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It all started with a hatstand

Beazley Furlonge Limited | Syndicate 6107 at Lloyd's
Annual report and accounts 2024

Welcome to our Annual report 2024

As a leading global specialist insurer, we are passionate about bringing an innovative and progressive approach to helping our clients mitigate the risks of the world. 2024 saw this syndicate achieve its highest written premium ever, while focusing on reinsuring cyber business from other syndicates at Lloyd's.

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Highlights

Syndicate capacity

£57.8m

(2023: £43.3m)

Profit for the financial year

$5.9m

(2023: $25.9m)

Combined ratio

95%

(2023: 61%)

Gross premiums written

$63.3m

(2023: $43.5m)

Rate (decrease)/increase on renewals

(4.2)%

(2023: 0%)

Net premiums written

$63.8m

(2023: $46.2m)

Claims ratio

56%

(2023: 34%)

Earned premiums, net of reinsurance

$48.9

(2023: $57.4m)

Expense ratio

39%

(2023: 27%)

Strategic report of the managing agent

Overview

On the 2024 underwriting year, Syndicate 6107 ('the syndicate') reinsures a proportion of certain classes of cyber business written by syndicates 623, 2623 and 3623. There was an increase in the reinsurance business written during 2024 as the cede percentage increased on this ceded cyber business. This increase in cyber business was offset by the reduction in the property treaty reinsurance book of the syndicate.

The capacities of the syndicates managed by Beazley Furlonge Limited ('BFL') are as follows:

	2024 £m	2023 £m
623	887.2	818.6
2623	2,299.6	3,794.5
3622	37.0	33.8
3623	1,325.6	—
4321	—	33.1
5623	396.6	339.8
6107	**57.8**	**43.3**
Total	**5,003.8**	**5,063.1**

Year of account results

The 2022 underwriting year has closed with a profit of $11.6m, which represents a return on capacity of 13.5% attributable to strong premium growth, rate increases on the Cyber Risks portfolio and favourable claims experience. The 2023 underwriting year is currently forecast to close with a return on capacity of 10%. The 2024 underwriting year is currently forecast to be profitable.

Rating environment

Premium rates for the underlying reinsured business decreased by 4.2% during 2024 (2023: flat, or nil). This has been driven solely by the softening cyber market during 2024.

Combined ratio

The combined ratio is a measure of operating performance and represents the ratio of the syndicate's total costs (excluding foreign exchange movements) to total net earned premium. The syndicate’s combined ratio for 2024 worsened to 95% (2023: 61%). This is mostly due to claims ratio increasing by 22 points.

Claims

The claims ratio is a measure of the syndicate's claims experience and represents the ratio of its net insurance claims to net earned premium. The claims ratio of Syndicate 6107 has deteriorated to 56% in 2024 (2023: 34%). The claims ratio worsened due to the variability of prior year claims releases year on year. In 2023 there were claims releases across the syndicate's book. In 2024 while the Property Risks experienced prior year reserve releases, the cyber book demonstrated reserve strengthening, arising from adverse development on older year risks.

Net operating expenses

Net operating expenses, including business acquisition costs, administrative expenses and profit commissions were $19.2m (2023: $15.3m). The breakdown of these costs is shown below:

	2024 $m	2023 $m
Brokerage costs	7.0	7.9
Administrative and other expenses	7.5	6.4
Profit commission	4.7	1.0
Net operating expenses[1]	**19.2**	**15.3**

1 A further breakdown of net operating expenses can be seen in note 4.

Brokerage costs as a percentage of net earned premium were approximately 14% (2023: 14%). Brokerage costs are deferred and expensed over the life of the associated premiums in accordance with accounting guidelines. Administrative expenses comprise primarily an overrider commission charged by the host syndicates. The expense ratio is a measure of the net operating expenses to net earned premium. The expense ratio for 2024 is 39% (2023: 27%). The increase is driven by an increase in reinsurance profit commission payable to syndicates 2623 and 623 as the 2022 YOA developed profitably over the year.

Outlook

The 2023 underwriting year is currently forecast to close with a positive return on capacity of approximately 10%. This has been predominantly driven by rate increases on the cyber book in previous years.

The 2024 underwriting year is developing well and is forecasting a positive return on capacity, with no significant claims events to date.

Looking ahead to 2025, the syndicate will continue to focus on the Cyber Risks market. It will begin ceding cyber business from across the Beazley Group. This will include ceding cyber business from Beazley Group's London Market, North American, and European cyber book.

C C J Wong
Chief Financial Officer

5 March 2025

Managing agent's report

The managing agent presents its report 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 and Financial Reporting Standard 103: Insurance Contracts.

Principal activity

The principal activity of Syndicate 6107 is the transaction of property reinsurance and cyber reinsurance business with syndicates 623, 2623 and 3623 at Lloyd's. In 2024, the syndicate only wrote cyber reinsurance business and will continue to write only cyber reinsurance business in 2025.

Business review

A review of the syndicate's activities and future outlook is included in the strategic report.

Risk governance and reporting

BFL's Board of Directors (the 'Board') has the responsibility for defining and monitoring the risk appetite within which BFL and the syndicates operate (collectively, 'Beazley'), with key individuals and committees accountable for day-to-day management of risks and controls. Regular reporting by the risk management team in Board meetings and senior management committees ensures that risks are monitored and managed as they arise. Beazley is actively "future proofing" its structure across its three platforms. One of these platforms is its London Wholesale platform which the managing agent governs. This platform focus will allow strengthening of the managing agent's leadership and further enhance platform-specific and entity governance, while continuing to bolster its risk management structure. The managing agent continues to evolve its structure to deliver on this governance framework.

Climate change/Responsible business

Led by Beazley plc's Board and supported by the Boards of BFL, Beazley Insurance dac, and Beazley Insurance Company Inc, Environmental, Social and Governance issues and climate related risks have become regular agenda items throughout 2024. In March 2021 Beazley launched our first Responsible Business Strategy. This document, and the subsequent update which is published alongside the Beazley plc annual report and accounts ('ARA'), sets out the goals and targets across a wider range of sustainability issues, including climate change.

In addition to the summary Responsible Business report, Beazley plc discloses its compliance with the Task Force on Climate-Related Disclosures ('TCFD') recommendations at the consolidated Group level in the Beazley plc annual report and accounts produced annually. The 2024 Beazley plc ARA was published on the Group's website in March 2025.

Although not specifically listed in the risk categories detailed further in this report, the Board of BFL deems climate risk to be inherently embedded within all risks managed across the syndicate.

Risk management

Beazley prides itself on understanding the drivers of risk across the syndicate. The risk management function supports and challenges management in effectively managing those risks. During the year, Beazley continued to enhance, roll out and embed elements of the risk management framework. Beazley has continued working with our colleagues across the first and second lines of defence to support the syndicate strategy, including challenging the oversight of climate-related risks (covering physical, transition and litigation) and journey in digitisation. The details of the performance of the risk management framework are considered further in this report.

Risk management oversight and framework

The Board delegates direct oversight of the risk management function and framework to its Risk Committee. The Board delegates executive oversight of the risk management function and framework to the Beazley plc executive Committee, which fulfils this responsibility primarily through its risk and regulatory Committee.

The risk management framework establishes the approach to identifying, measuring, mitigating, monitoring, and reporting on principal risks. The risk management framework supports Beazley's strategy and objectives.

Beazley has adopted a ‘three lines of defence’ model, in which the risk management function is part of the second line of defence. Ongoing communication and collaboration across the three lines of defence ensures that Beazley identifies and manages risks effectively.

The Board approves the company’s risk appetite statements at least annually and receives updates on monitoring against risk appetites throughout the year. This includes an assessment of principal risks.

A suite of reports from the risk management function support senior management and the Board in discharging their oversight and decision-making responsibilities throughout the year. The risk management function's reports include updates on risk appetite, risk profiles, stress and scenario testing (including reverse stress testing) and analysis, emerging and heightened risks, and the Own Risk and Solvency Assessment (ORSA) report for BFL.

The business operates a control environment which supports mitigating risks to stay within risk appetite. The risk management function reviews and challenges the control environment through various risk management activities (e.g. risk opinions, risk reviews etc). In addition, the risk management function works with the capital modelling and exposure management teams, particularly in relation to validation of the internal model, preparing parts of the ORSA, monitoring risk appetite and the business planning process.

The risk management plan considers, among other inputs, the inherent and residual risk scores for the risks in the risk registers. The risk management function also incorporates results from internal audits and other assurance activities into its risk assessment process. The internal audit function considers the risk management framework in its audit universe to derive a risk-based audit plan.

The approach to identifying, managing and mitigating emerging risks includes inputs from across the business, analysis of lessons learned following incidents and industry thought leadership. The approach considers the potential materiality and likelihood of impacts, which helps prioritise emerging risks which the company monitors or undertakes focused work on. Key emerging risks in 2024 included geopolitical and conflict escalation, artificial intelligence, systemic cyber attack, political and social unrest, supply chain risk and climate change. The Board carries out a robust assessment of the emerging risks at least annually.

Principal risks

Principal risks are under continuous review with ongoing risk assessments. Whilst our risk profile has remained broadly stable in 2024, we continue to focus on operational and regulatory risks, to ensure that our control environment keeps pace with business change and growth initiatives. The table below summarises the principal risks the company faces, and the control environment, governance and oversight that mitigate these risks. Our approach to managing the risks arising from climate change are set out within the TCFD section of Beazley plc’s annual Report.

Legend for principal risks table below

Risk outlook

△ Increasing ◇ Stable ▽ Decreasing

Managing agent's report continued

Principal risks and summary descriptions	Mitigation and monitoring
Insurance Risk of loss arising from uncertainties and deviations of the occurrence, frequency, amount and timing of insurance premium and claim liabilities relative to the assumptions at the time of underwriting. This includes risk from underwriting such as market cycle, catastrophe, reinsurance and reserves. • Market cycle: potential systematic mispricing of medium- or long-tailed business that does not support revenue to invest and cover future claims; • Catastrophe: one or more large events caused by nature (e.g. hurricane, windstorm, earthquake and/or wildfire) or mankind (e.g. coordinated cyber-attack, global pandemic, losses linked to an economic crisis, an act of terrorism or an act of war and/or a political event) impacting a number of policies, and therefore giving rise to multiple losses; • Reinsurance arrangements: reinsurance may not be available or purchases do not support the business underwritten (e.g. mismatch); and • Reserving: reserves may not be sufficiently established to reflect the ultimate paid losses.	Insurance risk is principally managed through pricing tools, analysis of macro trends and claim frequency/severity and ensures exposure is well diversified and not overly concentrated in any one area, or line of business. Our strategic approach to exposure management and a comprehensive internal and external reinsurance programme helps to reduce volatility of profits in addition to managing net exposure through the transfer of risk. Our prudent and comprehensive approach to reserving ensures adequate provisions are made for the payment of all valid claims. High calibre claims and underwriting professionals deliver expert service and claims handling to insureds, ensuring good customer outcomes. Beazley carries out periodic analysis to identify significant areas of concentration risk across its business. Beazley makes extensive use of modelling, including catastrophe modelling, the use of our Solvency II model and stress and scenario testing to ensure insurance risk is within our risk appetite. Insurance risk outlook continues to be stable as BFL manages the market cycle across all the lines of business.
Credit The risk of loss resulting from default in obligations due or changes in the credit standing of either issuers of securities, counterparties or any debtors which the company is exposed to. Exposure to credit risk largely emanates from the use of reinsurers, brokers, and coverholders, of which reinsurance asset is the largest exposure for the syndicate.	Beazley maintains long-term partnerships with strategic reinsurance partners to support it throughout the insurance cycle and during potential catastrophic claim events. Beazley uses a range of traditional and alternative reinsurance mechanisms to diversify reinsurance credit risk. All reinsurers must meet stringent internal approval criteria, overseen by the Reinsurance Security Committee. Credit risk from brokers and coverholders remains low. The credit risk outlook therefore remains stable, as Beazley manages reinsurance, broker and coverholder credit risks, maintaining low levels of aged and/or bad debt.
Group The contagion risk that an action or inaction of one part of the Beazley Group adversely affect an area of the syndicate. This also includes a deterioration in culture which leads to inappropriate behaviour, actions and/or decisions including dilution of culture or negative impact on the brand.	Risk culture is grounded in principles of transparency, accountability, and awareness. An effective risk culture reflects a mature risk management function, encourages prudent risk-taking, and fosters awareness of existing and emerging risks. The Executive Committee and the Board oversee Group risk, with regular monitoring conducted by the Risk Management function and overseen by the Risk Committee. Our Group risk outlook remains stable, with the Executive Committee continuously managing and improving our risk culture through ongoing monitoring and enhancements.

Principal risks and summary descriptions	Mitigation and monitoring
Liquidity Assets are not available or adequate in order to settle financial obligations when they fall due.	By actively managing its liquidity needs, Beazley maximizes flexibility in handling its financial assets. This proactive approach ensures that clients and creditors are financially protected. Beazley regularly evaluates the liquidity position of the syndicate. Our liquidity risk outlook remains stable as we maintain adequate levels of liquidity.
Regulatory and legal Non-compliance with regulatory and legal requirements, failing to operate in line with the relevant regulatory framework in the territories where the syndicate operates. This may lead to financial loss (fines, penalties), sanctions, reputational damage, loss of confidence from regulators, regulatory intervention, inability to underwrite or pay claims.	Beazley maintains active ongoing dialogue with its principal regulators. A suite of compliance controls are in place to support the nature, scale and complexity of the business which are overseen by the Risk and Regulatory Committee. The Company wants to have a trusting and transparent relationship with regulators, ensuring coordinated communication and the following of robust processes, policies and procedures in the business. In addition, key staff, particularly those who hold defined roles with regulatory requirements, are experienced and maintain regular dialogue with regulators. Beazley is implementing a horizon scanning service to support in-house activity to identify relevant regulatory and legal matters and emerging policy so the business can consider their potential impacts on the business. Considering the needs of our clients in everything our business does is of utmost importance to Beazley. We deliver good customer outcomes to our clients throughout the product lifecycle. The Conduct Review Group oversees this risk. The Company has a very low appetite for regulatory and legal risk, therefore maintaining strong and open relationships with our regulators is of paramount importance. The outlook for this is increasing as throughout 2024 and into 2025, we have seen increased engagement with our regulators as the regulatory environment becomes more complex and Beazley grows.

Managing agent's report continued

Principal risks and summary descriptions	Mitigation and monitoring
Operational Failures of people, processes and systems or the impact of an external event on operations (e.g., a cyber-attack having a detrimental impact on operations) including transformation and change related risks.	Beazley attracts and nurtures talented colleagues who champion diversity of thought, fostering a culture of empowerment, collaboration, and innovation. This commitment creates an environment of employee wellbeing, where high-calibre, motivated, loyal, and productive individuals are empowered to perform their duties competently. Beazley continues investing in technology and re-engineering processes to support our operations, overseen by the Operations Committee. Our business continuity, disaster recovery, and incident response plans ensure the stability of our processes and systems, enabling our team to consistently deliver optimal outcomes for our clients. We expect technology and cyber resilience to continue being key focus areas. We are dedicated to collaborating with external agencies, and maintaining robust controls over information security, data, and operational resilience. We regularly review incident response plans and continue to invest in cybersecurity training for our employees. While maintaining a low appetite for operational risk, we observed an increased frequency of reported risk incidents during 2024, coinciding with an increasingly complex operating environment. The risk management function continues to work with first line teams to ensure that controls and processes in place remain appropriate as the operating landscape evolves. Our risks and controls are formally monitored and reported through a risk and control self-assessment process and the use of quantifiable Key Risk Indicators. The outlook for this risk is increased as we continue to strengthen operationally and realise the benefits of ongoing initiatives to modernise our systems and processes.
Strategic The risk of loss resulting from ineffective strategic direction and implementation that leads to inadequate profitability, insufficient capital, financial loss and/or reputational damage for BFL. Pervasive risks impacting multiple areas of Beazley (e.g., reputation, and sustainability) occurring through real or perceived action, or inaction, by a regulatory body, market and/or third-party provider. A negative change to Beazley's reputation would have a detrimental impact to the syndicates performance and public perception.	Beazley consistently addresses key strategic opportunities and challenges, striving to be the highest performing and most sustainable specialist insurer. We ensure that we recognise, understand, discuss, and develop action plans for significant strategic priorities in a timely manner, while maintaining operational effectiveness and brand reputation. Beazley creates an environment that attracts, retains and develops high performing talent with diverse perspectives, encouraging exploration, creation, and innovation. By investing in understanding the complexities of the risks our clients face and deploying our expertise where it adds value, we thrive. The Executive Committee and the Board oversee these risks. Our commitment is to create a sustainable business for our people, partners, and planet through responsible business goals. We embed sustainability principles and ambitions, focusing on reducing our carbon footprint (refer to the Group's TCFD report for more details on climate-related risks and mitigations), contributing to our social environment, and practicing good governance. While we consider market developments, we evaluate each on its individual merits, weighing both potential opportunities and risks. As we consolidate and embed our achievements from 2024, our strategic risk outlook remains stable.

Directors

A list of Directors of the managing agent who held office during the year can be found on page 50 of this syndicate annual report.

Syndicate annual general meeting

In accordance with the Syndicate Meetings (Amendment No. 1) Byelaw (No. 18 of 2000) the managing agent does not propose to hold a syndicate annual meeting this year. Members may object to this proposal within 21 days of this notice. Any objections must be made in writing to the managing agent.

Disclosure of information to the auditor

The Directors of the managing agent who held office at the date of approval of this managing agent's report 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 Ernst & Young LLP will therefore continue in office.

On behalf of the Board

C C J Wong
Chief Financial Officer

5 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 requires the Directors of the managing agent to prepare their syndicate annual accounts for each financial year. Under that law they have elected to prepare the annual accounts in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the annual accounts;
- assess the syndicate's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to cease trading, or have no realistic alternative but to do so.

The Directors of the managing agent are responsible for keeping adequate accounting records that are sufficient to show and explain the syndicate's transactions and disclose with reasonable accuracy at any time the financial position of the syndicate and enable them to ensure that the financial statements comply with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008. They are responsible for such internal control as they determine is necessary to enable the preparation of 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 financial statements may differ from legislation in other jurisdictions.

The Directors of the managing agent are required to comply with the requirements of Section 1 of the Lloyd's Syndicate Accounts Instructions version 2.1 as modified by the Frequently Asked Questions version 1.1 issued by Lloyd's (the Syndicate Accounts Instructions).

The Directors of the managing agent are responsible for 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.

On behalf of the Board

C C J Wong
Chief Financial Officer

5 March 2025

Independent auditor's report to the members of Syndicate 6107

Opinion

We have audited the syndicate annual accounts of Syndicate 6107 ('the syndicate') for the year ended 31 December 2024 which comprise the Statement of Comprehensive Income, the Statement of changes in Members' Balances, the Balance Sheet, the Cash Flow statement and the related notes 1 to 19, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law including The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008, United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and FRS 103 "Insurance Contracts" (United Kingdom Generally Accepted Accounting Practice), and Section 1 of the Lloyd's Syndicate Accounts Instructions version 2.1 as modified by the Frequently Asked Questions Version v1.1 issued by Lloyd's (the Syndicate Accounts Instructions).

In our opinion, the syndicate annual accounts:

- give a true and fair view 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 United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and the Syndicate Accounts Instructions.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008, the Syndicate Accounts Instructions, and other applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the syndicate annual accounts section of our report. We are independent of the syndicate in accordance with the ethical requirements that are relevant to our audit of the syndicate annual accounts in the UK, including the FRC's Ethical Standard as applied to other entities of public interest, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the syndicate's ability to continue as a going concern for a period of 12 months from when the syndicate annual accounts are authorised for issue.

Our responsibilities and the responsibilities of the managing agent with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the syndicate's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report and accounts other than the syndicate annual accounts and our auditor's report thereon. The Directors of the managing agent are responsible for the other information contained within the annual report and accounts.

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

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

We have nothing to report in this regard.

Independent auditor's report to the members of Syndicate 6107 continued

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

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of the managing agent

As explained more fully in the Statement of Managing Agent's Responsibilities set out on page 10 the managing agent is responsible for the preparation of the syndicate annual accounts and for being satisfied that they give a true and fair view, and for such internal control as the managing agent determines is necessary to enable the preparation of the syndicate annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the syndicate annual accounts, the managing agent is responsible for assessing the syndicate's ability to continue in operation, disclosing, as applicable, matters related to its ability to continue in operation and using the going concern basis of accounting unless the managing agent either intends to cease to operate the syndicate, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the syndicate annual accounts

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the managing agent and management.

Our approach was as follows:

- We obtained a general understanding of the legal and regulatory frameworks that are applicable to the syndicate and determined that the most significant are direct laws and regulations related to elements of Lloyd's Byelaws and Regulations, and the financial reporting framework (UK GAAP), and requirements referred to by Lloyd's in the Syndicate Accounts instructions. Our considerations of other laws and regulations that may have a material effect on the syndicate annual accounts included permissions and supervisory requirements of Lloyd's of London, the Prudential Regulation Authority ('PRA') and the Financial Conduct Authority ('FCA').
- We obtained a general understanding of how the syndicate is complying with those frameworks by making enquiries of management, internal audit, and those responsible for legal and compliance matters of the syndicate. In assessing the effectiveness of the control environment, we also reviewed significant correspondence between the syndicate, Lloyd's of London and other UK regulatory bodies; reviewed minutes of the Board and Risk Committee of the managing agent; and gained an understanding of the managing agent's approach to governance.
- For direct laws and regulations, we considered the extent of compliance with those laws and regulations as part of our procedures on the related syndicate annual accounts' items.
- For both direct and other laws and regulations, our procedures involved: making enquiries of the Directors of the managing agent and senior management for their awareness of any non-compliance of laws or regulations, enquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees, enquiring about the managing agent's methods of enforcing and monitoring compliance with such policies, and inspecting significant correspondence with Lloyd's, the FCA and the PRA
- The syndicate operates in the insurance industry which is a highly regulated environment. As such the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of specialists where appropriate.
- We assessed the susceptibility of the syndicate's annual accounts to material misstatement, including how fraud might occur by considering the controls that the managing agent has established to address risks identified by the managing agent, or that otherwise seek to prevent, deter or detect fraud. We also considered areas of significant judgement, complex transactions, performance targets, economic or external pressures and the impact these have on the control environment. Where this risk was considered to be higher, we performed audit procedures to address each identified fraud risk, including:
  - Reviewing accounting estimates for evidence of management bias. Supported by our Actuaries, we assessed if there were any indicators of management bias in the valuation of insurance liabilities and the recognition of estimated premium income.
  - Evaluating the business rationale for significant and/or unusual transactions.
- These procedures included testing manual journals and were designed to provide reasonable assurance that the syndicate annual accounts were free from fraud or error.

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

Other matter

Our opinion on the syndicate annual accounts does not cover the iXBRL tagging included within these syndicate annual accounts, and we do not express any form of assurance conclusion thereon.

Use of our report

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

Niamh Byrne (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

5 March 2025

Statement of comprehensive income

for the year ended 31 December 2024

	Notes	2024 $'000	2023 $'000
Gross premiums written	3	63,311	43,530
Outward reinsurance premiums		507	2,694
Premiums written, net of reinsurance		**63,818**	**46,224**
Changes in unearned premium			
Change in the gross provision for unearned premiums	12	(14,115)	13,534
Change in the provision for unearned premiums, reinsurers' share	12	(821)	(2,379)
Net change in the provision for unearned premiums		**(14,936)**	**11,155**
Earned premiums, net of reinsurance		**48,882**	**57,379**
Allocated investment return transferred from the non-technical account	**6**	**3,336**	**3,628**
Claims paid			
Gross amount	12	(22,735)	(34,566)
Reinsurers' share	12	3,962	6,606
Net claims paid		**(18,773)**	**(27,960)**
Change in the provision for claims			
Gross amount	12	2,009	25,831
Reinsurers' share	12	(10,793)	(17,486)
Net change in provision for claims		(8,784)	8,345
Claims incurred, net of reinsurance		**(27,557)**	**(19,615)**
Net operating expenses	4	**(19,160)**	**(15,298)**
Balance on the technical account - general business		**5,501**	**26,094**
Investment income	6	3,336	3,628
Total investment income		3,336	3,628
Allocated investment return transferred to general business technical account		(3,336)	(3,628)
Gain/(loss) on foreign exchange		370	(95)
Total comprehensive income for the financial year		**5,871**	**25,999**

There were no other comprehensive gains or losses in the year.

The notes on pages 18 to 34 form part of these financial statements.

Balance sheet
as at 31 December 2024

	Notes	2024 $'000	2023 *restated $'000
Assets			
Reinsurers' share of technical provisions			
Provision for unearned premiums	12	—	821
Claims outstanding	12	14,192	24,968
		14,192	**25,789**
Debtors			
Debtors arising out of reinsurance operations	8	24,409	19,794
Other debtors	9	87,082	105,879
		111,491	**125,673**
Other assets			
Cash at bank and in hand		**36,201**	**25,727**
Prepayments and accrued income			
Deferred acquisition costs	10	9,875	4,558
Other prepayments and accrued income		927	934
		10,802	**5,492**
Total assets		**172,686**	**182,681**
Capital and reserves			
Members' balances		22,376	44,039
Liabilities			
Technical provisions			
Provision for unearned premiums	12	31,660	17,584
Claims outstanding	12	111,358	113,609
		143,018	**131,193**
Creditors			
Creditors arising out of reinsurance operations	13	5,612	5,670
Other creditors	14	1,532	1,676
		7,144	**7,346**
Accruals and deferred income		**148**	**103**
Total liabilities		**150,310**	**138,642**
Total liabilities, capital and reserves		**172,686**	**182,681**

*Certain balances have been restated due to a voluntary change in accounting policy. Refer to note 18.

The notes on pages 18 to 34 form part of these financial statements.

The syndicate annual accounts on pages 14 to 34 were approved by the Board of Beazley Furlonge Limited on 5 March 2025 and were signed on its behalf by:

P J Bantick
Director

C C J Wong
Chief Financial Officer

Statement of changes in members' balances

for the year ended 31 December 2024

	2024 $'000	2023 *restated $'000
Members' balances brought forward at 1 January	44,039	17,460
Total comprehensive income for the financial year	5,871	25,999
Loss collected on closure of underwriting year	—	801
Payments of profit to members' personal reserve funds	(27,235)	—
Member agent fees	(292)	(209)
Other	(7)	(12)
Members' balances carried forward at 31 December	**22,376**	**44,039**

*Certain balances have been restated due to a voluntary change in accounting policy. Refer to note 18.

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

Cash flow statement
for the year ended 31 December 2024

	Notes	2024 $'000	2023 *restated $'000
Cash flows from operating activities			
Total comprehensive income		5,871	25,999
Adjustments for:			
Increase/(decrease) in gross technical provisions	12	11,825	(38,522)
Decrease in reinsurers' share of gross technical provisions	12	11,597	19,853
Decrease/(increase) in debtors		14,182	(3,456)
(Increase)/decrease in other assets/liabilities		(5,265)	3,503
Decrease in creditors		(202)	(5,438)
Investment return	6	(3,336)	(3,628)
Foreign exchange		213	(593)
Net cash flow from operating activities		**34,885**	**(2,282)**
Cash flows from investing activities			
Investment income received		3,336	3,628
Net cash flow from investing activities		**3,336**	**3,628**
Cash flows from financing activities			
Distribution of profit		(27,235)	—
Collection of losses		—	801
Other		(299)	(221)
Net cash flow from financing activities		**(27,534)**	**580**
Net increase in cash and cash equivalents		**10,687**	**1,926**
Cash and cash equivalents at the beginning of the year		25,727	23,208
Foreign exchange on cash and cash equivalents		(213)	593
Cash and cash equivalents at the end of the year		**36,201**	**25,727**

*Certain balances have been restated due to a voluntary change in accounting policy. Refer to note 18.

The notes on pages 18 to 34 form part of these financial statements.

Notes to the syndicate annual accounts

1 Accounting policies

Basis of preparation

Syndicate 6107 (the 'syndicate') comprises a group of members of the Society of Lloyd's that underwrites insurance business in the London Market. The managing agent of the syndicate is Beazley Furlong Limited ('BFL'), whose registered address and principal place of business is 22 Bishopsgate, London, EC2N, 4BQ. The ultimate controlling party of BFL is Beazley plc, a company incorporated in England and Wales.

The syndicate annual accounts 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 2.1 as modified by the Frequently Asked Questions version 1.1 issued by Lloyd's.

The financial statements have been prepared on the historic cost basis, except for financial assets at fair value through profit or loss which are measured at fair value. The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all periods presented, unless otherwise stated. All amounts presented are stated in US dollars, being the syndicate's functional currency, and in thousands, unless noted otherwise. Previously, these financial statements were presented in millions of US dollars. The change from presenting in millions to presenting in thousands has been applied for the first time in these financial statements for the year ended 31 December 2024.

Going concern

The financial statements of the syndicate have been prepared on a going concern basis. The syndicate's business activities, together with the factors likely to affect its future development, performance and position, are set out in the managing agent's report pages 4 - 9. In addition, note 2 includes the syndicate's risk management objectives and the entity's objectives, policies and processes for managing its capital. The syndicate has sufficient capital for each year of account in its Funds at Lloyd's. There is no intention to cease underwriting or cease the operations of the syndicate.

In assessing the syndicate's going concern position as at 31 December 2024, the managing agent has considered a number of factors, including the current statement of financial position and the syndicate's strategic and financial plan. The assessment concluded that, for the foreseeable future, the syndicate has sufficient capital and liquidity for the 12 months from the date the financial statements are authorised for issue.

Use of estimates and judgements

The preparation of financial statements requires the use of estimates and judgements that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those on which management's estimates are based. Estimates and assumptions are continually evaluated and are based on historical experience and other factors. For example, estimates which are sensitive to economic, regulatory and geopolitical conditions could be impacted by significant changes in the external environment such as the volatile macroeconomic environment, climate change, international conflicts, and significant changes in legislation. Any revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Specific to climate change, since responses to it are still developing, it is not possible to consider all possible future outcomes when determining asset and liability valuations, and timing of future cash flows, as these are not yet known. Nevertheless, the current management view is that reasonably possible changes arising from climate risks would not have a material impact on asset and liability valuations at the year-end date.

(a) Valuation of insurance contract liabilities

The most critical estimate included within the syndicate's balance sheet is the estimate for insurance losses incurred but not reported ('IBNR'), which is included within total technical provisions and reinsurers' share of technical provisions in the balance sheet and note 12. This estimate is critical as it outlines the current liability for future expenses expected to be incurred in relation to claims. If this estimation was to prove inadequate then an exposure would arise in future years where a liability has not been provided for.

The best estimate of the most likely ultimate outcome is used when calculating notified claims. This estimate is based upon the facts available at the time, in conjunction with the claims manager's view of likely future developments. The total estimate of gross IBNR as at 31 December 2024 included within claims outstanding is $69,230k (2023: $84,507k).

1 Accounting policies continued

(b) Premium estimates

Premium written is initially based on the estimated premium income ('EPI') of each contract. Judgement is involved in determining the ultimate estimates in order to establish the appropriate premium value and, ultimately, the cash to be received. EPI estimates are updated to reflect changes in an underwriters expectation through consultation with brokers, coverholders and internal counterparty views, changes in market conditions, historic experience and to reflect actual cash received for a contract.

Significant accounting policies

The financial statements have been prepared on an annual basis of accounting, whereby the incurred cost of claims, commissions and related expenses are charged against the earned proportion of premiums, net of reinsurance as follows:

(a) Premium estimates

Gross premiums written comprise premiums on contracts incepted during the financial year together with adjustments to premiums written in previous accounting periods and estimates for premiums from contracts entered into during the course of the year. Gross premiums written are stated before the deduction of brokerage, taxes, duties levied on premiums and other deductions.

(b) Unearned premiums

A provision for unearned premiums (gross of reinsurance) represents that part of the gross premiums written that it is estimated will be earned in the following financial periods. It is calculated using the daily pro-rata method, under which the premium is apportioned over the period of risk.

(c) Claims provisions and related reinsurance

Claims represent the cost of claims and claims handling expenses paid during the financial year, together with the movement in provisions for outstanding claims, IBNR and future claims handling provisions. The provision for claims outstanding comprises amounts set aside for claims advised and IBNR.

The IBNR amount is based on estimates calculated using widely accepted actuarial techniques which are reviewed quarterly by the group actuary and annually by the independent syndicate reporting actuary. The techniques generally use projections, based on past experience of the development of claims over time, to form a view on the likely ultimate claims to be experienced. For more recent underwriting, regard is given to the variations in the business portfolio accepted and the underlying terms and conditions. Thus, the critical assumptions used when estimating claims provisions are that the past experience is a reasonable predictor of likely future claims development and that the rating and other models used to analyse current business are a fair reflection of the likely level of ultimate claims to be incurred.

A provision is made at the year-end for the estimated cost of claims incurred but not settled at the balance sheet date, including the cost of claims incurred but not yet reported to the managing agent. The managing agent takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established.

(d) Liability adequacy testing

At each reporting date, liability adequacy tests are performed to ensure the adequacy of the claims liabilities net of deferred acquisition costs and unearned premium reserves. In performing these tests, current best estimates of future contractual cash flows, claims handling and administration expenses as well as investment income from the assets backing such liabilities are used. Any deficiency is subsequently charged to the statement of comprehensive income and a liability for unexpired risk provision is established.

(e) Acquisition costs

Acquisition costs comprise brokerage, premium levies, and staff related costs of the underwriters acquiring the business. The proportion of acquisition costs in respect of unearned premiums is deferred at the balance sheet date and recognised in later periods when the related premiums are earned.

(f) Foreign currencies

Foreign currency transactions are translated into the functional currency using average exchange rates applicable to the period in which the transactions take place and where the syndicate considers these to be a reasonable approximation of the transaction rate. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at the period end of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Notes to the syndicate annual accounts continued

1 Accounting policies continued

(g) Investment return

Syndicate 6107 is accounted for on a cash withheld basis on the three youngest underwriting years. An investment return payable by the host syndicates to Syndicate 6107 is calculated based on premium and claims held by the host syndicate being used as a proxy for cash, as outlined under the terms of the reinsurance contract. Investment return is initially recorded in the non-technical account. A transfer is made from the non-technical account to the general business technical account to reflect the investment return on funds supporting underwriting business.

(h) Ceded reinsurance

These are contracts entered into by the syndicate with reinsurers under which the syndicate is compensated for losses on contracts issued by the syndicate and that meet the definition of an insurance contract. Insurance contracts entered into by the syndicate under which the contract holder is another insurer (inwards reinsurance) are included with insurance contracts.

Any benefits to which the syndicate is entitled under its reinsurance contracts held are recognised as reinsurance assets. These consist of balances due from reinsurers relating to claims and also includes the provision for unearned premiums, reinsurers' share. Balances due relating to the reinsurers share of claims are based on calculated amounts of outstanding claims recoveries and projections for IBNR, net of estimated irrecoverable amounts having regard to the reinsurance programme in place for the class of business, the claims experience for the period and the current security rating of the reinsurer involved. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

Reinsurance assets are assessed for impairment at each reporting date. If there is objective evidence of impairment, then the carrying amount is reduced to its recoverable amount and the impairment loss is recognised in the statement of comprehensive income.

(i) Insurance debtors and creditors

Insurance debtors and creditors are recognised when the host syndicate is on risk. These include amounts only due from host syndicate. These are classified as 'insurance debtors and creditors' as they are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. Insurance debtors are measured at amortised cost less any provision for impairment. Insurance creditors are stated at amortised cost. Reinsurance debtors and creditors are referred to in the previous policy above.

(j) Other debtors

Other debtors principally consist of intercompany debtor balances and are carried at amortised cost less any impairment losses.

(k) Other creditors

Other creditors principally consist of amounts due to related entities and sundry creditors, and are stated at amortised cost determined on the effective interest rate method.

(l) Cash and cash equivalents

This consists of cash at bank and in hand, deposits held at call with banks and other short-term highly liquid investments with maturities of three months or less from the date of acquisition. Cash at bank and in hand balances are classified as loans and receivables and carried at amortised cost less any impairment losses.

(m) Taxation

Under Schedule 19 of the Finance Act 1993 managing agents are not required to deduct basic rate income tax from trading income. In addition, all UK basic rate income tax (currently at 20%) 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 US federal income tax payable on underwriting results or investment earnings. Any payments on account made by the syndicate during the year have been included in the balance sheet under the heading 'other debtors'.

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

2 Risk management

The managing agent has identified the risks arising from its activities and has established policies and procedures to manage these items in accordance with its risk appetite. The sections below outline the syndicate's risk appetite and explain how it defines and manages each category of risk. The risk management framework is discussed in the Managing agent's report.

2.1 Insurance risk

The syndicate's insurance business assumes the risk of loss from persons or organisations that are directly exposed to an underlying loss. Insurance risk arises from this risk transfer due to inherent uncertainties about the occurrence, amount and timing of insurance liabilities. The four key components of insurance risk are underwriting, reinsurance, claims management and reserving. Each element is considered below:

(a) Underwriting risk

Underwriting risk comprises four elements that apply to all insurance products offered by the syndicate:
- cycle risk – the risk that business is written without full knowledge as to the (in)adequacy of rates, terms and conditions;
- event risk – the risk that individual risk losses or catastrophes lead to claims that are higher than anticipated in plans and pricing;
- pricing risk – the risk that the level of expected loss is understated in the pricing process; and
- expense risk – the risk that the allowance for expenses and inflation in pricing is inadequate.

The annual business plans for each underwriting team reflect the syndicate's underwriting strategy, and set out the classes of business, the territories and the industry sectors in which business is to be written. These plans are approved by the Board of BFL and monitored by the Underwriting Committee.

The host syndicates' underwriters calculate premiums for risks written based on a range of criteria tailored specifically to each individual risk. These factors include but are not limited to the financial exposure, loss history, risk characteristics, limits, deductibles, terms and conditions and acquisition expenses.

The host also recognises that insurance events are, by their nature, random, and the actual number and size of events during any one year may vary from those estimated using established statistical techniques.

To address this, the host sets out the exposure that it is prepared to accept in certain territories to a range of events such as natural catastrophes and specific scenarios which may result in large industry losses. This is monitored through regular calculation of Realistic Disaster Scenarios. The aggregate position is monitored at the time of underwriting a risk, and reports are regularly produced to highlight the key aggregations to which the syndicate is exposed.

The managing agent uses a number of modelling tools to monitor its exposures against the agreed risk appetite set and to simulate catastrophe losses in order to measure the effectiveness of the syndicate's reinsurance programmes. Stress and scenario tests are also run using these models. The range of scenarios considered includes natural catastrophe, cyber, marine, liability, political, terrorism and war events.

One of the largest types of event exposure relates to natural catastrophe events such as windstorm or earthquake. With the increasing risk from climate change impacts the frequency and severity of natural catastrophes, the managing agent continues to monitor its exposure. Where possible the managing agent measures geographic accumulations and uses its knowledge of the business, historical loss behaviour and commercial catastrophe modelling software to assess the expected range of losses at different return periods. Upon application of the reinsurance coverage purchased, the key gross and net exposures are calculated on the basis of extreme events at a range of return periods.

The syndicate also has exposure to man-made claim aggregations, such as those arising from terrorism and data breach events. The host syndicate choose to underwrite data breach insurance within the Cyber Risks division using its team of specialist underwriters, claims managers and data breach services managers. Other than for data breach, the host syndicates' preference is to exclude cyber exposure where possible.

To manage underwriting exposures, the managing agent has developed limits of authority and business plans which are binding upon all staff authorised to underwrite and are specific to underwriters, classes of business and industry.

Notes to the syndicate annual accounts continued

2 Risk management continued

These authority limits are enforced through a comprehensive sign-off process for underwriting transactions including dual sign-off for all line underwriters and peer review for all risks exceeding individual underwriters authority limits. Exception reports are also run regularly to monitor compliance.

All underwriters also have a right to refuse renewal or change the terms and conditions of insurance contracts upon renewal. Rate monitoring details, including limits, deductibles, exposures, terms and conditions and risk characteristics are also captured and the results are combined to monitor the rating environment for each class of business.

Operating divisions

All risks are underwritten in the UK under one reinsurance contract. All risks relate to property and cyber reinsurance business.

(b) Reinsurance risk

Reinsurance risk to the syndicate arises where reinsurance contracts put in place to reduce gross insurance risk do not perform as anticipated, result in coverage disputes or prove inadequate in terms of the vertical or horizontal limits purchased. Failure of a reinsurer to pay a valid claim is considered a credit risk which is detailed separately below.

The syndicate's reinsurance programmes complement the underwriting team business plans and seek to protect syndicate capital from an adverse volume or volatility of claims on both a per risk and per event basis. In some cases the syndicate deems it more economic to hold capital than purchase reinsurance. These decisions are regularly reviewed as an integral part of the business planning and performance monitoring process.

(c) Claims management risk

Claims management risk may arise within the syndicate in the event of inaccurate or incomplete case reserves and claims settlements, poor service quality or excessive claims handling costs in the host syndicates. These risks may damage the Beazley brand and undermine its ability to win and retain business or incur punitive damages. These risks can occur at any stage of the claims life-cycle.

The managing agent's claims teams are focused on delivering quality, reliability and speed of service to both internal and external clients. Their aim is to adjust and process claims in a fair, efficient and timely manner, in accordance with the policy's terms and conditions, the regulatory environment, and the business's broader interests. Case reserves are set for all known claims liabilities, including provisions for expenses, as soon as a reliable estimate can be made of the claims liability.

(d) Reserving and ultimate reserves risk

Reserving and ultimate reserves risk occurs within the syndicate where established insurance liabilities are insufficient through inaccurate forecasting, or where there is inadequate allowance for expenses and reinsurance bad debt in provisions.

To manage reserving and ultimate reserves risk, the managing agent's actuarial team uses a range of recognised techniques to project gross premiums written, monitor claims development patterns and stress test ultimate insurance liability balances. An external independent actuary also performs an annual review to produce a statement of actuarial opinion for the syndicate.

The objective of the syndicate's reserving policy is to produce accurate and reliable estimates that are consistent over time and across classes of business. The estimates of gross premiums written and claims prepared by the actuarial department are used through a formal quarterly peer review process to independently test the integrity of the estimates produced by the underwriting teams for each class of business. These meetings are attended by senior management, senior underwriters, actuarial, claims, and finance representatives.

The syndicate also monitors its exposure to insurance risk by location.

2 Risk management continued

An increase or decrease in total claims liabilities would have the following impact on profit and members' balances:

Sensitivity to insurance risk (claims reserves)	Impact on profit and members' balances' 2024 $'000	2023 $'000
Claims outstanding - gross of reinsurance	111,358	113,609
Claims outstanding - net of reinsurance	97,166	88,641
5% increase in gross claims reserve	(5,568)	(5,680)
5% decrease in gross claims reserve	5,568	5,680
5% increase in net claims reserve	(4,858)	(4,432)
5% decrease in net claims reserve	4,858	4,432

2.2 Market risk

Market risk arises where the value of assets and liabilities changes as a result of movements in foreign exchange rates and interest rates.

Foreign exchange risk

The functional and presentational currency of the Syndicate is the US dollar. The effect of this on foreign exchange risk is that the syndicate is exposed to fluctuations in exchange rates for non-dollar denominated transactions and net assets.

The syndicate has four main settlement currencies: US dollars, sterling, Canadian dollars and euro. Transactions in all currencies are converted to US dollars on initial recognition and revalued at the reporting date. Remaining foreign exchange risk is actively managed as described below.

The syndicate's assets are broadly matched by currency to the principal underlying settlement currencies of its insurance liabilities. This helps mitigate the risk that future movements in exchange rates would materially impact the syndicate's assets required to cover its insurance liabilities. The following table summarises the carrying value of total assets and total liabilities categorised by currency:

31 December 2024	CAD $ $'000	EUR € $'000	UK £ $'000	Subtotal $'000	US $ $'000	Total $'000
Reinsurers' share of technical provisions	75	18	129	222	13,970	14,192
Debtors	2,227	3,761	4,066	10,054	101,437	111,491
Other assets	135	10,910	6,750	17,795	18,406	36,201
Prepayments and accrued income	314	198	562	1,074	9,728	10,802
Total assets	**2,751**	**14,887**	**11,507**	**29,145**	**143,541**	**172,686**
Technical provisions	(3,933)	(12,194)	(7,738)	(23,865)	(119,153)	(143,018)
Creditors	(114)	(143)	(351)	(608)	(6,536)	(7,144)
Accruals and deferred income	—	—	(147)	(147)	(1)	(148)
Total liabilities	**(4,047)**	**(12,337)**	**(8,236)**	**(24,620)**	**(125,690)**	**(150,310)**
Total Capital and Reserves	**(1,296)**	**2,550**	**3,271**	**4,525**	**17,851**	**22,376**

31 December 2023	CAD $ $'000	EUR € $'000	UK £ $'000	Subtotal $'000	US $ $'000	Total $'000
Reinsurers' share of technical provisions	416	823	922	2,161	23,628	25,789
Debtors*	4,745	(4,797)	12,504	12,452	113,221	125,673
Other assets	1,420	18,226	5,939	25,585	142	25,727
Prepayments and accrued income	120	92	300	512	4,980	5,492
Total assets	**6,701**	**14,344**	**19,665**	**40,710**	**141,971**	**182,681**
Technical provisions	(4,824)	(13,228)	(13,346)	(31,398)	(99,795)	(131,193)
Creditors	(120)	(132)	(565)	(817)	(6,529)	(7,346)
Accruals and deferred income	—	—	(91)	(91)	(12)	(103)
Total liabilities	**(4,944)**	**(13,360)**	**(14,002)**	**(32,306)**	**(106,336)**	**(138,642)**
Total Capital and Reserves	**1,757**	**984**	**5,663**	**8,404**	**35,635**	**44,039**

*Certain balances have been restated due to a voluntary change in accounting policy. Refer to note 18.

Notes to the syndicate annual accounts continued

2 Risk management continued

Sensitivity analysis - Foreign exchange risk

In 2024, the managing agent managed the syndicate's foreign exchange risk by periodically assessing its non-dollar exposures while targeting net assets to be predominately US dollar denominated. On a forward looking basis an assessment is made of expected future exposure development and appropriate currency trades put in place to reduce risk.

Fluctuations in the syndicate's trading currencies against the US dollar would result in a change to profit and members' balances. The table below gives an indication of the impact on profit and members' balances of a percentage change in relative strength of US dollar against the value of sterling, Canadian dollar and euro, simultaneously.

	Impact on profit and members' balances	
	2024	2023
Change in exchange rate of sterling, Canadian dollar, Australian dollar and euro relative to US dollar	$'000	$'000
Dollar weakens 10% against other currencies	411	(767)
Dollar strengthens 10% against other currencies	(411)	767

Interest rate risk

The syndicate receives an investment return from the host syndicates. The host syndicate is exposed to movement in interest rates and interest rates on its cash deposits.

Price risk

This is not a material risk to the syndicate as it does not hold any financial assets and or liabilities other than those listed under reinsurance debtors and creditors.

2.3 Credit risk

Credit risk arises from the failure of another party to perform its financial or contractual obligations to the syndicate or host syndicate in a timely manner. The primary sources of credit risk for the syndicate are:
- reinsurers – whereby reinsurers may fail to pay valid claims against a reinsurance contract held by the syndicate;
- brokers and coverholders – whereby counterparties fail to pass on premiums or claims collected or paid on behalf of the host syndicate; and
- cash at bank and in hand.

The syndicate's core business is to accept significant insurance risk and the appetite for other risks is low. This protects the syndicate's capital from erosion so that it can meet its insurance liabilities.

The syndicate and host syndicates limit exposure to a single counterparty or a group of counterparties and analyse the geographical locations of exposures when assessing credit risk.

An approval system also exists for all new brokers, and broker performance is carefully monitored by the host syndicates. Regular exception reports highlight trading with non-approved brokers, and the host syndicates' credit control function frequently assesses the ageing and collectability of debtor balances. Any large, aged items are prioritised and where collection is outsourced, incentives are in place to support these priorities.

The syndicate has developed processes to formally examine all reinsurers before entering into new business arrangements. New reinsurers are approved by the Reinsurance Security Committee, which also reviews arrangements with all existing reinsurers at least annually. Vulnerable or slow-paying reinsurers are examined more frequently.

The following tables summarise the syndicate's concentrations of credit risk for assets with credit risk:

2 Risk management continued

31 December 2024	AAA $'000	AA $'000	A $'000	BBB $'000	Other $'000	Not rated $'000	Total $'000
Cash at bank and in hand	—	—	36,201	—	—	—	36,201
Debtors arising out reinsurance operations	—	—	10,992	—	—	13,417	24,409
Reinsurers' share of outstanding claims	—	7,266	6,267	1	—	658	14,192
Other debtors and accrued interest	87,082	—	—	—	—	927	88,009
Total	**87,082**	**7,266**	**53,460**	**1**	**—**	**15,002**	**162,811**

31 December 2023	AAA $'000	AA $'000	A $'000	BBB $'000	Other $'000	Not rated $'000	Total $'000
Cash at bank and in hand	—	—	25,727	—	—	—	25,727
Debtors arising out reinsurance operations	—	—	7,026	—	—	12,768	19,794
Reinsurers' share of outstanding claims	—	13,199	10,663	228	—	878	24,968
Other debtors and accrued interest*	105,879	—	—	—	—	934	106,813
Total	**105,879**	**13,199**	**43,416**	**228**	**—**	**14,580**	**177,302**

*Certain balances have been restated due to a voluntary change in accounting policy. Refer to note 18.

Based on all evidence available, debtors arising out of reinsurance operations and other debtors have not been impaired and no impairment provision has been recognised in respect of these assets.

The syndicate has no insurance debtors and reinsurance assets that are past due but not impaired at the reporting date.

31 December 2024	Neither past due nor impaired $'000	Past due but not impaired $'000	Gross value of impaired assets $'000	Impairment allowance $'000	Total $'000
Cash at bank and in hand	36,201	—	—	—	36,201
Debtors arising out reinsurance operations	24,409	—	—	—	24,409
Reinsurers' share of outstanding claims	14,192	—	—	—	14,192
Other debtors and accrued interest	88,009	—	—	—	88,009
Total	**162,811**	**—**	**—**	**—**	**162,811**

31 December 2023	Neither past due nor impaired $'000	Past due but not impaired $'000	Gross value of impaired assets $'000	Impairment allowance $'000	Total $'000
Cash at bank and in hand	25,727	—	—	—	25,727
Debtors arising out reinsurance operations	19,794	—	—	—	19,794
Reinsurers' share of outstanding claims	24,968	—	—	—	24,968
Other debtors and accrued interest*	106,813	—	—	—	106,813
Total	**177,302**	**—**	**—**	**—**	**177,302**

*Certain balances have been restated due to a voluntary change in accounting policy. Refer to note 18.

Exposure to credit risk

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

Notes to the syndicate annual accounts continued

2 Risk management continued

2.4 Liquidity risk

Liquidity risk arises where cash may not be available to pay obligations when due at a reasonable cost. As Syndicate 6107 is a special purpose syndicate, liquidity risk is not material to the syndicate as all financial assets have a maturity of less than one year at the reporting date.

The maturity analysis presented in the table below shows the remaining contractual maturities for the syndicate's insurance contracts and financial instrument liabilities. 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.

Maturity 31 December 2024	Carrying amount $'000	No maturity stated $'000	0-1 yrs $'000	1-3 yrs $'000	3-5 yrs $'000	>5yrs $'000	Total $'000
Claims outstanding	111,358	–	39,835	42,930	16,678	11,915	111,358
Creditors	7,144	–	7,144	–	–	–	7,144
Other liabilities	148	–	148	–	–	–	148
Total	**118,650**	**–**	**47,127**	**42,930**	**16,678**	**11,915**	**118,650**

Maturity 31 December 2023	Carrying amount $'000	No maturity stated $'000	0-1 yrs $'000	1-3 yrs $'000	3-5 yrs $'000	>5yrs $'000	Total $'000
Claims outstanding	113,609	–	46,366	42,605	14,441	10,197	113,609
Creditors	7,346	–	7,346	–	–	–	7,346
Other liabilities	103	–	103	–	–	–	103
Total	**121,058**	**–**	**53,815**	**42,605**	**14,441**	**10,197**	**121,058**

2.5 Capital management

Capital framework at Lloyd's

The Society of Lloyd's is a regulated undertaking and subject to the supervision of the Prudential Regulation Authority (PRA) under the Financial Services and Markets Act 2000.

Within this supervisory framework, Lloyd's applies capital requirements at a member level and centrally to ensure that Lloyd's complies with Solvency II, and beyond that to meet its own financial strength, license and ratings objectives. Although, as described below, the Lloyd's capital setting processes use a capital requirement set at syndicate level as a starting point, the requirement to meet Solvency II and Lloyd's capital requirements apply at an overall and member level respectively, not at a syndicate level. Accordingly the capital requirement in respect of Syndicate 6107 is not disclosed in these financial statements.

Lloyd's capital setting process

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

A syndicate may be comprised of one or more underwriting members of Lloyd's. Each member is liable for its own share of underwriting liabilities on the syndicate(s) on which it participates but not other members' shares. Accordingly, the capital requirement that Lloyd's sets for each member operates on a similar basis. Each member's SCR shall thus be determined by the sum of the member's share of the syndicate SCR 'to ultimate'. Where a member participates on more than one syndicate, a credit for diversification is provided to reflect the spread of risk, but consistent with determining an SCR which reflects the capital requirement to cover a 1 in 200 year loss 'to ultimate' for that member. Over and above this, Lloyd's applies a capital uplift to the member's capital requirement, known as the Economic Capital Assessment ('ECA'). The purpose of this uplift, which is a Lloyd's not a Solvency II requirement, is to meet Lloyd's financial strength, license and ratings objectives. The capital uplift applied for 2024 was 35% (2023: 35%) of the member's SCR 'to ultimate'.

2 Risk management continued

Provision of capital by members

Each member may provide capital to meet its ECA either by assets held in trust by Lloyd's specifically for that member (funds at Lloyd's), held within and managed within a syndicate (funds in syndicate) and/or as the member's share of the Solvency II members' balances on each syndicate on which it participates.

Accordingly all of the assets less liabilities of the syndicate, as represented in the members' balances reported on the balance sheet on page 15, represent resources available to meet members' and Lloyd's capital requirements.

3 Analysis of underwriting result

2024	Gross premiums written $'000	Gross premiums earned $'000	Gross claims incurred $'000	Net operating expenses $'000	Reinsurance balance $'000	Underwriting result $'000
Direct Insurance	—	—	—	—	—	—
Reinsurance acceptances	63,311	49,196	(20,726)	(19,160)	(7,145)	2,165
Total direct insurance and reinsurance accepted	**63,311**	**49,196**	**(20,726)**	**(19,160)**	**(7,145)**	**2,165**

2023	Gross premiums written $'000	Gross premiums earned $'000	Gross claims incurred $'000	Net operating expenses $'000	Reinsurance balance $'000	Underwriting result $'000
Direct Insurance	—	—	—	—	—	—
Reinsurance accepted	43,530	57,064	(8,735)	(15,298)	(10,565)	22,466
Total direct insurance and reinsurance accepted	**43,530**	**57,064**	**(8,735)**	**(15,298)**	**(10,565)**	**22,466**

All business was concluded in the UK under one reinsurance contract. The gross premiums written by destination of risk is presented in the table below:

	2024 $'000	2023 $'000
United Kingdom	4,432	1,306
US	46,217	33,518
European Union member states	3,799	2,612
Rest of world	8,863	6,094
Total gross premium written	**63,311**	**43,530**

4 Net operating expenses

	2024 $'000	2023 $'000
Acquisition costs	8,997	6,190
Change in deferred acquisition costs	(2,006)	1,703
Administrative expenses	19	(131)
Members' standard personal expenses	312	207
Reinsurance commission and profit participation	11,838	7,329
Total	**19,160**	**15,298**

Included within reinsurance commission and profit participation is reinsurance profit commission payable to syndicates 2623, 623 and 3623 of $4,718k (2023: 1,009k).

Notes to the syndicate annual accounts continued

4 Net operating expenses continued

Administrative expenses is include:

	2024 $'000	2023 $'000
Fees payable to the syndicate's auditor for the audit of these syndicate annual accounts	93	102
Other services pursuant to legislation	121	81
Total	**214**	**183**

Fees payable to the syndicate's auditor in relation to other services pursuant to legislation primarily relate to the review and audit of syndicate regulatory returns along with the statement of actuarial opinion.

5 Staff numbers

The syndicate has no employees. All staff are employed by Beazley Management Limited ('BML'), a related company to the managing agent, both of which operate within the Beazley Group. The average number of persons employed BML and working for the syndicate in some capacity are as follows.

	Number of employees	
	2024	2023
Administration and finance	870	799
Underwriting	239	234
Claims	88	75
Investments	8	8
Total	**1,205**	**1,116**

6 Investment return

	2024 $'000	2023 $'000
Interest and similar income		
From financial instruments classified at amortised cost		
Interest on cash at bank	1,582	609
Interest and similar income	1,754	3,019
Total investment return	**3,336**	**3,628**
Transferred to the technical account from the non-technical account	**3,336**	**3,628**

7 Distribution and open years of account

A distribution of $11,635k to members will be proposed in relation to the 2022 year of account which is closing (2023: distribution of $27,235k profit for 2021 year of account).

8 Debtors arising out of reinsurance operations

	2024 $'000	2023 $'000
Due within one year	**24,409**	19,794
Due after one year	—	—
	24,409	**19,794**

9 Other debtors

	2024 $'000	2023 *restated $'000
Amounts due from syndicate 2623	54,450	86,845
Amounts due from syndicate 623	12,937	19,034
Amounts due from syndicate 3623	**19,695**	—
Inter-syndicate balance	**87,082**	**105,879**
Amounts due from members	—	—
	87,082	**105,879**

The above balances are due within one year.

*Certain balances have been restated due to a voluntary change in accounting policy. Refer to note 18.

10 Deferred acquisition costs

	2024			2023		
	Gross $'000	Reinsurance $'000	Net $'000	Gross $'000	Reinsurance $'000	Net $'000
Balance at 1 January	4,558	(12)	4,546	4,152	(174)	3,978
Incurred deferred acquisition costs	19,348	—	19,348	4,509	—	4,509
Amortised deferred acquisition costs	(14,005)	12	(13,993)	(4,107)	162	(3,945)
Foreign exchange movements	(26)	—	(26)	4	—	4
Balance at 31 December	**9,875**	**—**	**9,875**	**4,558**	**(12)**	**4,546**

11 Analysis of net debt

All amounts in $'000	At 1 January 2024	Cash flows	Acquired	Fair value and exchange movements	Non-cash changes	At 31 December 2024
Cash at bank and in hand	25,727	10,687	—	(213)	—	36,201
Short term deposits	—	—	—	—	—	—
Total	**25,727**	**10,687**	**—**	**(213)**	**—**	**36,201**

All amounts in $'000	At 1 January 2023	Cash flows	Acquired	Fair value and exchange movements	Non-cash changes	At 31 December 2023
Cash at bank and in hand	23,208	1,926	—	593	—	25,727
Short term deposits	—	—	—	—	—	—
Total	**23,208**	**1,926**	**—**	**593**	**—**	**25,727**

Notes to the syndicate annual accounts continued

12 Technical provisions

Claims outstanding	2024 Gross Provisions $'000	2024 Reinsurance assets $'000	2024 Net $'000	2023 Gross Provisions $'000	2023 Reinsurance assets $'000	2023 Net $'000
Balance at 1 January	113,609	(24,968)	88,641	138,667	(42,445)	96,222
Claims paid during the year	(22,735)	3,962	(18,773)	(34,566)	6,606	(27,960)
Expected cost of current year claims	25,093	171	25,264	28,583	824	29,407
Change in estimates of prior year provisions	(4,367)	6,660	2,293	(19,848)	10,056	(9,792)
Effects of movements in exchange rate	(242)	(17)	(259)	773	(9)	764
Balance at 31 December	**111,358**	**(14,192)**	**97,166**	**113,609**	**(24,968)**	**88,641**

Unearned premiums	2024 Gross Provisions $'000	2024 Reinsurance assets $'000	2024 Net $'000	2023 Gross Provisions $'000	2023 Reinsurance assets $'000	2023 Net $'000
Balance at 1 January	17,584	(821)	16,763	31,048	(3,197)	27,851
Premium written during the year	63,311	507	63,818	43,530	2,694	46,224
Premiums earned during the year	(49,196)	314	(48,882)	(57,064)	(315)	(57,379)
Effect of movements in exchange rate	(39)	—	(39)	70	(3)	67
Balance at 31 December	**31,660**	**—**	**31,660**	**17,584**	**(821)**	**16,763**

The following tables illustrate the development of estimates of 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.

Gross amounts	2015 $'000	2016 $'000	2017 $'000	2018 $'000	2019 $'000	2020 $'000	2021 $'000	2022 $'000	2023 $'000	2024 $'000	Total $'000
12 months	29,039	29,349	81,411	65,879	78,087	55,385	85,905	60,322	23,291	35,758	
24 months	13,469	16,702	71,237	80,086	48,790	65,841	76,843	44,769	20,436		
36 months	9,364	16,221	77,609	71,368	38,392	62,504	69,893	40,080			
48 months	9,608	16,705	74,076	65,765	35,824	62,589	62,825				
60 months	9,757	16,299	72,961	64,154	34,191	60,926					
72 months	9,583	16,172	70,589	62,627	50,311						
84 months	9,286	15,799	69,075	60,032							
96 months	9,149	15,865	68,016								
108 months	9,115	15,888									
120 months	9,100										
	9,100	**15,888**	**68,016**	**60,032**	**50,311**	**60,926**	**62,825**	**40,080**	**20,436**	**35,758**	**423,372**
Provision in respect of prior years (2014 and earlier)	—	—	—	—	—	—	—	—	—	—	361
Less paid claims	(7,755)	(15,888)	(65,305)	(57,673)	(28,474)	(47,669)	(40,953)	(22,382)	(4,716)	(512)	(291,327)
Gross claims reserves (unearned)	1,345	—	2,711	2,359	21,837	13,257	21,872	17,698	15,720	35,246	132,406
Less unearned portion of ultimate losses	—	—	—	—	—	—	—	—	(1,066)	(19,982)	(21,048)
Gross claims reserves	**1,345**	**0**	**2,711**	**2,359**	**21,837**	**13,257**	**21,872**	**17,698**	**14,654**	**15,264**	**111,358**

12 Technical provisions continued

Net amounts	2015 $'000	2016 $'000	2017 $'000	2018 $'000	2019 $'000	2020 $'000	2021 $'000	2022 $'000	2023 $'000	2024 $'000	Total $'000
12 months	24,603	24,024	56,257	50,470	55,563	52,664	53,624	49,932	22,451	35,758	
24 months	11,954	14,028	54,912	54,132	45,659	65,155	56,216	44,589	20,288		
36 months	8,565	15,451	56,659	48,973	36,505	61,311	50,190	40,030			
48 months	9,080	14,324	57,445	43,724	35,302	61,271	46,503				
60 months	9,109	14,785	57,254	45,131	33,650	59,676					
72 months	9,211	14,929	55,708	45,184	49,808						
84 months	8,979	15,194	54,950	45,254							
96 months	8,869	15,418	53,856								
108 months	8,834	15,444									
120 months	8,822										
Total ultimate losses	8,822	15,444	53,856	45,254	49,808	59,676	46,503	40,030	20,288	35,758	375,439
Provision in respect of prior years (2014 and earlier)	—	—	—	—	—	—	—	—	—	—	360
Less paid claims	(7,651)	(15,444)	(53,829)	(45,254)	(28,304)	(47,549)	(31,918)	(22,397)	(4,700)	(512)	(257,558)
Net claims reserves (unearned)	1,171	—	27	—	21,504	12,127	14,585	17,633	15,588	35,246	118,241
Less unearned portion of ultimate losses	—	—	—	—	—	—	—	—	(1,093)	(19,982)	(21,075)
Net claims reserves	**1,171**	**—**	**27**	**—**	**21,504**	**12,127**	**14,585**	**17,633**	**14,495**	**15,264**	**97,166**

13 Creditors arising out of reinsurance operations

	2024 $'000	2023 $'000
Due within one year	5,612	5,670
Due after one year	—	—
	5,612	**5,670**

14 Other creditors

	2024 $'000	2023 $'000
Other related party balances (non-syndicate)	48	278
Other creditors	1,484	1,398
	1,532	**1,676**

The above creditor balances are payable within one year.

15 Related parties transactions

The business written by Syndicate 6107 is ceded from syndicates 2623, 623 and 3623 for which Syndicate 6107 pays an overrider commission and a profit commission. The profit commission payable and overrider commission are disclosed in note 4.

The intercompany positions with other syndicates managed by BFL at 31 December 2024 are disclosed above in note 9 and note 14 respectively.

BFL, the managing agent of Syndicate 6107, is a wholly-owned subsidiary of Beazley plc. The Directors of BFL during the period covered by these syndicate annual accounts who participated on Syndicate 623, managed by the managing agent, indirectly through Beazley Staff Underwriting Limited are on the following page.

Notes to the syndicate annual accounts continued

15 Related parties transactions continued

	2023 year of account underwriting capacity £	2024 year of account underwriting capacity £	2025 year of account underwriting capacity £
A P Cox	400,000	400,000	500,000
S M Lake	250,000	—	—
I Fantozzi	400,000	400,000	—
R Anarfi	112,143	175,000	275,000
P J Bantick	350,000	350,000	500,000
R Quane	100,000	150,000	—

Certain Directors of BFL who held office during the period covered by this report have shareholdings in Beazley plc which provides the capacity for syndicates 2623, 3622, 3623, on 2023 and 2022 year of account for 4321 and for 5623 on 2024 and 2023 year of accounts.

16 Subsequent events

There have been no balance sheet events which have occurred between the reporting date and the date which the financial statements have been signed, for which an adjustment and or disclosure is required. The 2022 year of account has closed with a profit of $11.6m.

17 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 aagent, 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.

18 Changes in accounting policies - presentation

The 2023 syndicate accounts were prepared in line with the relevant accounting standards and regulatory requirements and received an unqualified audit opinion from the syndicate's auditor. However, the managing agent has voluntarily elected to enact certain changes in accounting policy relating to the presentation of various items in the financial statements for this syndicate for the year ended 31 December 2024. The changes are intended to align the presentation of the syndicate's accounts with the proforma disclosures set out by Lloyd's during the year as part of their effort to rationalise and standardise reporting across the Lloyd's market. These changes have been applied on a retrospective basis and have no impact on the measurement of assets or liabilities, reported profit or the combined ratio. Further details of each change have been included below. This has impacted certain comparative notes also.

Members' agent fees

Members' agent fees are typically funded by the syndicate and then recouped at the time the YOA closes. Historically, the syndicate has treated these as a separate receivable (recognised within Other debtors on the balance sheet), whereas the managing agent now presents these as a deficit to members balances. This change in policy has no impact on the settlement of a YOA and is entirely presentational.

Cash flow statement – presentation and classification

The managing agent has elected to change the presentation and classification of several lines within the cash flow statement in order to align with the proforma disclosures set out by Lloyd's. These changes can be summarised as follows:

- Several lines are now combined under a single heading (Movement in other assets/liabilities) where previously these were presented separately.
- Foreign exchange amounts have been presented separately within operating activities and within the reconciliation from opening to closing cash and cash equivalents.
- Transfer from/to members in respect of underwriting operations has been disaggregated where previously the total movement was presented under one line.

18 Changes in accounting policies - presentation continued

Balance sheet

	Previously disclosed $'000	Adjustment Members' agent fees $'000	Restated $'000
Other debtors	106,539	(660)	105,879
Total assets	**183,341**	**(660)**	**182,681**
Members' balances	44,699	(660)	44,039
Total capital and reserves	**44,699**	**(660)**	**44,039**
Total liabilities	**138,642**	**—**	**138,642**

Statement of changes in members' balances

	Previously disclosed $'000	Adjustment Members' agent fees $'000	Restated $'000
Members' balances brought forward at 1 January	18,074	(614)	17,460
Loss collected on closure of underwriting year	626	175	801
Member agent fees	—	(209)	(209)
Other	—	(12)	(12)
Members' balances carried forward at 31 December	**44,699**	**(660)**	**44,039**

Notes to the syndicate annual accounts continued

18 Changes in accounting policies - presentation continued

Statement of cash flows

	Previously disclosed $'000	Adjustment Cash flow statement $'000	Restated $'000
(Increase)/decrease in debtors, prepayments and accrued income	(3,186)	(270)	(3,456)
Increase/(decrease) in net technical provisions	(18,669)	18,669	—
Increase/(decrease) in gross technical provisions	—	(38,522)	(38,522)
(Increase)/decrease in reinsurers' share of gross technical provisions	—	19,853	19,853
(Increase)/decrease in deferred acquisition costs	3,291	(3,291)	—
Increase/(decrease) in creditors, accruals and deferred income	(5,559)	121	(5,438)
Movement in other assets/liabilities	—	3,503	3,503
Foreign exchange	—	(593)	(593)
Net cash flows from operating activities	**(1,752)**	**(530)**	**(2,282)**
Net cash flows from investment activities	**3,628**	**—**	**3,628**
Transfer to/from members in respect of underwriting participations	627	(627)	—
Collection of losses	—	801	801
Other	—	(221)	(221)
Net cash flows from financing activities	**627**	**(47)**	**580**
Total impact on net increase/(decrease) in cash and cash equivalents	**2,503**	**(577)**	**1,926**
Foreign exchange on cash and cash equivalents	—	593	593
Total impact on Cash and cash equivalents at the end of the year	**25,711**	**16**	**25,727**

19 Foreign exchange rates

The syndicate used the following exchange rates to translate foreign currency assets, liabilities, income and expenses into US dollars, being the syndicate's presentational currency:

	2024			2023		
	Start of period	Average	End of period	Start of period	Average	End of period
Sterling	0.80	0.78	0.78	0.82	0.81	0.80
Euro	0.93	0.92	0.95	0.95	0.93	0.93
US dollar	1.00	1.00	1.00	1.00	1.00	1.00
Canadian dollar	1.36	1.36	1.41	1.37	1.35	1.36

2022 underwriting year of account for Syndicate 6107

Managing agent's report

The syndicate underwriting year accounts have been prepared under the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 (the 'Lloyd's Regulations') and in accordance with the Syndicate Accounting Byelaw (No.9 of 2005), including Financial Reporting Standard 102 (FRS 102) and Insurance Contracts 103 (FRS 103) in accordance with the provisions of Schedule 3 of the Large and Medium-size Companies and Groups (Accounts and Reports) Regulations relating to insurance companies.

Members participate on a syndicate by reference to a year of account ('YOA') and each syndicate YOA is a separate annual venture. These accounts relate to the 2022 YOA which has been closed by reinsurance to close at 31 December 2024; consequently the balance sheet represents the assets and liabilities of the 2022 year of account and the profit or loss account reflects the transactions for that YOA during the 36 months period until closure. The 2022 closed YOA profit of $11.6m includes a reinsurance to close deficit from the 2021 YOA of $7.1m (note 6) primarily due to negative claims experience on the 2019 YOA. The profit on the 2022 YOA represents a return on capacity of 13.5% and includes the impact of personal members expenses of $0.3m. Return on capacity excluding these expenses would be 13.9%.

Principal activity

Please refer to the managing agent's report in the Syndicate 6107 annual accounts for details around the principal activities of the syndicate. In the 2022 YOA, the syndicate wrote only cyber and property reinsurance business.

Directors

A list of Directors of the managing agent who held office during the current year can be found on page 50 of this document.

Disclosure of information to the auditor

The Directors of the managing agent who held office at the date of approval of this managing agent's report 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 Ernst & Young LLP will therefore continue in office.

On behalf of the Board

C C J Wong

Chief Financial Officer

5 March 2025

Statement of managing agent's responsibilities

The Directors of the managing agent are responsible for preparing the syndicate underwriting year accounts in accordance with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and the Lloyd's Syndicate Accounting Byelaw. They have elected to prepare the accounts in accordance with 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 underwriting year accounts unless they are satisfied that they give a true and fair view of the result of the underwriting year at closure. In preparing these accounts, the Directors of the managing agent are required to:

- select suitable accounting policies and then apply them consistently and where there are items which affect more than one year of account, ensure a treatment which is equitable between the members of the syndicate affected is used;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts;
- assess the syndicate's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to cease trading, or have no realistic alternative but to do so. As explained in note 1 the Directors of the managing agent have not prepared the underwriting year accounts on a going concern basis.

The Directors of the managing agent are responsible for keeping adequate and proper 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 underwriting year accounts comply with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008. They are responsible for such internal control as they determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

On behalf of the Board

C C J Wong

Chief Financial Officer

5 March 2025

Independent auditor’s report to the members of Syndicate 6107 2022 closed year of account

Opinion

We have audited the syndicate underwriting year accounts for the 2022 year of account of Syndicate 6107 (‘the syndicate’) for the three years ended 31 December 2024 which comprise the Statement of Comprehensive Income, the Statement of Members’ Balances, Balance Sheet, the Statement of Cash Flows and the related notes 1 to 11, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” and FRS 103 “Insurance Contracts” (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the syndicate underwriting year accounts:

- give a true and fair view of the profit for the 2022 closed year of account;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of The Insurance Accounts Directive (Lloyd’s Syndicate and Aggregate Accounts) Regulations 2008 and have been properly prepared in accordance with the Lloyd’s Syndicate Accounting Byelaw (no. 8 of 2005).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the syndicate underwriting year accounts section of our report. We are independent of the syndicate in accordance with the ethical requirements that are relevant to our audit of the syndicate underwriting year accounts in the UK, including the FRC’s Ethical Standard as applied to other entities of public interest, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – closure of the 2022 year of account

We draw attention to the Note 1 which explains that the 2022 year of account of Syndicate 6107 has closed and all assets and liabilities transferred to the 2023 year of account by reinsurance to close at 31 December 2024.

As a result, the syndicate underwriting year accounts for the 2022 year of account of syndicate 6107 have been prepared under basis other than going concern.

Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the Underwriting Year report and accounts, other than the syndicate underwriting year accounts and our auditor’s report thereon. The managing agent is responsible for the other information contained within the Underwriting Year report and accounts.

Our opinion on the syndicate underwriting year accounts does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where The Lloyd's Syndicate Accounting Byelaw (no. 8 of 2005) requires us to report to you, if in our opinion:

- the managing agent in respect of the syndicate has not kept adequate accounting records; or
- the syndicate underwriting year accounts are not in agreement with the accounting records.

Responsibilities of the managing agent

As explained more fully in the Statement of Managing Agent's Responsibilities on page 37 , the managing agent is responsible for the preparation of the syndicate underwriting year accounts in accordance with The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and The Lloyd's Syndicate Accounting Byelaw (no. 8 of 2005) and for being satisfied that they give a true and fair view, and for such internal control as the managing agent determines is necessary to enable the preparation of the syndicate underwriting year accounts that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the syndicate underwriting year accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the managing agent and management.

Our approach was as follows:

- We obtained a general understanding of the legal and regulatory frameworks that are applicable to the syndicate and determined that the most significant are direct laws and regulations related to elements of Lloyd's Byelaws and Regulations, and the financial reporting framework (UKGAAP) and requirements referred to by Lloyd's in the Instructions. Our considerations of other laws and regulations that may have a material effect on the syndicate underwriting year accounts included permissions and supervisory requirements of Lloyd's of London, the Prudential Regulation Authority ('PRA') and the Financial Conduct Authority ('FCA').
- We obtained a general understanding of how the syndicate is complying with those frameworks by making enquiries of management, internal audit, and those responsible for legal and compliance matters of the syndicate. In assessing the effectiveness of the control environment, we also reviewed significant correspondence between the syndicate, Lloyd's of London and other UK regulatory bodies; reviewed minutes of the Board and Risk Committee of the managing agent; and gained an understanding of the managing agent's approach to governance.
- For direct laws and regulations, we considered the extent of compliance with those laws and regulations as part of our procedures on the related syndicate underwriting year accounts' items.
- For both direct and other laws and regulations, our procedures involved: making enquiries of the directors of the managing agent and senior management for their awareness of any non-compliance of laws or regulations, enquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees, enquiring about the managing agent's methods of enforcing and monitoring compliance with such policies, and inspecting significant correspondence with Lloyd's, the FCA and the PRA.
- The syndicate operates in the insurance industry which is a highly regulated environment. As such the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of specialists where appropriate.

Independent auditor's report to the members of Syndicate 6107 2022 closed year of account continued

- We assessed the susceptibility of the syndicate's underwriting year accounts to material misstatement, including how fraud might occur by considering the controls that the managing agent has established to address risks identified by the managing agent, or that otherwise seek to prevent, deter, or detect fraud. We also considered areas of significant judgement, complex transactions, performance targets, economic or external pressures and the impact these have on the control environment. Where this risk was considered to be higher, we performed audit procedures to address each identified fraud risk including,
  - Reviewing accounting estimates for evidence of management bias. Supported by our Actuaries we assessed if there were any indicators of management bias in the valuation of insurance liabilities and the recognition of estimated premium income.
  - Evaluating the business rationale for significant and/or unusual transactions.
- These procedures included testing manual journals and were designed to provide reasonable assurance that the syndicate underwriting year accounts were free from fraud or error.

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

Use of our report

This report is made solely to the syndicate's members, as a body, in accordance with The Lloyd's Syndicate Accounting Byelaw (no. 8 of 2005) and The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the syndicate's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the syndicate and the syndicate's members as a body, for our audit work, for this report, or for the opinions we have formed.

Niamh Byrne (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

5 March 2025

Profit or loss account

2022 year of account for the 36 months ended 31 December 2024

	Notes	2022 year of account $m
Gross premiums written		81.4
Outward reinsurance premiums		(0.8)
Earned premiums, net of reinsurance		**80.6**
Allocated investment return transferred from the non-technical account		4.5
Reinsurance to close premiums received, net of reinsurance	4	47.1
Investment return and reinsurance adjusted premium		**51.6**
Reinsurance to close premiums payable, net of reinsurance	5	(71.5)
Gross claims paid		(31.4)
Reinsurers' share		4.0
Claims incurred, net of reinsurance		**(98.9)**
Net operating expenses	7	(21.1)
Balance on the technical account		**12.2**
Loss on foreign exchange		(0.6)
Investment return		4.5
Allocated investment return transferred to the technical account		(4.5)
Profit for the 2022 closed YOA	6	**11.6**

Syndicate allocated capacity (£m)	67.4
Profit for the 2022 closed YOA (£m)	9.1
Return on capacity	13.5%

There are no recognised gains or losses in the accounting period other than those dealt with within the profit or loss account above.

Statement of changes in members' balances
for the 36 months ended 31 December 2024

	2022 year of account $m
Profit for the 2022 closed YOA	11.6
Amounts due to members at 31 December 2024	**11.6**

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

Balance sheet
closed at 31 December 2024

	Notes	2022 year of account $m
Assets		
Debtors	8	46.2
Reinsurance recoveries anticipated on gross reinsurance to close premiums payable to close the account	5	9.7
Cash at bank and in hand		36.2
Prepayments and accrued income		0.9
Total assets		**93.0**
Members' balances and liabilities		
Members' balances		
Amounts due from members	9	11.6
Liabilities		
Reinsurance to close premium payable to close the account – gross amount	5	80.3
Creditors	10	1.1
Total liabilities		**93.0**

The underwriting year accounts on pages 41 to 48 were approved by the Board of Directors on 5 March 2025 and were signed on its behalf by:

P J Bantick
Director

C C J Wong
Chief Financial Officer

Cash flow statement

2022 year of account for the 36 months ended 31 December 2024

	2022 year of account $m
Cash flows from operating activities	
Total comprehensive income for 2022 YOA	11.6
Increase in gross technical provisions	80.3
Increase in reinsurers' share of gross technical provisions	(9.7)
Increase in debtors	(46.2)
Movement in other assets/liabilities	(0.9)
Increase in creditors	1.1
Investment return	(4.5)
Foreign exchange	–
Net cash flow from operating activities	**31.7**
Cash flows from investing activities	
Investment income received	4.5
Net cash flow from investing activities	**4.5**
Cash flows from financing activities	
Net cash flow from financing activities	**–**
Net increase/(decrease) in cash and cash equivalents	**36.2**
Cash and cash equivalents at the beginning of the year 2022	–
Foreign exchange on cash and cash equivalents	–
Cash and cash equivalents at the end of the year 2022	**36.2**

Notes to the syndicate underwriting year accounts

closed at 31 December 2024

1 Accounting policies

Basis of preparation

These underwriting accounts have been prepared in accordance with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 ('the Regulations') and applicable Accounting Standards in the United Kingdom, including Financial Reporting Standard 102 (FRS 102) and Insurance Contracts (FRS 103). They have also been prepared in accordance with Lloyd's Syndicate Accounting Byelaw (N0.8 of 2005) and in accordance with the provisions of Schedule 3 of the Large and Medium-size Companies and Groups (Accounts and Reports) Regulations relating to insurance companies.

Whilst the Directors of the managing agent have a reasonable expectation that the syndicate has adequate resources to continue in operational existence for the foreseeable future, these financial statements represent the participation of members in the 2022 year of account ('YOA') which closed on 31 December 2024. The accumulated profits of the 2022 YOA will be distributed shortly after publication of these accounts. Therefore the 2022 YOA is not continuing to trade and, accordingly, the Directors have not adopted the going concern basis in the preparation of these accounts. The amounts reported would be identical if the accounts had been prepared on a going concern basis as the 2022 YOA will be closed by payment of a reinsurance to close premium, as outlined in note (a) below, which is consistent with the normal course of business for a Lloyd's syndicate and with the approach applied to earlier underwriting years.

The principal accounting policies applied in the preparation of these underwriting accounts are set out below. The policies have been consistently applied to all periods presented, unless otherwise stated. All amounts presented are stated in US dollars, being the syndicate's functional currency, and in millions, unless noted otherwise.

Underwriting transactions

(a) The underwriting accounts for each YOA are normally kept open for three years before the result on that year is determined. At the end of the three year period, outstanding liabilities can normally be determined with sufficient accuracy to permit the YOA to be closed by payment of a reinsurance to close premium to the successor YOA.

(b) Gross premiums are allocated to years of account on the basis of the inception date of the policy. Commission and brokerage are charged to the YOA to which the relevant policy is allocated. Policies written under binding authorities, lineslips or consortium arrangements are allocated to the YOA into which the arrangement incepts. Additional and return premiums follow the YOA of the original premium. Premiums in respect of reinsurance ceded are attributed to the same year as the original risk being protected. Gross premiums are stated before the deduction of brokerage, taxes and duties levied on them. Estimates are made for pipeline premiums, representing amounts due to the syndicate not yet notified.

(c) Gross claims paid are allocated to the same YOA as that to which the corresponding premiums are allocated and include internal and external claims settlement expenses. Reinsurance recoveries are allocated to the YOA to which the claim was charged.

(d) A provision for unexpired risks is made where claims, related expenses and deferred acquisition costs, likely to arise after the balance sheet date in respect of contracts relating to the closing YOA, are expected to exceed the unearned premiums and premiums receivable under these contracts, after the deduction of any acquisition costs deferred.

(e) The reinsurance to close premium is determined by reference to outstanding liabilities, including claims incurred but not yet reported, relating to the closed year and to all previous closed years reinsured therein. Although the estimate of net outstanding liabilities is considered to be fair and reasonable, it is implicit in the estimation procedure that the ultimate liabilities will be at variance from the premium so determined. The reinsurance to close premium includes a provision for unearned premiums and unexpired risks at the balance sheet date, net of deferred acquisition costs.

(f) Please refer to note 1 Accounting policies in the Syndicate 6107 annual accounts for details around measurement of insurance contracts.

Comparatives

(g) Comparatives are not provided in these syndicate underwriting year accounts as each syndicate YOA is a separate annual venture.

Investment return

(h) Investment return consists of the syndicates share of the host syndicate's investment return. The investment return is wholly allocated to the technical account.

Notes to the syndicate underwriting year accounts
closed at 31 December 2024 continued

1 Accounting policies continued
Syndicate operating expenses
(i) Acquisition costs comprise brokerage, premium levy, and staff related costs of the underwriters acquiring the business. Costs incurred by the managing agent in respect of the syndicate are charged to the syndicate. Where expenses do not relate to any specific YOA they are apportioned between years of account on a basis which reflects the benefit obtained by each YOA from each type of expense.

(j) Where expenses are incurred jointly by the managing agent and the syndicate, they are apportioned as follows:
- salaries and related costs – according to the staff time spent on dealing with syndicate matters;
- accommodation costs – proportioned based on the overall staff costs allocation above; and
- other costs – as appropriate in each case.

Taxation
(k) 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 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. It is the responsibility of members to agree and settle their individual tax liabilities with the Inland Revenue.

(l) No provision has been made for any US federal income tax payable on the underwriting results or investment earnings. Any payments on account made by the syndicate during the year have been included in the balance sheet under the heading 'other debtors'.

No provision has been made for any other overseas tax payable by members on underwriting results. Members resident overseas for tax purposes are responsible for agreeing and settling any tax liabilities with the taxation authorities of their country of residence.

Basis of currency translation
(m) The functional and presentational currency of the syndicate is US dollars. Non-USD denominated items going through the profit or loss account are translated to US dollars at the three years' average rates of exchange. Assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate at that date.

2 Risk management
The 2022 YOA has closed and all assets and liabilities have been transferred to a reinsuring YOA. The risks that it is exposed to in respect of the reported financial position and financial performance are significantly less than those relating to the open YOA's as disclosed in the syndicate annual accounts. Accordingly, these underwriting year accounts do not have associated risk disclosures as required by section 34 of FRS 102. Full disclosures relating to these risks are provided in the syndicate annual accounts.

3 Analysis of underwriting result
All business was concluded in the UK under one reinsurance contract. All risks relate to property (43%), digital (5%) and cyber (52%) business. This is calculated based off the syndicate's gross written premium.

4 Reinsurance to close premiums received

	2022 year of account $m
Gross reinsurance to close premiums received	70.8
Reinsurance recoveries anticipated	(23.7)
Reinsurance to close premiums received, from 2021 and earlier, net of reinsurance	**47.1**

5 Reinsurance to close premiums payable

	2022 year of account $m
Gross reinsurance to close premiums through profit and loss	81.5
Reinsurance recoveries anticipated through profit and loss	(10.0)
Foreign exchange	(0.9)
Reinsurance to close premiums payable to 2023 net of reinsurance	**70.6**

	Reported $m	IBNR $m	Total $m
Gross reinsurance to close premium payable	37.6	42.7	80.3
Reinsurance recoveries anticipated	1.4	(11.1)	(9.7)
Reinsurance to close premiums payable, net of reinsurance	**39.0**	**31.6**	**70.6**

6 Analysis of the 2022 year of account result

	2022 year of account $m
Amount attributable to business allocated to the 2022 year of account	18.7
Deficit on the reinsurance to close for the 2021 year of account	(7.1)
	11.6

7 Net operating expenses

	2022 year of account $m
Acquisition costs	10.0
Reinsurance commissions and profit participation	10.7
Administrative expenses	0.4
	21.1
Administrative expenses include:	
Audit services	0.1

8 Debtors

	2022 year of account $m
Debtors arising out of reinsurance operations	11.8
Amounts due from other syndicates	34.4
	46.2

These balances are due within one year.

Notes to the syndicate underwriting year accounts
closed at 31 December 2024 continued

9 Amounts due to members

	2022 year of account $m
Profit for the 2022 closed YOA before standard personal expenses	11.9
Members standard personal expenses	(0.3)
Amounts due to members at 31 December 2024	**11.6**

10 Creditors
Amounts due to other creditors including taxation for 2022 YOA were $1.1m, which relate to "creditors arising out of direct insurance operations" in the year. In this balance is a receivable from Beazley Management Limited ('BML') of 0.4m. Balances are payable within one year.

11 Related parties transactions
Please refer to page 31 of the syndicate annual accounts for further details of related party transactions for the 2022 YOA.

The business written by Syndicate 6107 is ceded from syndicates 2623 and 623, for which Syndicate 6107 pays an overrider commission and a profit commission. The profit commission payable and the overrider commission are included within operating expenses and are disclosed in note 7. As at the balance sheet date, the 2022 YOA has a receivable from BML of $0.4m, and this is included in other creditors, disclosed within note 10. BML provides services to the managing agent, and by extension, to the syndicate.

The intercompany positions with other syndicates managed by BFL at 31 December 2024 are disclosed above in note 9 of the syndicate annual accounts.

All transactions between the syndicate and companies within the Beazley Group are conducted on normal market terms.
BFL as the managing agent of the syndicate is responsible for settling intercompany balances with other managed syndicates and net amounts due to/from other related entities.

BFL, the managing agent of Syndicate 6107, is a wholly-owned indirect subsidiary of Beazley plc.

Seven-year summary of closed year results (unaudited)

at 31 December 2024

	2022	2021	2020	2019	2018	2017	2016
Syndicate allocated capacity – £'m	67.4	70.5	69.5	67.6	55.1	46.6	28.6
Syndicate allocated capacity – $'m	93.1	87.4	88.3	89.3	71.6	62.4	44.9
Capacity utilised	76%	98%	85%	72%	83%	84%	87%
Aggregate net premiums – $'m	70.5	85.2	75.0	55.0	43.8	45.1	32.3
Underwriting profit as a percentage of gross premiums	26.2%	23.7%	8.8%	36.1%	(9.3%)	(26.2%)	43.6%
Return on capacity	13.5%	30.8%	(1.0)%	16.9%	(8.9%)	(27.9%)	33.3%
Results for an illustrative £10,000 share							
Gross premiums – $'000s	10.6	14.4	10.8	9.5	10.7	11.8	11.3
Net premiums	10.5	12.1	9.2	8.1	7.9	9.7	11.3
Reinsurance to close from an earlier account	7.0	6.0	4.5	4.0	3.7	1.7	1.9
Net claims	(4.1)	(6.1)	(6.6)	(4.0)	(7.9)	(9.9)	(4.4)
Reinsurance to close the year of account	(10.6)	(6.7)	(6.2)	(4.7)	(4.8)	(4.4)	(2.9)
Underwriting profit/(loss)	2.8	5.3	0.9	3.4	(1.0)	(3.0)	5.9
Profit/(loss) on foreign exchange	(0.1)	0.1	0.1	–	0.4	–	–
Syndicate operating expenses	(1.6)	(1.9)	(1.2)	(1.3)	(0.9)	(0.9)	(0.1)
Balance on technical account	1.1	3.5	(0.2)	2.1	(1.6)	(3.9)	5.8
Gross investment return	0.6	0.4	0.1	0.1	0.4	0.3	0.6
Profit/(loss) before personal expenses	1.7	3.9	(0.1)	2.2	(1.2)	(3.6)	6.4
Illustrative personal expenses							
Illustrative personal expenses	—	—	—	—	—	—	(0.1)
Managing agent's profit commission	—	—	—	—	—	—	(2.0)
Profit/(loss) after illustrative profit commission and personal expenses ($)	1.7	3.9	(0.1)	2.2	(1.2)	(3.6)	4.3
Profit/(loss) after illustrative profit commission and personal expenses (£)	1.4	3.1	(0.1)	1.7	(0.9)	(2.8)	3.3

Notes:
1 The illustrative profit commission and personal expenses are estimates of amounts which might be charged on an illustrative share of £10,000. The agency agreements for 1991 and subsequent years of account only provide for the deduction of fees and profit commission on behalf of the managing agent.
2 The effect of any minimum charges on personal expenses or deficit clauses on profit commission have been ignored.
3 Internal claims settlement expenses have been included in 'net claims'.
4 The above figures are stated before members' agents' fees.
5 Profit after illustrative profit commission and personal expenses is shown in dollars and converted to sterling at the closing rate.
6 Gross and net premium amounts shown above are net of brokerage expenses.
7 The summary of closed years results are on a 'pure year' basis.

Managing agent's corporate information

Beazley Furlonge Limited has been the managing agent of Syndicate 6107 throughout the period covered by this report and the registered office is 22 Bishopsgate, London, EC2N 4BQ, United Kingdom.

Directors

R A Stuchbery* - Chair
A P Cox - Chief Executive Officer and Active Underwriter
G P Blunden* - (resigned 31/03/2024)
C C R Bannister* - (resigned 31/03/2024)
A J Reizenstein*
N Walll*
L Santori*
R S Anarfi
R J Clark* - (appointed 23/05/2024)
P J Bantick - (appointed 07/06/2024)
C C J Wong - (appointed 17/09/2024)
S M Lake - (resigned 30/06/2024)
R E Quane - (resigned 04/10/2024)

* Non-Executive Director.

Company secretary

R Yeoman

Managing agent's registered office

22 Bishopsgate
London
EC2N 4BQ
United Kingdom

Registered number

01893407

Auditor

Ernst & Young LLP
25 Churchill Place
London
E14 5EY

Banker

Deutsche Bank AG
Winchester House
London
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Syndicate 6107
annual report 2024

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and so it continues...

beazley