Markel Syndicate 3000

Annual Report and Financial Statements for the year ended 31 December 2024

MARKEL

Syndicate 3000
Annual Report and Financial Statements
for the year ended 31 December 2024

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Directors and Administration

Managing Agent

Markel Syndicate Management Limited

Board of Directors

John W J Spencer (Chair)
Wai-Fong Au
Andrew J Davies
Alexander W G Finn
Henry G L Gardener
Nicholas J S Line
Kalpana Shah
Simon Wilson

Company Secretary

Lara Teesdale

Managing Agent's registered office

20 Fenchurch Street
London
EC3M 3AZ

Managing Agent's registered number

3114590

Syndicate

3000

Active Underwriter

Nicholas J S Line

Bankers

Bank of New York
Barclays Bank PLC
Citibank N.A.
Royal Bank of Canada
Royal Trust

Investment Managers

Markel Gayner Asset Management LLC

Registered Auditor

KPMG LLP, London

Lawyers

Norton Rose Fulbright LLP, London

Directors' Interest

The Syndicate is supported 100% by Markel Capital Limited ("MCAP") and therefore no Director has any participation.

Report of the Directors of the Managing Agent

The Directors of the Managing Agent submit the financial statements of Syndicate 3000 for the year ended 31 December 2024.

This annual report is prepared using the annual basis of accounting as required by Statutory Instrument No 1950 of 2008, the Insurance Accounts Directive (Lloyd’s Syndicate and Aggregate Accounts) Regulations 2008 and applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (‘FRS102’) and Financial Reporting Standard 103: Insurance Contracts (‘FRS103’).

Review of the business

Markel Syndicate 3000 (the “Syndicate”) is the Lloyd’s platform for Markel International which is the international insurance operations for Markel Group Inc. ("Markel" or “Markel Group”). Markel International also writes business through Markel International Insurance Company Limited (“MIICL”) and Markel Insurance SE ("MISE").

The principal activity of the Syndicate is the underwriting of general insurance and reinsurance business from its offices in London and its overseas operations in Canada, Singapore, Labuan, Hong Kong, Dubai, China, India and Australia offices.

Business profile and units

The Syndicate operates four underwriting units, namely marine and energy, professional and financial risks and cyber, specialty and reinsurance.

In Canada, Markel Canada Limited ("Markel Canada"), a wholly owned subsidiary of Markel Group, underwrites a diverse portfolio of property and casualty coverages for Canadian domiciled insureds, which is placed through the Syndicate.

Markel Canada provides casualty, environmental liability, professional and financial risks, Markel Connect, property package, life sciences liability, security and protection industry liability, Markel Care and Markel Play.

Our teams working in Singapore, Hong Kong, Kuala Lumpur, Mumbai, Shanghai, Sydney, Melbourne, Brisbane and Dubai provides cover for marine and energy, professional and financial risks and cyber, and trade credit risks throughout the Asia Pacific region.

In Asia, the Syndicate's Singapore office operates as a regional hub, supporting the Labuan and Hong Kong offices. The Syndicate is also a member of Lloyd's platforms in Dubai, China, Japan, India and Australia.

The Syndicate provides non-life reinsurance to Lloyd's Insurance Company S.A ("Lloyd's Brussels"), supporting European Economic Area ("EEA") clients. Lloyd’s Brussels is authorised and regulated by the National Bank of Belgium.

The four operating units are:

Marine and Energy

Marine coverage includes primary and excess coverage for cargo, hull and war, marine, energy liability, specie, and terrorism risks. Energy offers coverage on a worldwide basis for all aspects of upstream, downstream, midstream oil and gas activities. Coverage includes business interruption or loss of production income, construction of energy related structures, control of wells and physical damage to installations. The team also offers coverage for renewable energy sources including coverage for the full life-cycle of onshore and offshore wind farms and solar photovoltaic installations, from procurement to construction to the completed operations.

The cargo account comprises a broad portfolio of transit and storage risk across many industries on a worldwide basis (excluding sanctioned territories). The hull and war account offers a full range of products on a worldwide basis including marine war, specialist tonnage, builders risks, mortgages interest and port risks. The marine and energy liability account offers a range of traditional marine liability cover as well as ports and terminals, marine trades, and energy offshore and onshore coverages. The terrorism account provides protection on a worldwide basis (excluding sanctioned territories) against physical damage, business interruption and contingency losses directly caused by acts of war, terrorism, and political violence. The specie account includes a range of cover for jewellers' block and cash in transit, on a worldwide basis.

Professional and Financial Risks and Cyber

The Professional and Financial Risks team provides cover on a worldwide basis. This team underwrites professional indemnity, entertainment, financial institutions insurance, commercial directors' and officers' liability ("D&O"), financial technology ("Fintech") cover, technology and media cover and warranty and indemnity ("W&I"). The Markel Cyber 360 policy is a standalone primary cyber insurance product. Key coverages include, privacy breach notification, extortion costs cover, regulatory investigations and fines, cyber and privacy liability, E-media, and professional and technology services liability.

The professional indemnity account services most core, regulated and miscellaneous professions which include architects and engineers, insurance brokers, recruitment agents and more.

The entertainment team writes a broad book of film and media insurance. Advertising agents' insurance, commercial producers' insurance and film production insurance are the mainstays of the book and we are also able to offer both employers' and public liability for companies involved in film shoots.

Financial institutions insurance can provide cover on a stand-alone basis or as a blended package to include bankers blanket bond, professional indemnity and D&O, depending on the client's requirements. The cover is provided on a worldwide basis (excluding sanctioned territories).

Commercial D&O offer market leading products which provide a wide range of coverage to ensure protection for directors and officers of companies of all types and sizes. It covers companies in the FTSE 100 and the financial services sector along with non-financial industries as well.

Fintech provides cover for a range of fintech companies, including those offering neo banking, payments, investech, wealthtech, insurtech and lendtech services. The modular 'FintechRisk+' policy gives clients the flexibility to choose the covers that suit them, including professional liability, D&O liability, theft and cyber liability and loss.

Technology and media provides modular cover for clients in the technology and telecommunications field, specialising in media, film, television, patent/intellectual property insurance, as well as information technology, telecommunications and cyber/privacy risks.

Warranty and indemnity provides cover to clients in mergers and acquisitions, including both funds and corporations. It covers transactions across most sectors and specialise in professional services, financial institutions, technology, media, consumer and energy.

International Specialty

Trade Credit and Policital Risk
Our trade credit and political risk teams have extensive experience and knowledge of commercial counterparty and country risks across a wide variety of trade sectors and markets. The key benefits we provide for our clients include: security of non-cancellable credit and country limits; balance sheet and cash flow protection; improved terms for bank financing facilities; and bonds and guarantees to assist with working capital management.

The trade credit team specialises in insurance solutions with a focus on risk management, providing insurance coverage to help protect businesses. Coverage includes prepayment cover, insolvency and default, trade finance solutions, captive reinsurance, syndicated co-insurance solutions and financial institutions.

The political risk team works with clients to manage their cross-border portfolios and overseas investments with tailored, specialist policies. The key clients include financial institutions, corporates, exporters, and traders. The account has a broad range of coverage including insolvency or default by either a public or privately owned entity, licence cancellation, aircraft and vessel repossession, mortgage rights insurance and currency inconvertibility and exchange transfer.

Equine and Livestock
The equine account offers a wide portfolio of products including bloodstock and equine liability to suit a broad range of risks, from large stud farms to individual horses.

The livestock account provides a wide range of cover including farm combined, mortality, disease and business interruption across farm, zoo and other animal interests.

International Casualty
In 2024, Markel launched additional products to support the needs of insureds offering bespoke wordings on a primary and excess basis, covering environmental liability, general liability, clinical trials, and life sciences.

Clinical trials policies are offered to a number of organisations, including research organisations, universities, clinical trial sponsors and sites, as well as providing cover for investigator-led studies and charities' clinical trial exposures.

Markel offers life science insurance for a number of different markets, including but not limited to pharmaceuticals, medical devices, research and development companies, biotechnology companies, as well as laboratory exposures and cosmetics.

Reinsurance

This unit includes international casualty treaty, professional lines treaty and specialty treaty business.

The casualty treaty team underwrites a diversified account, including general liability, employers' liability, and motor.

Professional liability treaty provides management and professional liability coverage, including medical malpractice and transaction liability.

Specialty treaty reinsurance provides A&H, aviation, space and marine & energy coverage.

Results and performance

The results for the year, as set out on page 21, show a profit for the financial year of £145.7m (2023, £89.5m profit).

As set out on page 7, the underwriting result is a profit of £113.4m (2023, £52.5m profit). There was an improvement in the claims loss ratio during the year which was driven by favourable development on prior year claims reserves.

In the year-ended 31 December 2023, the Syndicate entered into a deal with Marco Capital Ltd for the loss portfolio transfer ("LPT") in relation to its UK Motor PPO portfolio with ceded premium totaling £77.8m. A reinsurance recoverable of £66.7m and ceded commissions of £0.4m were booked in relation to the deal, resulting in a total underwriting loss of £11.5m.

The investment return was a profit of £38.1m (2023, £43.3m profit) generating a yield of 4.0% on the investment portfolio, compared to a yield of 4.1% in 2023. This was primarily driven by favourable price increases for the Syndicate's fixed maturity portfolio.

The profit for the financial year of £145.7m (2023, £89.5m profit) reflects the underwriting profit described above and the favourable investment return.

Key Performance Indicators

We set out below our financial key performance indicators. We do not use non-financial key performance indictors to manage the performance of the Syndicate.

	2020 £'m	2021 £'m	2022 £'m	2023 £'m	2024 £'m
Gross written premiums	521.9	482.6	623.6	701.5	785.5
Net written premiums	456.3	406.1	498.2	479.6	619.2
Retention rate	87.4%	84.1%	79.9%	68.4%	78.8%
Net earned premiums	**464.4**	**409.0**	**465.3**	**452.6**	**580.5**
Net underwriting profit/(loss)	**(145.2)**	**20.0**	**(1.6)**	**52.5**	**113.4**
Claims loss ratio	91.3%	54.5%	61.6%	40.0%	34.9%
Expense ratio	40.0%	40.6%	38.7%	48.4%	45.7%
Combined ratio	**131.3%**	**95.1%**	**100.3%**	**88.4%**	**80.6%**
Investment return	33.7	(9.6)	(50.1)	43.3	38.1
Investment yield	3.6%	(0.8)%	(4.2)%	4.1%	4.0%
Profit/(loss)	**(114.0)**	**10.5**	**(38.9)**	**89.5**	**145.7**

Statement of Financial Position	2020 £'m	2021 £'m	2022 £'m	2023 £'m	2024 £'m
Financial investments and cash	942.5	968.1	1,030.9	1,031.9	1,038.9
Gross claims outstanding	1,184.6	1,146.5	1,310.5	1,223.1	1,231.7
Reinsurers' share of claims outstanding	134.5	184.4	256.2	303.5	360.7
Net claims outstanding	1,050.1	962.1	1,054.4	919.6	871.0

Three Year Accounting Data	2020 £'m	2021 £'m	2022 £'m	2023 £'m	2024 £'m
Syndicate Capacity	**475.0**	**486.0**	**500.0**	**645.5**	**736.0**
Underwriting result	(60.5)	29.8	105.0		
Investment result	(17.0)	12.2	21.7		
Result on closure	**(77.5)**	**42.0**	**126.7**		
Forecast return at 12 months	0.5%	6.3%	6.8%	12.0%	11.2%
Forecast return at 24 months	0.4%	9.7%	15.9%	15.3%	
Return on capacity at closure	**(16.3)%**	**8.6%**	**25.3%**		

Underwriting profit of £39.1m over the five year period of 2020 – 2024, generated an average combined ratio of 98.4%:

- The 2020 year was impacted by £152.7m of COVID-19 losses and £18.4m of natural catastrophe losses on the Derecho storms and Hurricane Laura.
- The 2021 year was impacted by £8.2m of natural catastrophe losses, a £7.6m deterioration on the COVID-19 loss estimates and £4.6m of loss estimates for the South Africa Riots large loss.
- The 2022 year was impacted by losses on the Russia Ukraine conflict of £3.8m and a £15.7m deterioration on the COVID-19 loss estimates. In response to the high inflation environment experienced there was also an additional £14.8m of reserve loadings included in the losses reported. Partially offsetting the adverse experience are releases from prior year reserves of £13.6m.
- The 2023 year was impacted by prior year reserve releases of £42.6m as a result of favourable claims development. This is partially offset by £9.4m of net catastrophe losses.
- The 2024 year was impacted by prior year reserve releases of £70.2m as a result of more favourable claims development than originally anticipated, slightly offsetting this were £11.4m of net catastrophe losses.

Excluding COVID-19, the Russia Ukraine conflict and natural catastrophe losses there was an underwriting profit over the five year period of 2020 – 2024 of £275.2m, generating an average combined ratio of 88.4%. The underwriting performance includes results of business lines that were exited in 2018 and 2020 (Open Market Property, Contingency) or heavily restructured (Marine). The COVID-19 losses were predominantly driven by event cancellation impacting our Contingency book. During 2020 the decision was taken to exit this class of business as part of our underwriting assessment.

Profit of £92.8m over the period 2020 to 2024 is a result of favourable claims development and high investment returns. An average return on capacity of 7.1% for the 2002 to 2022 closed years of account.

Events since the reporting date

There have been no material events since the reporting date.

Going concern and future outlook

The capital position is subject to internal stress testing and the Syndicate continues to monitor and take necessary underwriting actions on its future business. There is no intention to liquidate the Syndicate or to cease its operations. The 2025 year of account has been established and the Directors expect to establish a 2026 year of account, and are not aware of any reason why this will not be possible. They have also concluded that the Syndicate’s financial position means that this is realistic. Where there are any short term liquidity requirements there is support from the Group, as Markel Group has made available a loan facility to Syndicate 3000. As a result, the Directors have concluded that there are no material uncertainties that could cast significant doubt over the Syndicate’s ability to continue as a going concern for at least a year from the date of approval of the financial statements (“the going concern period”).

With disciplined underwriting and a strong asset base, inclusive of the Funds at Lloyd's supporting the Syndicate's underwriting, the Syndicate is in an excellent position to capitalise on opportunities as they arise. The Syndicate will continue to apply Markel’s underwriting discipline of underwriting for profit rather than volume and, accordingly, will decline business where the rates are not acceptable.

The Syndicate will continue to look to develop new lines of business and markets, within the parameters of the overall underwriting strategy. The Syndicate invests in high-quality corporate, government and municipal bonds as well as a diverse equity portfolio and plans to continue this investment strategy in 2025.

The Syndicate capacity for the 2025 year of account has increased to £860.9m (2024, £736.0m).

Principal risks and uncertainties

The Syndicate has a risk register detailing the risks to which it is exposed, which includes all business underwritten by the Syndicate. Risks are grouped under the following categories:

- Underwriting Risk
- Reserving Risk
- Asset Risk
- Credit Risk
- Liquidity Risk
- Solvency Capital Risk
- Operational Risk

The risk and capital management note (note 4) provides a detailed explanation of the above risk categories.

The risks arising from climate change, and Lloyd's of London's response to it, are multifaceted, occur over an extended time horizon and are dependent on the severity of the changes in the climate. These risks continue to develop and the relative impact will be dependent on a number of aspects such as industry changes, Government policy changes and the speed with which those changes are implemented.

The Board has ultimate responsibility for the Syndicate's approach to responsible business which includes consideration of climate risks. The Board approved the establishment of a special purpose 'Responsible Business Committee', to report directly to the Board during the 2024 calendar year. The Responsible Business Committee considers environmental matters, including the impact of these on the Syndicate's business, and the impact of the Syndicate's business on the environment.

Climate risk can be broadly divided into three categories: physical, transition and liability. Physical risk relates to the change in climate and weather events which have the potential to directly affect the economy. This includes the risk of higher claims as a result of more frequent and more intense natural catastrophes. Scenario analysis of differing levels of claims are included within our standard underwriting risk assessment. Transition risk can occur when moving towards a lower carbon economy and how the speed of the transition may affect certain sectors and affect financial stability. Liability risk refers to potential increased litigation against policyholders from individuals or businesses who have experienced losses because of physical or transition risk.

Potential risks are regularly reviewed by the Risk, Capital and Compliance Committee and risks are addressed within the underwriting, risk and audit functions, although Responsible Business activity is not segregated from the other work of these functions, but rather embedded in their operations.

The risks arising from inflation, the impact it has on the economy and the insurance industry's response to it form a key consideration going forward. Inflation risks in the current environment are influenced by both short-to-mid term trends (e.g. the state of the economy, geopolitical events and cybercriminal activity), as well as by long-term trends (e.g. social/excess inflation, other frequency events such as the impact of new technology, safety improvements and other severity effects such as repair cost changes out of line with Retail Price Index/Consumer Price Index). We have considered recent trends in inflation throughout our strategic planning and business management activities. The impacts of inflation on open years of account as well as on subsequent years are regularly assessed and considered, with actions and measures presented to the Risk, Capital and Compliance Committee but equally to key committees regarding Claims, Reserving and Finance.

The current global landscape is marked by heightened geopolitical tensions and uncertainties. Factors such as international conflicts, trade disputes, and political instability in key regions can disrupt markets, interrupt supply chains, affecting the syndicate's investment returns, and also leading to increased insurance claims. Additionally, regulatory changes and sanctions can impact our ability to operate in certain jurisdictions. We monitor developments in these areas and adjust our risk management and business strategies to mitigate against the potential adverse effects that such events may have on the syndicate. The potential impacts of changes in the geopolitical environment are regularly assessed and considered, with actions and measures presented to the Risk, Capital and Compliance Committee but equally to the Underwriting and Finance Committees.

There are currently 32 risks in the Risk Register. Each risk has an allocated Risk Owner and Risk Manager. The Risk Owner is responsible for identifying the risks associated with their objectives, assessing the impact of those risks on their objectives, acting where necessary to mitigate those risks, including (but not limited to) reporting on appropriate metrics to measure the success and risks related to the achievement of their objectives. The Risk Manager is responsible for supporting the Risk Owner assess the performance of their risk and ensure that there is an adequate level of control in place by making recommendations to the Control Owners. A quarterly confirmation is sought from the Control Owners of these controls to confirm the effectiveness of the design and operation of their controls.

The Risk, Capital and Compliance Committee meets quarterly to consider compliance with the Board’s risk appetite and Key Risk Indicators and any risk issues that have arisen. These are summarised in the Chief Risk Officer's quarterly report to the Board.

An Own Risk and Solvency Assessment report is produced at least annually which is a forward-looking assessment of the risk profile and adequacy of the Syndicate's capital to meet solvency needs over the business planning time horizon. The Syndicate is in compliance with Solvency II regulation.

Directors

The Directors of the Managing Agent who served during 2024 and up to the date of this report were as follows:

John W J Spencer	(Chair)
Wai-Fong Au	
Andrew J Davies	
Alexander W G Finn	(Appointed 11/01/2024)
Henry G L Gardener	
Nicholas J S Line	
Kalpana Shah	
Anne Whitaker	(Resigned 30/04/2024)
Simon Wilson	

Markel maintains liability insurance cover on behalf of the Directors and named officers of the Managing Agent.

The Syndicate is supported 100% by MCAP and therefore no Director has any participation.

Corporate governance

Markel Syndicate Management Limited ("MSM"), the Lloyd's Managing Agent of the Syndicate, is authorised by the Prudential Regulation Authority ("PRA"). The Board includes four non-executive Directors and meets at least quarterly. Sub-committees of the Board include the Executive Committee, Audit Committee, Risk, Capital and Compliance Committee, Reserving Committee, Finance Committee, Remuneration Committee, Nominations Committee, Outsourcing Committee and Responsible Business Committee. A number of Management Committees, including Committees with a divisional focus, report to the Executive Committee.

Financial instruments and risk management

Information on the use of financial instruments by the Syndicate and its management of financial risk is disclosed in note 4 of the financial statements. In particular, the Syndicate's exposures to price risk, credit risk and liquidity risk are separately disclosed in that note. The Syndicate's exposure to cash flow risk is addressed under the headings of 'Asset risk', 'Credit risk' and 'Liquidity risk'.

Carbon policy

As set out in the “Markel Style”, the Syndicate has a commitment to its communities, which we recognise includes environmental responsibilities. Our goal is to minimise our environmental impact whilst still adhering to our other principles as expressed in the "Markel Style" and our company profile. The "Markel Style" is a statement of Markel’s core values which underpin how we do business, influence our behaviour, and govern our actions.

Through the development of best practices in our business, the Syndicate aims to use no more consumables than are necessary and recycle the maximum of those we do use. The Directors also believe that embedding environmental awareness throughout the organisation will be best achieved through a continuous program of employee education.

Disclosure of information to the Auditor

The Directors of the Managing Agent who held office at the date of approval of this Report of the Managing Agent confirm that, so far as they are each aware, there is no relevant audit information of which the Syndicate's Auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Syndicate's Auditor is aware of that information.

Auditor

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

Annual general meeting

As permitted under the Syndicate Meetings (Amendment No 1) Byelaw (No 18 of 2000) the sole corporate member has agreed that no annual general meeting will be held for the Syndicate.

By order of the Board,

Andrew Davies
Director
London

03 March 2025

Statement of Managing Agent's Responsibilities

The Directors of the Managing Agent are responsible for preparing the Syndicate financial statements in accordance with applicable law and regulations.

The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 require the Directors of the Managing Agent to prepare Syndicate financial statements at 31 December for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 the Directors of the Managing Agent must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Syndicate and of the profit or loss of the Syndicate for that period. In preparing these financial statements, the Directors of the Managing Agent are required to:

- select suitable accounting policies which are applied consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Syndicate's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- use the going concern basis of accounting unless they either intend to cease trading, or have no realistic alternative but to do so; and
- oversee the preparation and review of the iXBRL tagging that has been applied to the Syndicate Accounts in accordance with the instructions issued by Lloyd's, including designing, implementing and maintaining systems, processes and internal controls to result in tagging that is free from material non-compliance with the instructions issued by Lloyd's, whether due to fraud or error.

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

The Directors of the Managing Agent are responsible for the maintenance and integrity of the Syndicate and financial information included on the Syndicate's website. Legislation in the UK governing the preparation and dissemination of Syndicate financial statements may differ from legislation in other jurisdictions.

By order of the Board,

Andrew Davies
Director
London

03 March 2025

Independent Auditor's Report to the Member of Syndicate 3000

Opinion

We have audited the Syndicate financial statements of Syndicate 3000 ("the Syndicate") for the year ended 31 December 2024 which comprise the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Members' Balances, Statement of Cash Flows, and related notes, including the accounting policies in note 2.

In our opinion the Syndicate financial statements:

- give a true and fair view of the state of the Syndicate's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008, and Sections 1 and 5 of the Syndicate Accounts Instructions Version 2.0 issued by Lloyd's, as modified by the Syndicate Accounts Frequently Asked Questions Version 1.1 dated 18 February 2025 issued by Lloyd's (together "the Syndicate Accounts Instructions").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), applicable law, and, under the terms of our engagement letter dated 17 November 2022, the Syndicate Account Instructions. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Syndicate in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to other entities of public interest. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Directors of the Managing Agent ("the Directors") have prepared the Syndicate financial statements on the going concern basis as they do not intend to cease underwriting or to cease its operations, and as they have concluded that the Syndicate's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the Syndicate financial statements ("the going concern period").

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Syndicate's business model and analysed how those risks might affect the Syndicate's financial resources or ability to continue operations over the going concern period, including reviewing correspondence with Lloyd's to assess whether there were any known impediments to establishing a further year of account.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the Syndicate financial statements is appropriate; and
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Syndicate's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Syndicate will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud
To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the audit committee, internal audit, legal, risk and compliance, management and inspection of policy documentation as to the Syndicate and Managing Agent's high-level policies and procedures to prevent and detect fraud including the internal audit function, and the Syndicate and Managing Agent's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading board, audit committee and other relevant meeting minutes.
- Considering remuneration incentive schemes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as incurred but not reported ("IBNR") reserves. On this audit we do not believe there is a fraud risk related to revenue recognition because of the limited estimation involved in accruing premium income.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included entries posted with key words, entries with unauthorised users, entries to seldom used accounts, entries posted by users who have left the company, post-closing entries, entries posted by senior management and cash management entries.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias including assessing the appropriateness and consistency of the methods and assumptions used for reserving. For a selection of classes of business we considered to be high risk, we performed alternative reprojections to the actuarial best estimate using our own gross loss ratios and compared these to the Syndicate's results, assessing the results for evidence of bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations
We identified areas of laws and regulations that could reasonably be expected to have a material effect on the Syndicate financial statements from our general commercial and sector experience, and through discussion with the directors and others management (as required by auditing standards), and from inspection of the Syndicate and Managing Agent's regulatory and legal correspondence. We discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Syndicate is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the Syndicate financial statements varies considerably. Firstly, the Syndicate is subject to laws and regulations that directly affect the Syndicate financial statements including financial reporting legislation (such as the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and the Lloyd's Syndicate Accounts Instructions) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related Syndicate financial statements' items.

Secondly, the Syndicate is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the Syndicate financial statements, for instance through the imposition of fines or litigation or the loss of the Syndicate's capacity to operate. We identified the following areas as those most likely to have such an effect: regulatory capital requirements, corruption and bribery, recognising the regulated nature of the Syndicate's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the Syndicate financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information - Report of the Directors of the Managing Agent

The Directors are responsible for the Report of the Directors of the Managing Agent. Our opinion on the Syndicate financial statements does not cover that report and we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the Report of the Directors of the Managing Agent and, in doing so, consider whether, based on our Syndicate financial statements audit work, the information therein is materially misstated or inconsistent with the Syndicate financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Report of the Directors of the Managing Agent;
- in our opinion the information given in the Report of the Directors of the Managing Agent is consistent with the Syndicate financial statements; and
- in our opinion the Report of the Directors of the Managing Agent has been prepared in accordance with the requirements of the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept on behalf of the Syndicate; or
- the Syndicate financial statements are not in agreement with the accounting records; or
- certain disclosures of 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.

We have nothing to report in these respects.

Responsibilities of the Directors of the Managing Agent

As explained more fully in their statement set out on page 14, the Directors of the Managing Agent are responsible for: the preparation of the Syndicate financial statements in accordance with the requirements of the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and the Syndicate Accounts Instructions, and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of Syndicate financial statements that are free from material misstatement, whether due to fraud or error; assessing the Syndicate's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the Syndicate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Syndicate financial statements.
A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The Directors of the Managing Agent are required, under the Syndicate Accounts Instructions, to include these financial statements within a document to which XBRL tagging has been applied. This auditor's report provides no assurance over whether the XBRL tagged document has been prepared in accordance with those requirements.

The purpose of our audit work and to whom we owe our responsibilities

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 and the terms of our engagement letter by the Managing Agent. 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 the further matters we are required to state to them in accordance with the terms agreed with the Managing Agent 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.

Timothy Butchart (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

03 March 2025

Statement of profit or loss and other comprehensive income

Technical account - General business

For the year ended 31 December 2024

	Notes	2024 £'000	2023 £'000
Gross premiums written	5	785,467	701,536
Outward reinsurance premiums		(166,224)	(221,892)
Premiums written, net of reinsurance		**619,243**	**479,644**
Changes in unearned premium	17		
Change in the gross provision for unearned premium		(51,864)	(30,674)
Change in the provision for unearned premiums reinsurers' share		13,115	3,657
Net change in provisions for unearned premiums		**(38,749)**	**(27,017)**
Earned premiums, net of reinsurance		**580,494**	**452,627**
Allocated investment return transferred from the non-technical account	9	38,063	43,322
Claims paid	17		
Gross amount		(279,824)	(325,790)
Reinsurers' share		49,168	48,727
Net paid claims		(230,656)	(277,063)
Change in the provision for claims	17		
Gross amount		(25,019)	36,864
Reinsurers' share		53,661	59,086
Net change in provision for claims		**28,642**	**95,950**
Claims incurred, net of reinsurance		**(202,014)**	**(181,113)**
Net operating expenses	6	**(265,128)**	**(218,979)**
Balance on the technical account - general business		**151,415**	**95,857**

The notes on pages 26 to 60 form part of these financial statements.

Statement of profit or loss and other comprehensive income

Non-Technical Account

for the year ended 31 December 2024

	Notes	2024 £'000	2023 £'000
Balance on the technical account - general business		151,415	95,857
Investment income	9	31,408	31,014
Realised gains/(losses) on investments	9	2,286	5,023
Unrealised gains/(losses) on investments	9	6,706	9,569
Investment expenses and charges	9	(2,337)	(2,284)
Total investment return		38,063	43,322
Allocated investment return transferred to the general business technical account		(38,063)	(43,322)
Gain/(loss) on foreign exchange		(5,732)	(6,385)
Profit/(loss) for the financial year		145,683	89,472
Other comprehensive income			
Currency translation gain/(loss)		4,428	938
Total comprehensive income/(loss) for the year		**150,111**	**90,410**

The notes on pages 26 to 60 form part of these financial statements.

Statement of financial position

as at 31 December 2024

	Notes	2024 £'000	2023 £'000
Financial investments	11	915,960	923,539
Deposits with ceding undertakings		1,580	2,300
Investments		**917,540**	**925,839**
Provisions for unearned premiums	17	43,694	31,284
Claims outstanding	17	360,691	303,536
Reinsurers' share of technical provisions		**404,385**	**334,820**
Debtors arising out of direct insurance operations	12	287,777	243,933
Debtors arising out of reinsurance operations	13	13,046	20,204
Other debtors	14	12,243	13,568
Debtors		**313,066**	**277,705**
Cash at bank and in hand	22	122,898	108,344
Other assets		122,898	108,344
Accrued interest and rent		7,165	7,537
Deferred acquisition costs	15	62,222	54,845
Other prepayments & accrued income		4,953	492
Prepayments and accrued income		**74,340**	**62,874**
Total Assets		**1,832,229**	**1,709,582**

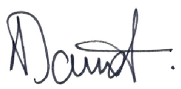
The notes on pages 26 to 60 form part of these financial statements.

Statement of financial position (cont'd)
as at 31 December 2024

	Notes	2024 £'000	2023 £'000
Members' balance		154,307	46,221
Total Capital and reserves		**154,307**	**46,221**
Provisions for unearned premiums	17	306,438	260,594
Claims outstanding	17	1,231,652	1,223,110
Technical provisions	17	**1,538,090**	**1,483,704**
Creditors arising out of direct insurance operations	19	20,143	25,704
Creditors arising out of reinsurance operations	20	81,160	41,421
Other creditors including taxation and social security	21	37,941	112,083
Creditors		139,244	179,208
Accruals and deferred income		588	449
Total Liabilities		1,677,922	1,663,361
Total liabilities, capital and reserves		**1,832,229**	**1,709,582**

The notes on pages 26 to 60 form part of these financial statements.

The Syndicate financial statements on pages 20 to 60 were approved by the Board of Directors on 03 March 2025 and were signed on behalf of Markel Syndicate Management Limited by Andrew Davies, Company Director.



Andrew Davies
Director
London

03 March 2025

Statement of changes in member's balances

for the year ended 31 December 2024

	2024 £'000	2023 £'000
Members' balances brought forward at 1 January	46,221	(121,716)
Total comprehensive income/(loss) for the year	150,111	90,410
Payments of profit to members' personal reserve funds	(42,025)	-
Losses collected in relation to distribution on closure of underwriting year	-	77,527
Members' balance carried forward at 31 December	**154,307**	**46,221**

The notes on pages 26 to 60 form part of these financial statements.

Statement of cash flows

for the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Cash flows from operating activities			
Profit/(loss) for the financial year		**145,683**	**89,472**
Adjustments			
Increase/(decrease) in gross technical provisions		68,470	(12,813)
Increase/(decrease) in reinsurers' share of gross technical provisions		(66,776)	(62,743)
Increase/(decrease) in debtors		(39,451)	(39,060)
Increase/(decrease) in creditors		(39,823)	(14,583)
Investment return		(38,063)	(43,322)
Foreign exchange		5,957	149
Net cash flows from operating activities		**35,997**	**(82,900)**
Net cash flows from investing activities			
Purchases of equity and debt instruments		(1,476,697)	(1,056,499)
Sale of equity and debt instruments		1,663,598	1,018,547
Investment income received		34,065	32,888
Other		12,705	2,029
Net cash flow from investing activities		**233,671**	**(3,035)**
Cashflow from financing activities			
Distribution of profit		(42,025)	-
Collection of losses		-	77,527
Net cash flows from financing activities		**(42,025)**	**77,527**
Net increase/(decrease) in cash and cash equivalents		227,643	(8,408)
Cash and cash equivalents at the beginning of the year		108,344	122,623
Foreign exchange on cash and cash equivalents		(2,534)	(5,871)
Cash and cash equivalents at the end of the year	22	**333,453**	**108,344**

The notes on pages 26 to 60 form part of these financial statements.

Notes to the Financial Statements

1 Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with the Insurance Accounts Directive (Lloyd’s Syndicate and Aggregate Accounts) Regulations 2008, applicable Accounting Standards in the United Kingdom and the Republic of Ireland, including Financial Reporting Standard 102 (FRS 102), Financial Reporting Standard 103 (FRS 103) in relation to insurance contracts, and the Lloyd’s Syndicate Accounts Instructions Version 2.0 as modified by the Frequently Asked Questions Version 1.1 issued by Lloyd’s.

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

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

The Syndicate presents its financial statements in sterling (the 'reporting currency') since they are subject to regulation in the United Kingdom. Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The functional currency of the Syndicate is US dollars.

During 2024, Lloyd's introduced changes to the syndicate accounts process to rationalise and standardise financial reporting across the market. As a result, certain comparative information has been reclassified to ensure consistency with current year presentation and compliance with the Lloyd's Syndicate Accounts Instructions. The changes comprise:

a) Reclassification changes
Certain financial statement line items have been reclassified whilst the underlying amounts remain unchanged.

b) Aggregation changes
To align with Lloyd's reporting requirements whilst maintaining FRS 102 compliance, certain items have been aggregated or disaggregated within the financial statements and related notes. This includes the presentation of realised and unrealised gains and losses on investments, which are now shown on a disaggregated basis in the Non- technical account of the Statement of profit or loss and other comprehensive income.

Going Concern
The Directors have continued to review the capital position, business plans, liquidity and operational resilience of the Syndicate. The capital position is subject to internal stress testing and the Syndicate continues to monitor and take necessary underwriting actions on its future business. There is no intention to liquidate the Syndicate or to cease its operations. The 2025 year of account has been established and the Directors expect to establish a 2026 year of account, and are not aware of any reason why this will not be possible. They have also concluded that the Syndicate’s financial position means that this is realistic. Where there are any short term liquidity requirements there is support from the Group, as Markel Group has made available a loan facility to Syndicate 3000. As a result, the Directors have concluded that there are no material uncertainties that could cast significant doubt over the Syndicate’s ability to continue as a going concern for at least a year from the date of approval of the financial statements (“the going concern period”).

2 Significant accounting policies

The following significant accounting policies have been applied in the preparation of these financial statements and are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Insurance contracts

Insurance contracts are those contracts that transfer significant insurance risk. The significance of insurance risk is dependent on both the probability of an insured event and the magnitude of its potential effect to the policyholder. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period.

2.1.1 Underwriting results

The underwriting result is determined using an annual basis of accounting, whereby the incurred cost of claims, commission and expenses are charged against the earned proportion of premiums, net of reinsurance.

2.1.2 Premiums

Premiums written relate to direct and inwards reinsurance business incepted during the year, together with any difference between booked premiums for prior years and those previously accrued, and include estimates of premiums not yet due or notified. Premiums are shown gross of brokerage payable and exclude taxes and duties levied on them. Reinstatement premiums on inwards business are accreted to the technical account on a pro-rata basis over the term of the original policy to which they relate.

2.1.3 Provision for unearned premiums

Unearned premiums represent the proportion of premiums written in the year that relates to unexpired terms of policies in force at the reporting date, calculated on the basis of established earnings patterns or time apportionment as appropriate. The movement in the provision is taken to the technical account in order that revenue is recognised over the period of the risk. In the opinion of the Directors, the resulting provision is not materially different from one based on the pattern of incidence of risk.

2.1.4 Acquisition costs

Acquisition costs, which represent commission and underwriters' staff costs related to the production of business, are deferred and amortised over the period in which the related premiums are earned. Deferred acquisition costs relate to subsequent financial periods and are deferred to the extent that they are recoverable out of future revenue.

2.1.5 Provision for unexpired risks

A provision for unexpired risks is made where claims, related expenses and deferred acquisition costs likely to arise after the end of the financial year in respect of contracts concluded before that date were expected to exceed the unearned premiums receivable under these contracts. Provision for unexpired risks is calculated separately by class and includes an allowance for investment income. Unexpired risk surplus and deficits are offset where, in the opinion of the Directors, the business classes concerned are managed together. In such cases, a provision for unexpired risks is made only where there is an aggregate deficit.

2.1.6 Claims

Claims incurred comprise claims and claims handling expenses paid in the year and the change in provisions for outstanding claims, including provisions for claims incurred but not reported ('IBNR') and related expenses, together with any adjustments to claims from prior years.

Outstanding claims represent the estimated ultimate cost of settling all claims arising from events which have occurred up to the date of the statement of financial position, including IBNR, less any amounts paid in respect of those claims. The Syndicate does not discount its liabilities for unpaid claims, with the exception of period payments orders ("PPOs"). The discount rate used is based upon an investment return expected to be earned by financial assets which are appropriate in value and duration to match the provisions for insurance contract liabilities being discounted during the period expected before the final settlement of such claims.

Claims provisions are established on an individual class of business basis. Management conducts a quarterly review of each class of business. Claims are projected to the ultimate position and provision is made for known claims and claims IBNR. Adjustments to the amounts of the claims provisions established in prior years are reflected in the technical account for the period in which the adjustments are made.

2.1.7 Reinsurance

Reinsurance premiums ceded and reinsurance recoveries on claims incurred are included in the respective expense and income accounts. Reinsurance outwards premiums are earned according to the nature of the cover. 'Losses occurring during' policies are earned evenly over the policy period. 'Risks attaching' policies are expensed on the same basis as the inwards business being protected.

Reinsurance assets include amounts recoverable from reinsurance companies for paid and unpaid claims and loss adjustment expenses, and ceded unearned premiums. Amounts recoverable from reinsurers are calculated with reference to the claims liability associated with the reinsured risks. Revenues and expenses arising from reinsurance agreements are therefore recognised in accordance with the underlying risk of the business reinsured.

If a reinsurance asset is impaired the Syndicate reduces its carrying amount accordingly, and will immediately recognise the impairment loss in the technical account. A reinsurance asset will be deemed to be impaired if there is objective evidence, as a result of an event that occurred after initial recognition of that asset, that the Syndicate may not receive all amounts due to it under the terms of the contract, and that the event has a reliably measurable impact on the amounts that the Syndicate will receive from the reinsurer.

Reinstatement premiums on outwards business are accreted to the technical account on a pro-rata basis over the term of the original policy to which they relate.

2.1.8 Net operating expenses

Underwriting acquisition costs, general overheads and other expenses are charged as incurred to the technical account, net of the change in deferred acquisition costs.

2.2 Financial assets and liabilities

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

2.2.1 Classification

The accounting classification of financial assets and liabilities determines the way in which they are measured and changes in those values are presented in the Statement of Profit or Loss. Financial assets and liabilities are classified upon initial recognition. Subsequent reclassifications are permitted only in restricted circumstances.

Financial assets and financial liabilities are classified fair value through profit and loss comprise financial assets and financial liabilities held for trading and those designated as such on initial recognition. Investments in shares and other variable yield securities, and debt and other fixed income securities are designated as at fair value through profit or loss on initial recognition, as they are managed on a fair value basis in accordance with the Syndicate's investment strategy. Investments are valued at market value, based on bid price, and deposits with credit institutions are stated at cost.

2.2.2 Recognition and derecognition

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

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

2.2.3 Measurement

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

Financial assets at fair value through profit or loss are measured at fair value with changes recognised immediately in profit or loss. Net gains or net losses on financial assets measured at fair value through profit and loss includes foreign exchange gains/losses arising on their translation to the functional currency, but excludes interest and dividend income. Loans and receivables and non-derivative financial liabilities are measured at amortised cost using the effective interest method, except for Syndicate Loans to the Central Fund which are measured at fair value through profit or loss.

2.2.4 Offsetting

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

2.3 Investment Return

Investment income comprises interest and dividends receivable for the year before investment expenses. Dividends receivable are stated after adding back any withholding taxation deducted at source. Investment expenses are charged to the Statement of profit or loss and other comprehensive income: Non-Technical Account on an incurred basis.

Realised gains or losses represent the difference between net sales proceeds and purchase price. Unrealised gains and losses on investments represent the difference between the current value of investments at the reporting date and their purchase price. The movement in unrealised investment gains/losses includes an adjustment for previously recognised unrealised gains/losses on investments disposed of in the accounting period.

Dividends receivable are accounted for by reference to the date on which the price of the investment is quoted ex-dividend.

The investment return is initially recorded in the Income Statement: Non-Technical Account. A transfer is made from the Income Statement: Non-Technical account to the Income Statement: Technical Account to reflect the investment return on funds supporting underwriting business.

The investment return is initially recorded in the Statement of profit or loss and other comprehensive income: Non Technical Account. A transfer is made from the Non Technical account to the Technical Account to reflect the investment return on funds supporting underwriting business.

2.4 Cash and cash equivalents

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

2.5 Foreign currency translation

Transactions in foreign currencies are translated at the average rates of exchange for the month of the transactions.

Monetary assets and liabilities are translated at the rate of exchange at the reporting date or if appropriate at the forward contract rate. Non monetary assets and liabilities are translated at the rate of exchange prevailing on recognition.

All exchange differences arising on the translation of the results and financial position in US dollars (the functional currency) into sterling (the reporting currency) are recognised in the Statement of Comprehensive Income. Exchange differences on all other currencies are recognised in the Statement of profit or loss and other comprehensive income: Non Technical Account.

2.6 Taxation

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

No provision has been made for any United States or Canadian Federal Income Tax payable on underwriting results or investment earnings. Any payments on account made by the Syndicate during the year are included in the Statement of Financial Position under the heading 'other debtors', as the Syndicate is reimbursed by MCAP for any of the Income Taxes paid.

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

3 Critical accounting estimates and judgements in applying accounting policies

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

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

Estimation and judgement in relation to the valuation of claims recognised under insurance contracts

The estimation of the ultimate liability arising from claims made under insurance contracts is the Syndicate's most critical accounting estimate. There are key sources of uncertainty that need to be considered in the estimate of the amounts that the Syndicate will ultimately pay to settle such claims. Significant areas requiring estimation and judgement include:

- Estimates of the amount of any liability in respect of claims notified but not settled, and claims IBNR to be included within the claims provisions for inwards insurance and reinsurance contracts;
- The corresponding estimate of the amount of outwards reinsurance recoveries which will become due as a result of the estimated claims on inwards business.

The adequacy of the outstanding claims provisions is assessed by reference to projections of the ultimate development of claims in respect of each underwriting year. Management continually attempts to improve its claims estimation process by refining its ability to analyse claims development patterns, claims payments and other information, but many reasons remain for potential adverse development of estimated ultimate liabilities. The process of estimating claims reserves is a difficult and complex exercise involving many variables and subjective judgements. As part of the reserving process, historical data is reviewed and the impact of various factors such as trends in claim frequency and severity, changes in operations, emerging economic and social trends, inflation and changes in regulatory and litigation environments is considered. Significant delays occur in notifying certain claims and a large measure of experience and judgement is involved in assessing outstanding liabilities, the ultimate cost of which cannot be known with certainty at the reporting date. The reserve for claims outstanding is determined on the basis of information currently available. However, it is inherent in the nature of the business written that the ultimate liabilities may vary as a result of subsequent development.

The two most critical assumptions regarding claims provisions are that the past is a reasonable predictor of the likely level of claims development and that the models used for current business are fair reflections of the likely level of ultimate claims to be incurred. However, the Directors believe the process of evaluating past experience, adjusted for the effects of current developments and anticipated trends, is an appropriate basis for predicting future events. The estimation process has required reviewing risks and events which are expected to trigger future reported claims and assessing the potential financial loss of insureds. This has required underwriter, claims and actuarial experience and management's professional judgement. Furthermore, there is inherent uncertainty in relation to the ultimate liability which will vary as a result of subsequent information and events.

There is no precise method, however, for evaluating the impact of any significant factor on the adequacy of reserves, actual results are likely to differ from original estimates. Management believes the Syndicate's provision for gross and reinsurers' share of claims outstanding is adequate and represents a reasonable estimate.

4 Risk and capital management

Financial risk management objectives

The Syndicate is exposed to financial risks primarily through its financial assets, reinsurance assets and policyholder liabilities. The Syndicate's risks are recorded on a risk register and managed through the risk management framework. Solvency II principles are used to manage the Syndicate's capital requirements and to ensure that it has the financial strength to support the growth of the business and meet the requirements of policyholders, regulators and rating agencies.

The key financial risks assessed are underwriting risk, reserving risk, asset risk, credit risk, liquidity risk, capital risk and operational risk.

Underwriting risk

Underwriting Risk is the risk of loss arising from the inherent uncertainties as to the occurrence, amount and timing of insurance liabilities, focusing on risks that arise from the acceptance of business.

The Underwriting Risk Policy outlines several key principles and controls to manage this risk, such as adherence to business plans, prudent maximum line sizes, and peer review processes to ensure compliance.

Underwriting risk appetites are agreed annually by the Board and adherence to these is monitored at the Risk, Capital and Compliance Committee. Any exceptions to these risk appetites are reported to the Board.

The amount of insurance risk we take on any policy is controlled by the use of prudent maximum line sizes. Each underwriter has a written underwriting authority that details maximum line sizes and maximum policy duration by class of business and is subject to the peer review processes that are in place to ensure compliance. We do not permit risks to be written for longer than 18 months (24 months for Marine) without the prior written approval of the Chief Underwriting Officer ("CUO") or their delegates although we do make certain general exceptions, where we have matching reinsurance and have agreed this in advance as part of our underwriting strategy. Compliance with linesize and policy duration is monitored.

The Actuarial Function and underwriting divisions have developed technical pricing models for many classes of business. Other classes have technical rating guides or other types of benchmark rates.

A key method of monitoring the Syndicate's aggregate underwriting exposures is the production of a quarterly "Catastrophe Management Aggregations pack" which sets out our exposures to various elemental and non-elemental perils. For example, for natural catastrophe risk we monitor and report the Syndicate's exposure, both gross and net, to each material region/peril. Underwriting divisions are given aggregate limits for catastrophe business in each zone and adherence to these is monitored within the pack. The Syndicate's aggregate underwriting exposures form part of Risk Management's quarterly assessment of risk to the Risk, Capital and Compliance Committee and to the Board.

The Underwriting Committee has oversight of Underwriting Risk.

Reserving risk

Reserving risk is the risk of loss arising from the inherent uncertainties as to the occurrence, amount and timing of insurance liabilities, focusing on risks that arise from the quantification of those liabilities.

The Syndicate adopts a cautious approach to claims reserving, such that reserves are expected to be more likely to prove redundant than deficient. The reserving policy is to hold a margin above the Chief Actuary's best estimate reserve in order to absorb unforeseen adverse reserve development and to give additional comfort to rating agencies, regulators and policyholders.

Risk appetites in respect of reserving risk are agreed annually by the Board and adherence to these is monitored at the Risk, Capital and Compliance Committee. Any exceptions to the risk appetites are reported to the Board.

The Claims Philosophy, Claims Principles and Reserving Philosophy, as set out in the Claims Handling Guidelines, are approved by the Board and can only be amended with Board consent. The Board are responsible for approving this policy initially and approving any material changes, if referred by the Reserving Committee.

An Actuarial reserving exercise occurs quarterly for the reserving basis, and the pricing basis. This involves internal review within the Actuarial department and discussions with relevant underwriters and claims staff, including consideration of the impact of factors such as trends in claims frequency and severity as well as inflation. Pricing basis represents the actuarial reserving "best estimate". The reserving basis reflects the Markel reserving philosophy of holding reserves that are more likely to be redundant than deficient. Combined Ratio packs are produced which contain gross and net projections for all classes of business written at Markel International. The packs are discussed in detail at the quarterly "Markel International ExCo Pack Review" meetings, which are attended by the Executive Management, the Divisional Managing Director/Managing Director from each Division/Branch and the relevant Actuaries.

The Reserving Committee has oversight of Reserving Risk.

The following table presents the profit and loss impact of the sensitivity of the value of insurance liabilities disclosed in the accounts to potential movements in the assumptions applied within the technical provisions. Given the nature of the business underwritten by the Syndicate, the approach to calculating the technical provisions for each class can vary and as a result the sensitivity performed is to apply a beneficial and adverse risk margin to the total insurance liability. The amount disclosed in the table represents the profit or loss impact of an increase or decrease in the insurance liability as a result of applying the sensitivity. The amount disclosed for the impact on claims outstanding – net of reinsurance represents the impact on both the profit and loss for the year and member balance.

General insurance business sensitivities as at 31 December 2024	**Sensitivity**	
	+5% £'000	**-5% £'000**
Claims outstanding - gross of reinsurance	(29,025)	29,025
Claims outstanding - net of reinsurance	(29,025)	29,025

General insurance business sensitivities as at 31 December 2023	**Sensitivity**	
	+5% £'000	**-5% £'000**
Claims outstanding - gross of reinsurance	(22,631)	22,631
Claims outstanding - net of reinsurance	(22,631)	22,631

Credit risk
Credit risk is the risk of loss arising from the inability of a counterparty to fulfil its payment obligations. The Credit Risk Policy defines our approach to managing this risk.

The Board sets risk appetites for the amount of exposure it is prepared to accept in respect of reinsurers and brokers. These are monitored through reports to the Risk, Capital and Compliance Committee and any exceptions are reported to the Board.

The key areas where the Syndicate is exposed to credit risk are:

- Amounts recoverable from reinsurers
- Amounts due from insurance intermediaries and insurance contract holders
- Amounts due from debt securities and other fixed income securities

The Syndicate’s securities portfolio is monitored at the Finance Committee to ensure that credit risk does not exceed the Syndicate’s risk appetite. In addition, the Syndicate places limits on exposures to a single counterparty or concentrations of exposures to a specific counterparty. At 31 December 2024, 100% (2023, 100%) of the Syndicate's fixed maturity portfolio is rated 'A' (2023, 'A') or better.

The Syndicate does not hold any financial investments that are past due or impaired as at 31 December 2024 (2023, none).

The Syndicate maintains a robust level of bad debt provision against the possibility of non-payment from a reinsurer and takes a proactive approach to the collection of reinsurance recoveries, including the pursuit of commutations. New reinsurers may be required to post collateral depending on their size, rating and potential debt to the Syndicate. If a reinsurer is not willing to post collateral then their line size may be reduced to an acceptable level in accordance with their applicable rating and capital.

The Finance Committee has oversight of Credit Risk.

The following table analyses the credit rating by investment grade of financial investments, debt securities and derivative financial instruments, reinsurers' share of claims outstanding, amount due from intermediaries, amounts due from reinsurers in respect of settled claims, cash and cash equivalents, and other debtors and accrued interest that are neither past due, nor impaired.

2024	**AAA £'000**	**AA £'000**	**A £'000**	**BBB £'000**	**Other £'000**	**Not rated £'000**	**Total £'000**
Shares and other variable yield securities and units in unit trusts	-	-	-	-	-	36,862	36,862
Debt securities and other fixed income securities	194,262	294,344	51,615	-	-	9,628	549,849
Participation in investment pools	111,504	-	97,849	-	-	1,202	210,555
Loans and deposits with credit institutions	48,589	5,907	11,713	9,444	6,587	31,357	113,597
Syndicate loan to central fund	-	-	-	-	-	5,097	5,097
Deposits with ceding undertakings	-	-	1,580	-	-	-	1,580
Reinsurers' share of claims outstanding	2,777	142,435	207,076	1,517	-	6,885	360,690
Debtors arising out of direct insurance operations	-	-	287,777	-	-	-	287,777
Debtors arising out of reinsurance operations	-	-	13,046	-	-	-	13,046
Cash at bank and in hand	-	109,557	13,341	-	-	-	122,898
Other debtors and accrued interest	-	-	-	-	-	4,953	4,953
Total	357,132	552,243	683,997	10,961	6,587	95,984	1,706,904

2023	**AAA £'000**	**AA £'000**	**A £'000**	**BBB £'000**	**Other £'000**	**Not rated £'000**	**Total £'000**
Shares and other variable yield securities and units in unit trusts	64,084	-	36,937	-	-	31,677	132,698
Debt securities and other fixed income securities	236,109	291,293	124,466	-	-	7	651,875
Participation in investment pools	-	-	-	-	-	-	-
Loans and deposits with credit institutions	58,564	2,930	9,689	7,485	12,461	41,330	132,459
Syndicate loan to central fund	-	-	-	-	-	6,508	6,508
Deposits with ceding undertakings	-	-	2,300	-	-	-	2,300
Reinsurers' share of claims outstanding	703	90,957	205,276	-	-	6,600	303,536
Debtors arising out of direct insurance operations	-	-	243,933	-	-	-	243,933
Debtors arising out of reinsurance operations	-	-	20,204	-	-	-	20,204
Cash at bank and in hand	-	-	108,334	-	-	-	108,334
Other debtors and accrued interest	-	-	-	-	-	492	492
Total	**359,460**	**385,180**	**751,139**	**7,485**	**12,461**	**86,614**	**1,602,339**

Financial assets that are past due

The Syndicate has debtors arising from direct insurance and reinsurance operations that are past due but not impaired at the reporting date.

2024	Neither past due nor impaired assets £'000	Past due but not impaired assets £'000	Gross value of impaired assets £'000	Total £'000
Reinsurers' share of claims outstanding	360,691	-	-	360,691
Debtors arising out of direct insurance operations	266,591	21,186	-	287,777
Debtors arising out of reinsurance operations	3,080	9,966	-	13,046
Other debtors and accrued interest	4,953	-	-	4,953
Total	**635,315**	**31,152**	**-**	**666,467**

2023	Neither past due nor impaired assets £'000	Past due but not impaired assets £'000	Gross value of impaired assets £'000	Total £'000
Reinsurers' share of claims outstanding	303,536	-	-	303,536
Debtors arising out of direct insurance operations	222,916	21,017	-	243,933
Debtors arising out of reinsurance operations	946	19,258	-	20,204
Other debtors and accrued interest	492	-	-	492
Total	**527,890**	**40,275**	**-**	**568,165**

The table below sets out the age analysis of financial assets that are past due but not impaired at the balance sheet date:

	Past due but not impaired				
2024	**0-3 months past due £'000**	**3-6 months past due £'000**	**6-12 months past due £'000**	**Greater than 1 year past due £'000**	**Total £'000**
Debtors arising out of direct insurance operations	136	2,004	1,470	17,576	21,186
Debtors arising out of reinsurance operations	4,727	2,037	2,825	377	9,966
Total	4,863	4,041	4,295	17,953	31,152

	Past due but not impaired				
2023	**0-3 months past due £'000**	**3-6 months past due £'000**	**6-12 months past due £'000**	**Greater than 1 year past due £'000**	**Total £'000**
Debtors arising out of direct insurance operations	184	1,997	4,963	13,873	21,017
Debtors arising out of reinsurance operations	13,619	1,818	3,001	820	19,258
Total	13,803	3,815	7,964	14,693	40,275

Liquidity risk

Liquidity risk is the risk that sufficient liquid financial resources are not maintained to meet liabilities as they fall due. The Syndicate monitors the projected settlement of liabilities and, in conjunction with MGAM LLC, sets guidelines on the composition of the portfolio in order to manage this risk.

Liquidity risk appetites are agreed annually by the Finance Committee and adherence to these is monitored at the Risk, Capital and Compliance Committee. Any exceptions to risk appetite are reported to the Board.

The liquidity risk appetite is monitored on a quarterly basis through a series of stress tests. These stress tests are based on potential liquidity related events that could materialise over different time horizons such as a 1-in-200 year natural or non-natural catastrophe event; or a 25% increase in the expected gross operating outflows.

The duration of the Syndicate's investment portfolio is managed to match the expected cash outflows on liabilities. The average duration of liabilities is 3.5 years (2023, 3.6 years).

We monitor compliance regarding the matching of foreign exchange assets and liabilities in a quarterly foreign exchange meeting with the Markel Group. Where we identify currency mismatches we would consider appropriate remedial action through currency hedges or swaps. No foreign exchange forward contracts have been entered into during the year (2023, none).

Currency and Asset/Liability Management risk appetites are agreed annually by the Board and adherence to these is monitored at the Risk, Capital and Compliance Committee. Any exceptions to risk appetite are reported to the Board.

The Finance Committee has oversight of Liquidity Risk including the related Currency Risk and Asset/Liability Management risk.

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

	Undiscounted net cash flows					
2024	**No maturity stated £'000**	**0-1 yrs £'000**	**1-3 yrs £'000**	**3-5yrs £'000**	**>5 yrs £'000**	**Total £'000**
Claims outstanding	-	(427,345)	(379,470)	(199,596)	(225,241)	(1,231,652)
Creditors	-	(101,303)	-	-	-	(101,303)
Other credit balances	-	(38,529)	-	-	-	(38,529)
Total	**-**	**(567,177)**	**(379,470)**	**(199,596)**	**(225,241)**	**(1,371,484)**

Undiscounted net cash flows						
2023	No maturity stated £'000	0-1 yrs £'000	1-3 yrs £'000	3-5yrs £'000	>5 yrs £'000	Total £'000
Claims outstanding	-	(364,148)	(407,832)	(214,947)	(236,184)	(1,223,110)
Creditors	-	(67,125)	-	-	-	(67,125)
Other credit balances	-	(112,532)	-	-	-	(112,532)
Total	**-**	**(543,805)**	**(407,832)**	**(214,947)**	**(236,184)**	**(1,402,768)**

iii. Currency risk

The Syndicate writes business primarily in Sterling, US dollar, Euro, Canadian dollar, Australian dollar and Japanese Yen and is therefore exposed to currency risk arising from fluctuations in these exchange rates.

Foreign exchange risk: We monitor compliance regarding the matching of foreign exchange assets and liabilities in a quarterly foreign exchange meeting with the Markel Group. Where we identify currency mismatches we would consider appropriate remedial action through currency hedges or swaps. No foreign exchange forward contracts have been entered into during the year (2023, none).

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

2024 Currency Code	GBP'000	USD'000	EUR'000	CAD'000	AUD'000	JPY'000	Other'000	Total'000
Investments	99,784	332,132	52,941	333,082	62,316	2	37,283	917,540
Reinsurers' share of technical provisions	121,404	196,333	15,644	40,917	23,286	1,675	5,126	404,385
Debtors	13,160	188,695	6,420	28,773	21,581	1,053	53,384	313,066
Other assets	3,623	67,857	2,915	-	21,498	2,309	24,696	122,898
Prepayment and accrued income	11,076	38,704	3,365	12,075	6,015	22	3,083	74,340
Total assets	**249,047**	**823,721**	**81,285**	**414,847**	**134,696**	**5,061**	**123,572**	**1,832,229**
Technical provisions	(265,360)	(730,975)	(91,919)	(271,899)	(101,788)	(7,634)	(68,515)	(1,538,090)
Creditors	(17,143)	(69,650)	(5,830)	(14,721)	(20,266)	(17)	(11,617)	(139,244)
Accruals and deferred income	-	(583)	-	(5)	-	-	-	(588)
Total liabilities	**(282,503)**	**(801,208)**	**(97,749)**	**(286,625)**	**(122,054)**	**(7,651)**	**(80,132)**	**(1,677,922)**
Total Capital and reserves	**(33,456)**	**22,513**	**(16,464)**	**128,222**	**12,642**	**(2,590)**	**43,440**	**154,307**

2023 Currency Code	GBP'000	USD'000	EUR'000	CAD'000	AUD'000	JPY'000	Other'000	Total'000
Investments	72,730	358,825	40,550	377,864	22,271	-	53,599	925,839
Reinsurers' share of technical provisions	92,501	179,226	13,153	33,789	13,705	1,742	704	334,820
Debtors	26,081	132,308	4,970	56,826	15,905	683	40,932	277,705
Other assets	7,268	30,277	11,647	(162)	38,428	1,435	19,451	108,344
Prepayment and accrued income	5,267	32,639	2,994	13,331	5,372	28	3,243	62,874
Total assets	**203,847**	**733,275**	**73,314**	**481,648**	**95,681**	**3,888**	**117,929**	**1,709,582**
Technical provisions	(274,237)	(668,064)	(81,168)	(319,954)	(71,784)	(7,018)	(61,479)	(1,483,704)
Creditors	(8,056)	(114,997)	(12,876)	(22,489)	(13,446)	(129)	(7,216)	(179,209)
Accruals and deferred income	-	(449)	-	-	-	-	-	(449)
Total liabilities	**(282,293)**	**(783,510)**	**(94,044)**	**(342,443)**	**(85,230)**	**(7,147)**	**(68,695)**	**(1,663,361)**
Total Capital and reserves	**(78,446)**	**(50,235)**	**(20,730)**	**139,205**	**10,451**	**(3,259)**	**49,234**	**46,221**

Asset Risk

Asset risk is the risk of loss resulting from adverse financial market movements including interest rates or equity prices.

The Markel International Investment Plan and Strategy detail our policy with regard to different asset types and concentration limits. Risk appetites are agreed annually by the Board to limit investment concentration. Adherence to these is monitored at the Risk, Capital and Compliance Committee. Any exceptions to risk appetite are reported to the Board.

The investment manager’s compliance against the annual Investment Plan is monitored by the Syndicate Finance team through quarterly reporting and participation in a quarterly Markel Group Investment Committee and the Finance Committee meetings which the Quarterly Investment report is considered. Any items outside of our appetite are investigated and where appropriate an action plan is put in place to bring the investments back into compliance with the Investment Plan.

The principal market risks and how exposure to these risks is managed are as follows:

- Interest rate risk: The Syndicate works to manage the impact of interest rate fluctuations on the fixed maturity portfolio. The effective duration of the fixed maturity profile is managed with consideration given to the estimated duration of policyholder liabilities.
- Equity price risk: The Syndicate sets limits on the amount of equities that can be held overall and with any one issuer. The overall equity portfolio is also monitored to ensure that equity risk does not exceed the Syndicate’s risk appetite.

The Finance Committee has oversight of Asset Risk.

	2024 £'000 Impact on results before tax	2024 £'000 Impact on member's balances	2023 £'000 Impact on results before tax	2023 £'000 Impact on member's balances
Interest rate risk				
+ 50 basis point shift in yield curves	(8,619)	(8,619)	(8,878)	(8,878)
- 50 basis point shift in yield curve	8,621	8,621	8,880	8,880
Equity price risk				
5 percent increase in equity prices	1,843	1,843	1,572	1,572
5 percent decrease in equity prices	(1,843)	(1,843)	(1,572)	(1,572)

Operational risk
Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

The Operational risk policy sets out our approach to managing this risk. Risk appetites are agreed annually by the Board and adherence to these is monitored at the Risk, Capital and Compliance Committee. Any exceptions to risk appetite are reported to the Board.

Markel maintains a Risk Register which includes the key Operational Risks faced by the Syndicate. For each Operational Risk, there is a designated Risk Owner as well as details of the key controls that are in place to mitigate the risk. There is a quarterly attestation undertaken by Control Owners in order to confirm that the key controls that they are responsible for are designed and operating effectively. A summary of the key findings from the quarterly attestation process is issued to members of Markel International's senior management.

The Risk Management team logs and records operational incidents arising from the failure of people, processes, systems and external events. The Risk Management team then coordinate with the identified Event Owner (i.e. the person who is considered to be the key contact within the business in respect of the incident) in order to develop an appropriate action plan to strengthen the control environment to mitigate the likelihood and/or impact of a reoccurrence of the incident. The Risk Management team monitor the implementation of the action plan through to its completion. The CRO reports on a number of areas of Operational Risk at the quarterly Risk, Capital and Compliance Committee, with material issues escalated to the Board.

The Operational Leadership Group has oversight of Operational Risk.

Solvency Capital risk
Solvency Capital risk is the risk of failing to hold sufficient capital to meet regulatory or rating agency requirements, inefficient allocation of capital, or a failure to obtain an adequate return on capital.

There are various policies and procedures in place which governs our approach to managing Solvency Capital Risk. A Solvency Capital Risk appetite is agreed annually by the Risk, Capital and Compliance Committee and adherence to this is monitored at the Risk, Capital and Compliance Committee. Any exceptions to risk appetite are reported to the Board. This risk appetite monitors the sufficiency of the level of eligible funds held to meet the board defined economic capital requirement.

The Risk, Capital and Compliance Committee has oversight of Solvency Capital Risk.

Capital management
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 in accordance with Solvency II Framework.

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

Every member is required to hold capital at Lloyd's, which is held in trust and known as Funds at Lloyd's ("FAL"). These funds are intended primarily to cover circumstances where syndicate assets prove insufficient to meet participating members' underwriting liabilities.

The level of FAL that Lloyd's requires a member to maintain is determined by Lloyd's based on PRA requirements and resource criteria. FAL has regard to a number of factors including the nature and amount of risk to be underwritten by the member and the assessment of the reserving risk in respect of business that has been underwritten. Since FAL is not under the management of the Managing Agent, no amount has been shown in these financial statements by way of such capital resources. However, the Managing Agent is able to make a call on the members' FAL to meet liquidity requirements or to settle losses.

5 Analysis of underwriting result

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

2024 Calendar Year	**Gross premiums written £'000**	**Gross premiums earned £'000**	**Gross claims incurred £'000**	**Gross operating expenses £'000**	**Reinsurance balance £'000**	**Underwriting result £'000**
Direct insurance						
Accident & health	1,072	1,056	(317)	(489)	251	501
Motor (third party liability)	-	-	-	-	-	-
Motor (other classes)	-	-	4,212	-	-	4,212
Marine, aviation and transport	151,478	144,825	(54,207)	(52,546)	(19,556)	18,516
Fire and other damage to property	90,620	83,216	(43,399)	(30,939)	(3,019)	5,859
Third party liability	316,592	300,787	(117,149)	(109,589)	(9,567)	64,482
Credit and suretyship	19,484	14,165	(3,034)	(3,744)	(4,937)	2,450
Total direct insurance	**579,246**	**544,049**	**(213,894)**	**(197,307)**	**(36,828)**	**96,020**
Reinsurance acceptances	206,221	189,554	(90,948)	(67,822)	(13,453)	**17,331**
Total	**785,467**	**733,603**	**(304,842)**	**(265,129)**	**(50,281)**	**113,351**

The below is an additional disclosure for Lloyd's reporting purposes and is included to facilitate the classification of the above segments into the Lloyd's aggregate classes of business:

2024 Calendar Year	**Gross premiums written £'000**	**Gross premiums earned £'000**	**Gross claims incurred £'000**	**Gross operating expenses £'000**	**Reinsurance balance £'000**	**Underwriting result £'000**
Additional analysis						
Fire and damage to property of which is:						
Specialities	446	359	(131)	(131)	(13)	84
Energy	29,142	22,713	(9,412)	(8,220)	(3,538)	1,543
Third party liability of which is:						
Energy	9,398	11,713	(5,636)	(4,239)	(1,726)	112

2023 Calendar Year	**Gross premiums written £'000**	**Gross premiums earned £'000**	**Gross claims incurred £'000**	**Gross operating expenses £'000**	**Reinsurance balance £'000**	**Underwriting result £'000**
Direct insurance						
Accident & health	1,578	1,483	576	(709)	169	1,519
Motor (third party liability)	-	-	-	-	-	-
Motor (other classes)	-	-	1,626	-	-	1,626
Marine, aviation and transport	127,108	119,121	(34,100)	(42,870)	(14,050)	28,101
Fire and other damage to property	80,061	75,534	(27,997)	(17,990)	(8,728)	20,819
Third party liability	247,666	246,695	(112,102)	(82,982)	(32,914)	18,697
Credit and suretyship	6,971	4,791	(8,034)	(1,757)	(2,383)	(7,383)
Total direct insurance	**463,384**	**447,624**	**(180,031)**	**(146,308)**	**(57,906)**	**63,379**
Reinsurance acceptances	238,152	223,238	(108,895)	(72,671)	(52,516)	(10,844)
Total	**701,536**	**670,862**	**(288,926)**	**(218,979)**	**(110,422)**	**52,535**

The below is an additional disclosure for Lloyd's reporting purposes and is included to facilitate the classification of the above segments into the Lloyd's aggregate classes of business:

2023 Calendar Year	**Gross premiums written £'000**	**Gross premiums earned £'000**	**Gross claims incurred £'000**	**Gross operating expenses £'000**	**Reinsurance balance £'000**	**Underwriting result £'000**
Additional analysis						
Fire and damage to property of which is:						
Specialities	427	427	(207)	(86)	8	142
Energy	19,858	18,586	(6,854)	(4,947)	(5,000)	1,785
Third party liability of which is:						
Energy	15,609	15,011	(3,845)	(3,995)	(3,182)	3,989

The gross premiums written for direct insurance by destination of risk is presented in the table below:

	2024 £'000	2023 £'000
United Kingdom	173,454	173,003
European Union Member States	32,405	47,344
US	113,838	100,090
Rest of the world	465,770	381,099
Total gross written premium	**785,467**	**701,536**

6 Net operating expenses

	2024 £'000	2023 £'000
Acquisition costs	162,409	156,204
Change in deferred acquisition costs	(8,414)	(6,624)
Administrative expenses	119,298	77,153
Members' standard personal expenses	4,821	5,598
Reinsurance commissions and profit participations	(12,986)	(13,352)
Net operating expenses	**265,128**	**218,979**

Total commissions for direct insurance business for the year amounted to:

	2024 £'000	2023 £'000
Total commission for direct insurance business	138,738	114,935

Administrative expenses include:

	2024 £'000	2023 £'000
Auditors' remuneration:		
fees payable to the Syndicate's auditor for the audit of these financial statements	634	618
fees payable to the Syndicate's auditor and its associates in respect of other services pursuant to legislation	194	188

7 Key management personnel compensation

The directors of MSM received the following aggregate remuneration charged to the Syndicate and included within net operating expenses:

	2024 £'000	2023 £'000
Directors' emoluments	**1,480**	**1,241**
Fees	**-**	**-**

The active underwriter received the following aggregate remuneration charged to the Syndicate.

	2024 £'000	2023 £'000
Remuneration of the active underwriter	**369**	**278**

8 Staff numbers and costs

The syndicate and managing agent have no employees. Staff are employed by Markel International Services Limited ("MISL"), Markel Australia PTY Limited, Markel Canada Limited, Markel Corporation China, Markel International Dubai Limited, Markel International Labuan Limited, Markel International Singapore Pte Limited and Markel Services India Private Limited The average number of persons employed by the service companies above but working for the Syndicate during the year, analysed by category, was as follows:

	Number of employees	
	2024	**2023**
Administration and finance	249	150
Underwriting	212	142
Claims	61	46
Total	522	338

The following amounts were recharged by MISL to the Syndicate in respect of payroll costs:

	2024	2023
Wages and Salaries	50,044	38,978
Social security costs	1,927	1,319
Other pension costs	1,279	755
Total	**53,250**	**41,052**

9 Investment return

	2024 £'000	2023 £'000
Interest and similar income		
From financial assets designated at fair value through profit or loss		
Interest and similar income	17,044	16,217
From financial assets classified as Available for Sale		
Interest and similar income	12,608	13,335
Dividend income	840	522
Interest and similar income	(2)	-
Interest on cash at bank	907	672
Other income from investments		
From financial assets designated at fair value through profit or loss		
Gains on the realisation of investments	6,986	5,302
Losses on the realisation of investments	(4,700)	(279)
Unrealised gains on investments	19,558	10,230
Unrealised losses on the investments	(12,852)	(661)
Other relevant gains/(losses)	11	268
Investment management expenses	(2,337)	(2,284)
Total investment return	**38,063**	**43,322**
Transferred to the technical account from the non-technical account	38,063	43,322

10 Distribution and open years of account

A distribution payment of £126.7m to the corporate member, to be collected in 2025, has been proposed in relation to the 2022 year of account (2023, distribution payment of £42.0m in relation to the 2021 year of account).

The table below shows the current accident year result of the years of account remaining open after the three year period.

Year of Account	2024 £'000	2023 £'000
2021	-	42,025
2022	126,682	33,693
2023	65,234	(29,497)
2024	(37,609)	-
Calendar Year Result	**154,307**	**46,221**

11 Financial Investments

	Carrying value		Cost	
	2024 £'000	**2023 £'000**	**2024 £'000**	**2023 £'000**
Shares and other variable yield securities and units in unit trusts	36,862	132,697	24,949	120,880
Debt securities and other fixed income securities	549,849	651,875	580,179	689,261
Participation in investment pools	210,555	-	210,555	-
Loans and deposits with credit institutions	113,597	132,459	113,597	132,459
Syndicate loans to central fund	5,097	6,508	5,097	6,508
Total financial investments	**915,960**	**923,539**	**934,377**	**949,108**

The table below presents an analysis of financial investments by their measurement classification.

	2024 £'000	**2023 £'000**
Financial assets measured at fair value through profit or loss	668,543	790,842
Financial assets measured at fair value as available for sale	247,417	132,697
Total financial investments	**915,960**	**923,539**

Please refer to Note 22 (Cash and cash equivalents) in respect of the reclassification of £210.6m from 'Shares and other variable yield securities and units in unit trusts' to 'Participation in investment pools'.

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

- Level 1 – financial assets that are measured by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

- Level 2 – financial assets measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions. For example, assets for which pricing is obtained via pricing services but where prices have not been determined in an active market, financial assets with fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using the Syndicate's own models whereby the significant inputs into the assumptions are market observable.

- Level 3 – financial assets measured using a valuation technique (model) based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Therefore, unobservable inputs reflect the Syndicate's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are developed based on the best information available, which might include the Syndicate's own data.

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

2024	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Shares and other fixed income securities and units in unit trusts	36,862	-	-	36,862
Debt securities and other fixed income securities	38,074	511,775	-	549,849
Participation in investment pools	210,555	-	-	210,555
Loan and deposits with other credit institutions	28,171	85,426	-	113,597
Syndicate loan to central fund	-	-	5,097	5,097
Total assets	**313,662**	**597,201**	**5,097**	**915,960**
Total	**313,662**	**597,201**	**5,097**	**915,960**

2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Shares and other fixed income securities and units in unit trusts	132,697	-	-	132,697
Debt securities and other fixed income securities	119,214	532,661	-	651,875
Participation in investment pools	-	-	-	-
Loans and deposits with other credit institutions	132,459	-	-	132,459
Syndicate loan to central fund	-	-	6,508	6,508
Total assets	**384,370**	**532,661**	**6,508**	**923,539**
Total	**384,370**	**532,661**	**6,508**	**923,539**

12 Debtors arising out of direct insurance operations

	Direct insurance operations	
	2024 £'000	**2023 £'000**
Due within one year	287,777	243,933
Total	**287,777**	**243,933**

13 Debtors arising out of reinsurance operations

	Reinsurance operations	
	2024 £'000	**2023 £'000**
Due within one year	13,015	20,200
Due after one year	31	4
Total	**13,046**	**20,204**

14 Other debtors

	2024 £'000	2023 £'000
Other related party balances (non-syndicate)	4,928	6,961
Other	7,315	6,607
Total	**12,243**	**13,568**

Other related party balances (non-Syndicates) wholly relates to balances owed to the Syndicate from other entities within Markel Group Inc.

15 Deferred acquisition costs

The table below shows changes in deferred acquisition costs assets from the beginning of the period to the end of the period.

	2024 £'000	2023 £'000
Balance at 1 January	54,845	50,939
Incurred deferred acquisition costs	50,816	47,950
Amortised deferred acquisition costs	(42,402)	(41,326)
Foreign exchange movements	(1,037)	(2,718)
Balance at 31 December	**62,222**	**54,845**

16 Claims Development

The following tables illustrate the development of the estimates of earned ultimate cumulative claims incurred, including claims notified and IBNR, for each successive underwriting year, illustrating how amounts estimated have changed from the first estimates made.

As these tables are on an underwriting year basis, there is an apparent large increase from amounts reported for the end of the underwriting year to one year later as a large proportion of premiums are earned in the year of account's second year of development.

Balances have been translated at exchange rates prevailing at 31 December 2024 in all cases.

Gross outstanding claims provision as at 31 December 2024

Pure underwriting year	2015 £'000	2016 £'000	2017 £'000	2018 £'000	2019 £'000	2020 £'000	2021 £'000	2022 £'000	2023 £'000	2024 £'000	Total £'000
Estimate of gross claims											
At end of underwriting year	112,555	134,157	352,423	196,295	126,060	138,327	120,739	166,611	137,282	166,000	1,650,449
One year later	237,484	298,280	504,162	365,425	425,480	328,333	293,590	298,897	289,776		3,041,427
Two years later	243,771	314,940	533,209	410,314	474,127	344,223	257,704	241,333			2,819,621
Three years later	238,111	315,297	532,116	419,531	495,933	283,158	260,882				2,545,028
Four years later	228,573	309,119	509,374	445,555	506,519	268,737					2,267,877
Five years later	238,620	334,247	535,796	483,195	512,137						2,103,995
Six years later	207,116	353,983	546,394	490,310							1,597,803
Seven years later	255,227	368,374	551,613								1,175,214
Eight years later	265,414	361,712									627,126
Nine years later	271,816										271,816
Estimate of gross claims reserve	271,816	361,712	551,613	490,310	512,137	268,737	260,882	241,333	289,776	166,000	3,414,316
Provision in respect of prior years											160,763
Less gross claims paid	244,181	317,391	509,439	387,676	422,919	189,462	129,326	72,997	60,276	9,760	2,343,427
Gross claims reserve	27,635	44,321	42,174	102,634	89,218	79,275	131,556	168,336	229,500	156,240	1,231,652

Net outstanding claims provision as at 31 December 2024

Pure underwriting year	**2015 £'000**	**2016 £'000**	**2017 £'000**	**2018 £'000**	**2019 £'000**	**2020 £'000**	**2021 £'000**	**2022 £'000**	**2023 £'000**	**2024 £'000**	**Total £'000**
Estimate of net claims											
At end of underwriting year	102,486	125,725	214,615	152,066	116,353	120,886	84,683	88,117	92,943	88,319	1,186,193
One year later	218,516	269,865	376,121	314,555	374,311	270,213	214,052	227,324	239,860		2,504,817
Two years later	201,335	288,483	400,025	351,067	415,072	286,999	199,110	185,995			2,328,086
Three years later	195,408	290,326	386,721	358,670	410,581	232,145	199,858				2,073,709
Four years later	187,259	298,467	364,004	382,012	407,272	209,328					1,848,342
Five years later	196,443	328,871	395,720	419,069	414,165						1,754,268
Six years later	174,335	337,906	401,966	425,317							1,339,524
Seven years later	211,693	347,797	408,514								968,004
Eight years later	223,545	344,393									567,938
Nine years later	225,860										225,860
Estimate of gross claims reserve	225,860	344,393	408,514	425,317	414,165	209,328	199,858	185,995	239,860	88,319	2,741,609
Provision in respect of prior years											69,582
Less net claims paid	228,159	302,066	373,488	329,231	335,316	149,434	101,767	57,496	53,865	9,408	1,940,230
Net claims reserve	(2,299)	42,327	35,026	96,086	78,849	59,894	98,091	128,449	185,995	78,911	870,961

17 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.

	2024			2023		
Provision for claims outstanding	**Gross £'000**	**Reinsurance £'000**	**Net £'000**	**Gross £'000**	**Reinsurance £'000**	**Net £'000**
Balance at 1 January	1,223,110	(303,536)	919,574	1,310,517	(256,166)	1,054,351
Claims paid during the year	(279,824)	49,168	(230,656)	(325,790)	48,727	(277,063)
Expected cost of current year claims	165,505	(75,945)	89,560	154,637	(45,036)	109,601
Change in estimates of prior year provisions	136,644	(24,190)	112,454	134,289	(107,604)	26,685
Discount unwind	2,694	(2,694)	-	-	44,827	44,827
Effects of movement in exchange rates	(16,477)	(3,494)	(19,971)	(50,543)	11,716	(38,827)
Balance at 31 December	**1,231,652**	**(360,691)**	**870,961**	**1,223,110**	**303,536**	**919,574**

The unwind of discount has been included within the statement of profit or loss – technical account – within claims incurred.

	2024			2023		
Provision for unearned premiums	**Gross £'000**	**Reinsurance £'000**	**Net £'000**	**Gross £'000**	**Reinsurance £'000**	**Net £'000**
Balance at 1 January	260,594	(31,284)	229,310	241,885	(29,052)	212,833
Premium written during the year	785,467	(166,224)	619,243	701,536	(221,892)	479,644
Premiums earned during the year	(733,603)	153,109	(580,494)	(670,862)	218,235	(452,627)
Foreign exchange movements	(6,020)	705	(5,315)	(11,965)	1,425	(10,540)
Balance at 31 December	**306,438**	**(43,694)**	**262,744**	**260,594**	**(31,284)**	**229,310**

18 Discounted claims

Discounting may be applied to claims provisions where there are individual claims with structured settlements that have annuity like characteristics, or for books of business with mean term payment greater than four years from the accounting date.

The claims have been discounted as follow:

	Average discounted rates		**Average mean term of liabilities**	
Class of business	**2024**	**2023**	**2024**	**2023**
Motor (third party liability)	3.00	3.00	19.9	16.7

In the year-ended 31 December 2023, the Syndicate entered into a deal with Marco Capital Ltd for the LPT in relation to its UK Motor PPO portfolio. As a result the UK Motor PPO portfolio is now fully reinsured, resulting in no remaining net liability for the syndicate.

The period that will elapse before claims are settled is determined using adjusted mortality tables. The claims provisions before discounting are as follows:

	Undiscounted claims		Effect of discounting		After discounting	
	2024 £'000	**2023 £'000**	**2024 £'000**	**2023 £'000**	**2024 £'000**	**2023 £'000**
Gross claims provision	83,200	88,950	39,930	44,188	43,270	44,762
Reinsurer share of total claims	(83,200)	(88,950)	(39,930)	(44,188)	(43,270)	(44,762)
Net claims provisions	-	-	-	-	-	-

19 Creditors arising out of direct insurance operations

	2024 £'000	2023 £'000
Due within one year	20,143	25,704
Total	**20,143**	**25,704**

20 Creditors arising out of reinsurance operations

	2024 £'000	2023 £'000
Due within one year	81,160	41,421
Total	**81,160**	**41,421**

21 Other creditors

	2024 £'000	2023 £'000
Other related party balances (non-Syndicates)	26,065	106,108
Other liabilities	11,876	5,975
Total	37,941	112,083

Other related party balances (non-Syndicates) wholly relates to balances owed from the Syndicate to other entities within Markel Group Inc.

22 Cash and cash equivalents

	2024 £'000	2023 £'000
Cash at bank and in hand	122,898	108,344
Short term debt instruments presented within other financial investments	210,555	-
Total cash and cash equivalents	**333,453**	**108,344**

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

Included within cash and cash equivalents are the following amounts which are not available for use by the Syndicate because the amounts were held in regulated bank accounts in overseas jurisdictions:

	2024 £'000	2023 £'000
Cash at bank and in hand	266	-
Short term debt instruments presented within other financial investments	100,588	-
Total cash and cash equivalents not available for use by the syndicate	**100,854**	**-**

This note discloses all cash, and cash equivalent balances that the Syndicate holds including any balances that may also classify as financial investments which are reported in Note 11 (Financial Investments). It has been presented in line with the Lloyd's requirements and FRS 102 as set out in Note 1 (Statement of compliance and basis of preparation).

As at 31 December 2024, included in 'Cash and cash equivalents' is a balance of £210.6m relating to money market investments which represent 'Cash equivalents' as these are short-term, highly liquid investments that are readily convertible, and are subject to insignificant changes in value due to the nature of the investments. This is also reported in Note 11 (Financial Investments) since these also represent 'Participation in investment pools' given the underlying characteristics of the cash equivalents.

In the prior year, these investments were classified under 'Shares and other variable yield securities and units in unit trusts' (2023: £101.3m), which have been reclassified in 2024 to 'Participation in investment pool' in Note 11, to better reflect the nature of the investments. As a result, we have updated this year's disclosure to report these investments as cash equivalents.

This reclassification has been made to better reflect the characteristics of the investments which represent cash equivalents, with the corresponding presentation and disclosure being made in Note 22 (Cash and cash equivalents) and Note 11 (Financial Investments). The Directors have concluded that this reclassification is not material to the financial statements and therefore have not restated the prior year comparative, since it represents a balance sheet reclassification only and has no impact to total and net asset positions, profit and cash flows made in the year, and KPIs.

23 Analysis of net debt

	At 1 January 2024	Cash flows	Acquired	Fair value and exchange movement	Non-cash changes	At 31 December 2024
Cash and cash equivalents	108,344	227,643	-	(2,534)	-	**333,453**
Total	108,344	227,643	-	(2,534)	-	**333,453**

24 Related parties

MISL and Markel Services Incorporated ("MSI") provides services to the Syndicate. The amounts charged to and balances due from the Syndicate at the year end are:

	2024 £'000	2023 £'000
Expenses recharged	(111,788)	(71,722)
Year end balance due from the Syndicate	(7,321)	(7,009)

The Syndicate pays income tax for various territories, the most notable being Canadian and United States Income Tax, which is reimbursed by MCAP. The Syndicate has paid the following amounts and balances due from the Syndicate at the year end are:

	2024 £'000	2023 £'000
United States and Canadian Income Tax paid by/(reimbursed to) the Syndicate in the year	2,929	(1,463)
United States and Canadian Income Tax reimbursed by MCAP in the year	(3,668)	(4,152)
Other Income Taxes reimbursed to the Syndicate in the year	(518)	(8)
Year end balance (from)/to the Syndicate	(231)	1,026

The following companies provide services to the Syndicate. The amounts charged to and balances due from the Syndicate at the year end are:

	Management Fees Charged 2024 £'000	YE balance due (from)/to the Syndicate 2024 £'000	Management Fees Charged 2023 £'000	YE balance due from the Syndicate 2023 £'000
Markel International Singapore PTE Limited	(8,292)	(2,057)	(4,807)	(1,619)
Markel International Hong Kong Limited	(1,924)	(556)	(1,163)	(478)
Markel International Labuan Limited	(163)	-	(138)	(13)
Markel International Dubai Limited	(2,728)	(212)	(1,506)	(34)
Markel Canada Limited	(1,716)	(1,565)	(1,604)	(1,966)
Markel Services India Private Limted	(2,224)	33	(1,412)	(937)
Markel Australia PTY Limited	(4,614)	205	-	-

The Group have made available a $200m credit revolving facility. As at December 31, 2024 the Syndicate has not drawn down on this facility (2023, $nil).

The Syndicate has a reinsurance arrangement with MIICL in relation to its US Wind and Quake, Japanese Wind and Quake and European Wind exposure, which was in place for the 2014 to the 2021 years of account.

The Syndicate has recognised the following amounts in the year and the balances due from MIICL at the end of the year relating to these arrangements are:

	2024 £'000	2023 £'000
Incurred claims movement	7	(1,045)
Year end balance due to the Syndicate	591	584

The Syndicate has an internal reinsurance in place on the 2021 year of account, which transfers liability from the Syndicate to MIICL. It has limits of $8m xs $2m and covers all Marine and Energy classes.

The Syndicate has an internal reinsurance in place on the 2022 Year of account, which transfers liability from the Syndicate to MIICL. It has limits of $7.5m xs $2.5m and covers all Marine and Energy classes, as well as 80% of Trade Credit, Political Risk, and Surety classes.

The Syndicate has an internal reinsurance in place on the 2023 Year of account, which transfers liability from the Syndicate to MIICL. It has limits of $15m xs $5m covering Marine and Energy classes, limits of $20m xs $5m covering Terrorism classes, as well as 75% of Trade Credit, Political Risk, and Surety classes.

The Syndicate has an internal reinsurance in place on the 2024 Year of account, which transfers liability from the Syndicate to MIICL. It has limits of $15m xs $5m covering Marine and Energy classes, limits of $20m xs $5m covering Terrorism classes, limits of $7.5m xs $2.5m and limits of $10m xs $10m covering Trade Credit, Political Risk, and Surety classes, and limits of £5m xs £5m covering 75% of Polictal Financial Risks.

The following reinsurance amounts in the year and balances due to the Syndicate at the end of the year relating to these are:

	2024 £'000	2023 £'000
Premiums ceded to MIICL	(26,701)	(20,739)
Incurred claims movement	12,188	7,187
Year end balance due to the Syndicate	55,316	46,580

The Syndicate has an internal reinsurance in place on the 2023 Year of account, which transfers liability from the Syndicate to Markel Bermuda Limited ("MBL"). It has limits of $15m xs $5m and covers the Hull, Cargo and Specie classes.

The Syndicate has an internal reinsurance in place on the 2024 Year of account, which transfers liability from the Syndicate to MBL. It has limits of $15m xs $5m covering the Hull, Cargo and Specie classes, limits of CAD$7m xs CAD$3m covering the Canada General Liabilty classes, and limits of £5m xs £5m covering the Offshore FI and Investment Managers FI classes.

The following reinsurance amounts in the year and balances due to the Syndicate at the end of the year relating to these are:

	2024 £'000	**2023 £'000**
Premiums ceded to MBL	(12,766)	(1,924)
Incurred claims movement	29	-
Year end balance due to the Syndicate	8,053	2,755

Markel Gayner Asset Management LLC "MGAM LLC" is the Syndicate investment manager. The following amounts have been charged to the Syndicate:

	2024 £'000	**2023 £'000**
Fees paid	2,337	2,284
Year end balance due from the Syndicate	-	-

Key management personnel

K. Shah is a Director of Just Group plc. Syndicate 3000 has a 12.5% line (2023, 12.5%) representing £116.00 in gross written premium on an insurance policy with Just Group Plc. There are no outstanding balances between the Syndicate and Just Group plc.

A. Davies is a Director of Certa Insurance Partners Limited which is a Syndicate 3000 coverholder. During the year, Syndicate 3000 has underwritten £2,495k (2023, £1,161k) in gross written premiums and £396k (2023, £1,161k) is receivable at year-end.

25 Foreign exchange rates

	2024			2023		
	Start of period rate	Year-end rate	Average rate	Start of period rate	Year-end rate	Average rate
Sterling	1.00	1.00	1.00	1.00	1.00	1.00
Euro	1.15	1.21	1.18	1.13	1.15	1.15
US dollar	1.27	1.25	1.27	1.20	1.27	1.24
Canadian dollar	1.69	1.80	1.73	1.63	1.69	1.68
Australian dollar	1.87	2.02	1.93	1.77	1.87	1.87
Japanese Yen	180.41	197.02	190.59	158.63	180.41	174.32

26 Funds at Lloyd's

Every member is required to hold capital at Lloyd’s which is held in trust and known as Funds at Lloyd’s (‘FAL’). These funds are intended primarily to cover circumstances where Syndicate assets prove insufficient to meet participating members’ underwriting liabilities. The level of FAL that Lloyd’s requires a member to maintain is determined by Lloyd’s based on Prudential Regulatory Authority requirements and resource criteria. The determination of FAL has regard to a number of factors including the nature and amount of risk to be underwritten by the member and the assessment of the reserving risk in respect of business that has been underwritten. Since FAL is not under the management of the Managing Agent, no amount has been shown in these Financial Statements by way of such capital resources. However, the Managing Agent is able to make a call on the Member’s FAL to meet liquidity requirements or to settle losses.