(3)	32
Marine	8	60	183	(97)	(41)	105
Transport	221	213	888	(32)	(21)	1,048
Fire and other damage to property	139,281	131,540	(79,553)	(53,532)	6,496	4,951
Third party liability	38,235	31,834	(18,743)	(11,195)	(2,026)	(130)
Pecuniary loss	36,640	18,890	(15,793)	(9,476)	(1,244)	(7,623)
Other	8,949	7,428	(3,339)	(3,020)	-	1,070
	223,373	190,009	(116,892)	(77,371)	3,158	(1,096)
Reinsurance	42,366	40,334	(14,600)	(8,622)	(1,933)	15,179
	265,739	230,343	(131,492)	(85,993)	1,225	14,083

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.

5. Net Operating Expenses

	2022 £'000	2021 £'000
Acquisition costs	(93,889)	(81,240)
Change in deferred acquisition costs (note 14)	7,146	8,689
Administrative expenses	(9,821)	(15,458)
Reinsurance commissions	(3,362)	2,016
	(99,925)	(85,993)

Commission for direct insurance business for the year was £64,672,000 (2021: £54,062,000).

Administrative expenses include:

	2022 £'000	2021 £'000
Auditor's remuneration		
Audit of the annual accounts	(190)	(141)
Other services:		
Other assurance services	(15)	(14)
Interim reporting	(23)	(28)
	(228)	(183)

Standard personal expenses (Lloyd's subscriptions, New Central Fund Contributions, Managing Agent's fees)	(4,089)	(3,459)

6. Staff Numbers and Costs

	2022 £'000	2021 £'000
Wages and salaries	(13,959)	(15,119)
Social security costs	(1,831)	(1,819)
Other pension costs	(863)	(892)
Total	(16,653)	(17,830)

The average numbers of employees of the Managing Agent working during the year for the Syndicate were as follows:

	2022	2021
Administration	51	46
Underwriting and reinsurance	70	76
Claims	13	14
Total	134	136

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.

	2022 £'000	2021 £'000
Directors of SMA	794	679
Active Underwriter	433	468

8. Investment Return

	2022 £'000	2021 £'000
Interest and dividend income	2,116	1,506
Realised (losses)	(237)	(265)
Total investment income	1,879	1,241
Unrealised (losses)	(3,892)	(1,385)
Investment expenses	(132)	(99)
Total investment return	(2,145)	(243)

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

9. Financial Investments

	2022		2021	
	Fair Value £'000	Cost £'000	Fair Value £'000	Cost £'000
Shares and other variable securities and units in unit trusts	29,167	29,167	25,033	25,033
Debt securities and other fixed income securities	141,991	145,964	81,108	82,514
Deposits with ceding undertakings	312	312	204	204
Other investments	3,268	3,644	3,546	3,644
	174,738	178,711	109,891	111,395

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 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
Other Investments	-	-	3,268	3,268
Total	90,971	80,499	3,268	174,738

As at 31 December 2021	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Shares and other variable yield securities and unit trusts	25,033	-	-	25,033
Debt Securities and other fixed income securities	7,040	74,068	-	81,108
Deposits with ceding undertakings	-	204	-	204
Other Investments	-	-	3,546	3,546
Total	32,073	74,272	3,546	109,891

Notes to the Accounts (continued)

10. Debtors arising out of Direct Insurance Operations

	2022 £'000	2021 £'000
Due within one year – intermediaries	72,021	60,779
Due after one year – intermediaries	-	-
	72,021	60,779

11. Debtors arising out of Reinsurance Operations

	2022 £'000	2021 £'000
Due within one year – intermediaries	35,035	31,362
Due after one year – intermediaries	-	-
	35,035	31,362

12. Cash and cash equivalents

	2022 £'000	2021 £'000
Cash and cash equivalents	39,764	28,280

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

	2022 £'000	2021 £'000
At 1 January	70,674	62,788
Change in deferred acquisition costs (note 5)	7,146	8,689
Foreign exchange	1,902	(803)
At 31 December	79,722	70,674

Notes to the Accounts (continued)

15. Creditors arising out of Direct Insurance Operations

	2022 £'000	2021 £'000
Due within one year	1,070	581
	1,070	581

16. Creditors arising out of Reinsurance Operations

	2022 £'000	2021 £'000
Due within one year	53,888	38,121
	53,888	38,121

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, who owns and maintains the Risk Management Strategy. 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 of Doing Business at Lloyd's), which in turn support the ability to demonstrate meeting Solvency II Directive and Lloyd's requirements.

Insurance Risk

Insurance 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 insurance 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 Insurance Risk

The SMA Board has implemented a robust governance framework to enable suitable oversight and challenge of the business to enable it to oversee insurance 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 is also purchased.

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.

Concentration of Insurance Risk

The Syndicate's exposure to insurance risk 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.

	2022	2021
United States	49%	43%
United Kingdom	15%	20%
Canada	12%	13%
Australia & New Zealand	8%	8%
Europe (excluding United Kingdom)	6%	8%
Africa	2%	1%
Asia	2%	2%
Middle East	2%	1%
Caribbean & Central America	2%	2%
South America	2%	2%
	100%	100%

Sensitivity to Insurance 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.

	2022 £'000 10 per cent		2021 £'000 10 per cent	
	increase	decrease	increase	decrease
Property	(6,866)	6,866	(4,715)	4,715
Liability	(4,820)	4,820	(4,061)	4,061
Credit & Political Risk	(1,739)	1,739	(1,236)	1,236
Legal Indemnities	(834)	834	(770)	770
Other	(1,280)	1,280	(901)	901
Total	(15,539)	15,539	(11,683)	11,683

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 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
Total credit risk	36,688	137,761	141,731	4,940	10,412	331,532

As at 31 December 2021

	AAA £'000	AA £'000	A £'000	BBB £'000	Not Rated £'000	Total £'000
Shares & other variable yield securities & unit trusts	-	-	25,033	-	-	25,033
Debt securities	18,064	36,687	25,592	765	-	81,108
Other Investments	-	-	-	-	3,546	3,546
Overseas deposits	10,601	1,721	2,203	1,518	2,275	18,318
Deposits with ceding undertakings	-	-	-	-	204	204
Reinsurers' share of claims outstanding	1,511	22,249	43,447	179	664	68,050
Reinsurance recoverable on paid claims	-	437	1,050	58	-	1,545
Cash & cash equivalents	-	-	28,280	-	-	28,280
Total credit risk	30,176	61,094	125,605	2,520	6,689	226,084

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Notes to the Accounts (continued)

Credit Risk – Ageing and Impairment

As at 31 December 2022 — **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	29,167	-	-	-	29,167
Debt securities	141,991	-	-	-	141,991
Other Investments	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

As at 31 December 2021 — **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	25,033	-	-	-	25,033
Debt securities	81,108	-	-	-	81,108
Other Investments	3,546	-	-	-	3,546
Overseas deposits	18,318	-	-	-	18,318
Deposits with ceding undertakings	204	-	-	-	204
Reinsurers' share of claims outstanding	68,050	-	-	-	68,050
Reinsurance recoverable on paid claims	1,460	85	-	-	1,545
Cash & cash equivalents	28,280	-	-	-	28,280
Insurance debtors	57,488	1,653	1,488	150	60,779
Other debtors	148,417	-	-	-	148,417
Total credit risk	431,904	1,738	1,488	150	435,280

Market Risk
Market risk is the risk that the fair value or future cash flows of a financial investment or insurance contract will fluctuate. Market risk comprises of interest rate risk and currency 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.

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.

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.

Inflation Risk:
The risk that inflation will undermine the real value of cash flows made from an investment. The Investment Committee, guided by our expert Investment Managers are continuously monitoring and reviewing the impact on the Syndicate's investments as well as discussion of and adherence to strategic allocation of invested assets with consideration of the distribution of the Syndicate's liabilities acknowledging inflationary pressures. In the Syndicate's Internal Model inflation volatility was explicitly increased to allow for increased inflationary uncertainty for capital requirements.

Notes to the Accounts (continued)

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 insurance contracts.

The nature of the Syndicate's exposures to liquidity risk and its objectives, policies and processes for managing liquidity risk have not changed significantly from the prior year. The business has a low appetite for this risk category.

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. There is a portion of invested assets currently in unrealised loss positions. 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'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 2022

	Carrying Amount £'000	Less than 1 year £'000	1-2 Years £'000	2-5 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

As at 31 December 2021

	Carrying amount £'000	Less than 1 year £'000	1-2 years £'000	2-5 years £'000	More than 5 years £'000
Outstanding claims liabilities	184,872	79,717	46,577	49,698	8,880
Other creditors	43,789	43,789	-	-	-
Total	228,661	123,506	46,577	49,698	8,880

Notes to the Accounts (continued)

Currency Risk
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

As at 31 December 2021

	GBP £'000	USD £'000	EURO £'000	CAD £'000	Total £'000
Investments	3,546	70,107	-	36,034	109,687
Reinsurers' share of technical provisions	21,801	80,243	7,289	3,979	113,312
Insurance & reinsurance receivables	20,978	57,859	6,487	6,817	92,141
Cash & cash equivalents	12,387	198	15,695	-	28,280
Overseas deposits	10,997	1,332	-	5,989	18,318
Other assets	42,517	22,726	3,430	4,869	73,542
Total assets	112,226	232,465	32,901	57,688	435,280
Technical provisions	(122,837)	(204,137)	(36,233)	(37,740)	(400,947)
Insurance & reinsurance payables	(7,360)	(27,067)	(3,188)	(1,087)	(38,702)
Other creditors and accruals	(8,291)	(495)	80	-	(8,706)
Total liabilities	(138,488)	(231,699)	(39,341)	(38,827)	(448,355)
Net assets/(liabilities)	(26,262)	766	(6,440)	18,861	(13,075)

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.

	2022	2021
Interest Rate Risk	**£'000**	**£'000**
Impact of 50 basis point increase on result/member's balance	(1,174)	(680)
Impact of 50 basis point decrease on result/member's balance	1,188	634

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	**2022**	**2021**
	£'000	**£'000**
Impact of 10 percent increase in GBP/USD	3,555	77
Impact of 10 percent decrease in GBP/USD	(3,555)	(77)
Impact of 10 percent increase in GBP/EUR	363	(644)
Impact of 10 percent decrease in GBP/EUR	(363)	644
Impact of 10 percent increase in GBP/CAD	2,569	1,886
Impact of 10 percent decrease in GBP/CAD	(2,569)	(1,886)

Capital Management

SMA operates under the Solvency II Directive 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 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 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 Solvency II 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 Solvency II and Lloyd's capital requirement 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.

Notes to the Accounts (continued)

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
2018	91,652	199,286	194,792	195,528	194,857
2019	45,175	110,793	122,599	121,623	
2020	42,755	110,149	115,217		
2021	92,384	125,831			
2022	70,657				

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
2018	65,350	158,735	158,240	160,505	160,359
2019	40,915	101,100	105,161	101,906	
2020	38,047	88,487	89,695		
2021	50,561	78,938			
2022	50,164				

Notes to the Accounts (continued)

Underwriting Pure year	Gross estimated balance to pay £'000	Net estimated balance to pay £'000
2018	31,715	23,384
2019	40,457	25,405
2020	32,534	17,748
2021	79,923	50,199
2022	58,926	38,672
	243,555	155,408

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 £8.8m net of reinsurance was made to prior year reserves during 2022 (2021 £5.7m).

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

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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 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
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

	Gross provisions £'000	Reinsurance assets £'000	Net £'000
Provision for Claims			
At 1 January 2021	145,119	(26,160)	118,959
Movement per technical account	39,042	(41,050)	(2,008)
Foreign Exchange	711	(840)	(129)
RITC Transfer			
At 31 December 2021	184,872	(68,050)	116,822
Unearned Premiums			
At 1 January 2021	179,640	(33,391)	146,249
Movement per technical account	35,396	(11,553)	23,843
Foreign Exchange	1,039	(318)	721
RITC Transfer			
At 31 December 2021	216,075	(45,262)	170,813

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. This change took effect from 01 October 2022. In 2022, the recharge to the Syndicate was £20,133,000 (2021 £19,929,000). The balance outstanding at the year-end owed by the Syndicate to SMA was £2,928,000 (2021 £4,495,000). The balance outstanding at year-end owed by the Syndicate to its sister company SCOR UK Company Ltd was £33,000 (2021: £2,000).

The amount of reinsurance ceded to SCOR SE companies was £4,021,000 (2021: £1,948,000). The amount owed from SCOR SE companies was £541,000 (2021: (£584,000)).