

SYNDICATE 6133

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

Syndicate 6133

Key performance indicators

Annual basis	2023	2022
	\$'m	\$'m
Gross premium written	0.6	(0.8)
Net premium written	1.2	(7.0)
Net premium earned	1.2	1.1
Profit for the financial year	2.9	3.0

Highlights:

- Apollo Syndicate 6133 recorded a profit of \$2.9m on an annual accounting basis, reflecting the contribution to earned profit of the 2021 year of account during the 2023 calendar year.
- The 2021 year of account is closing at a profit of 6.5% on stamp capacity of \$80.6m (£65m).
- With effect from 31 December 2023 the syndicate entered into a reinsurance to close transaction with Syndicate 1969 covering the syndicate's remaining liabilities. Syndicate 6133, therefore, ceased to exist from this date.

Syndicate 6133

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Syndicate 6133

Directors and administration

Managing agent

Apollo Syndicate Management Limited

Registered office

One Bishopsgate
London
EC2N 3AQ

Company registration number

09181578

Company secretary

PC Bowden

Directors

AC Winther	(Non-Executive Chair)
FA Buckley	(Non-Executive Director)
SR Davies	(Non-Executive Director)
SE Hill	(Non-Executive Director)
MP Hudson	(Non-Executive Director)
DCB Ibeson	(Chief Executive Officer)
VVV Mistry	
JR Slaughter	

Active Underwriter

NG Jones

Registered Auditor

Deloitte LLP
Statutory Auditor
2 New Street Square
London
EC4A 3BZ

Syndicate 6133

Report of the directors of the managing agent

The directors of the managing agent (together, “the Board”) present their audited report, which incorporates the strategic review, for Syndicate 6133 (“the syndicate”) for the year ended 31 December 2023.

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 (“Lloyd’s Regulations 2008”) and applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (“FRS102”) and Financial Reporting Standard 103: Insurance Contracts (“FRS103”).

Underwriting year accounts for the closed 2021 account of Syndicate 6133 are included following these annual accounts.

Principal activity

This report covers the business of Syndicate 6133, which was established for the 2018 year of account as a Special Purpose Arrangement (“SPA”). The syndicate ceased underwriting with effect from 31 December 2021 and has been in run-off. With effect from 31 December 2022 the syndicate entered a reinsurance to close transaction with Syndicate 1969 on the 2020 and prior years of account, leaving the 2021 year of account as the sole remaining business of the syndicate. At 31 December 2023 the syndicate entered into a reinsurance to close transaction with Syndicate 1969, thus transferring the remaining syndicate liabilities, and Syndicate 6133 ceased to exist from this date. Prior to this, the principal activity of the syndicate was to underwrite a quota share reinsurance of Syndicate 1969 in respect of its Property Treaty class of business. A single inwards policy was written for each year of account.

The quota share contract with Syndicate 1969 operated on a funds withheld basis. Under this arrangement all transactions were undertaken by Syndicate 1969 on behalf of the syndicate, and Syndicate 1969 retains the accumulation of net cash flows until closure of the year, when the declared result is remitted to, or collected from, members. Investment income arising on the business is allocated to the funds withheld balance.

Syndicate 6133 traded through the Society of Lloyd’s (“Lloyd’s”) worldwide licenses and rating and had the benefit of the Lloyd’s brand. Lloyd’s has an A (Excellent) rating from A.M. Best, A+ (Strong) from Standard & Poor’s and AA- (Very Strong) from Fitch.

The syndicate’s capacity for the 2021 year of account was £65.0m (\$80.6m at the Lloyd’s planning rate of \$1.24).

Apollo Syndicate Management Limited (“ASML”) is approved as a managing agency at Lloyd’s and is authorised by the Prudential Regulation Authority (“PRA”). ASML is regulated by the Financial Conduct Authority (“FCA”) and the PRA.

Review of the business

The SPA Syndicate 6133 commenced underwriting for the 2018 year of account, writing US and International Property Treaty business. Its business was written by way of a 90% quota share reinsurance of the Property Treaty class written by Syndicate 1969, which retained 10% of the risks.

A strategic partnership was entered into with Ariel Re, backed by Pelican Ventures and JC Flowers, who provided 75% of the syndicate’s capacity for the 2021 year of account. In line with the changing capital support the operating model for the syndicate was revised, with business written through two Ariel Re owned cover holders. Premiums and claims were processed by the Ariel Re cover holders under agreements whereby the syndicate pays the cover holders a fee for their services. The Ariel Re cover holders also underwrite business for Ariel Re’s Syndicate 1910, which is managed by Argo Managing Agency Limited. Strict controls were in place to manage any potential conflicts of interest between the two syndicates.

Reinsurance with Syndicate 1910 was put in place to cede the unexpired risk from 1 January 2022. The rationale for ASML and members of the syndicate was to transfer the risk associated with events after that date, thereby reducing volatility of the result and capital required by members to support Syndicate 6133. Ariel Re is a capital backer of both Syndicate 1910 and Syndicate 6133.

Syndicate 6133

Report of the directors of the managing agent

Results

ASML uses the key performance indicators shown in the table below, to measure the performance of the syndicate against its objectives and overall strategy. These indicators are assessed against plan and prior year outcomes and are subject to regular review.

The syndicate predominantly writes business denominated in US Dollars and therefore reports in that currency. This aids comparability between years and reduces volatility in the reported results caused by foreign currency exchange rates.

	2023 \$'m	2022 \$'m
Gross premium written	0.6	(0.8)
Net premium written	1.2	(7.0)
Net premium earned	1.2	1.1
Profit for the financial year	2.9	3.0

2023 calendar year result

The result for the 2023 calendar year is a profit of \$2.9m (2022: profit of \$3.0m). The 2023 calendar year result is the performance during the year of the 2021 open year of account. The 2020 and prior years of account have been reinsured to close by Syndicate 1969 and, therefore, the 2023 calendar year result for syndicate 6133 does not reflect any movements on these prior years of account.

The 2023 calendar year result has benefited from the outwards excess of loss retrocession purchased for the 2021 year of account, which has materially reduced the net exposure to losses from events occurring after 1 January 2022. In 2021, the syndicate was exposed to losses from Hurricane Ida, Texas Winter Storm and the Quad State tornadoes. Loss estimates for these events have remained stable during the 2023 calendar year.

No live risks remain on the 2021 year of account at the end of the 2023 calendar year. Therefore, the gross premium and corresponding reinsurance premium are fully earned.

Investment performance

The syndicate received an allocation of the investment income of \$1.2m (2022: investment loss \$0.2m) from Syndicate 1969. This represents the investment income attributable to business undertaken by Syndicate 1969 on behalf of the syndicate.

Capital

ASML assesses the syndicate's capital requirements through the use of Lloyd's Standard Model (LSM). The ultimate Solvency Capital Requirement ("SCR") is subject to an uplift determined by Lloyd's based on its assessment of the economic capital requirements for the Lloyd's market in total. The SCR together with the Lloyds' uplift is referred to as the Economic Capital Assessment ("ECA"). The syndicate ceased underwriting at the end of 2021 and hence has no approved capacity. The ECA for the 2023 calendar year was calculated to be £21.2m, with the overall level of solvency capital reducing as reserves ran off through the year. For 2024 all remaining liabilities have been transferred to Syndicate 1969 through a reinsurance to close.

Lloyd's unique capital structure provides excellent financial security to policyholders and capital efficiency for members. The Lloyd's chain of security underlies the financial strength that ultimately backs insurance policies written at Lloyd's and has three links:

1. All premiums received by syndicates are held in trust as the first resource for settling policyholders' claims;
2. Every member is required to hold capital in trust funds at Lloyd's which are known as Funds at Lloyd's ("FAL"). FAL is intended primarily to cover circumstances where syndicate assets are insufficient to meet participating members' underwriting liabilities. FAL is set with reference to the ECAs of the syndicates that the member participates on. Since member FAL is not under the control of the managing agent, it is not shown in the syndicate accounts. The managing agent is, however, able to make a call on members' FAL to meet liquidity requirements or to settle underwriting losses if required; and

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Report of the directors of the managing agent

- Lloyd's central assets are available at the discretion of the Council of Lloyd's to meet any valid claim that cannot be met through the resources of any member further up the chain. Lloyd's also retains the right to request a callable contribution equal to 5% of members' capacity on the syndicate.

Principal risks and uncertainties

ASML has established an Enterprise Risk Management ("ERM") function for the syndicate with clear terms of reference from the ASML Board and its committees. The ASML Board and its committees review and approve the risk management policies and meet regularly to approve any commercial, regulatory and organisational requirements of these policies.

As the SPA no longer accepts live underwriting business, the risk profile reflects that of a run-off syndicate.

The ERM function is responsible for maintaining the syndicate's Own Risk and Solvency Assessment ("ORSA") processes and provides regular updates to the Board. The syndicate ORSA report is approved by the Board annually. No ORSA report will be required during the 2024 calendar year.

ASML recognises that the syndicate's business was to accept risk which was appropriate to enable it to meet its objectives and that it is not realistic or possible to eliminate risk entirely. The syndicate shared all the risks associated with the Property Treaty business written by Syndicate 1969 under the quota share contract and the funds withheld arrangement including those associated with the assets and liabilities that arose. The principal risks and uncertainties facing the syndicate have been identified as insurance (predominantly reserving) risk, and financial risk (comprising credit risk, liquidity risk and market/investment risk). The risk culture of the business is Board led, with any new initiatives requiring an objective risk assessment and opinion prior to approval.

Insurance risk refers to fluctuations in the timing, frequency and severity of insured events, relative to expectations at the time of underwriting. It comprises premium risk and reserving risk. Given that no new risks have been written since the 2021 underwriting year, the level of live premium risk is minimal. On a quarterly basis the Reserving Committee and Audit Committee provide oversight of the development and run-off of the existing reserves.

Regulatory risk is financial loss or inability to conduct normal business activities owing to a breach of regulatory requirements or failure to respond to regulatory change. ASML is a regulated entity and therefore is required to comply with the requirements of the PRA, FCA and Lloyd's. Lloyd's requirements include those imposed on the Lloyd's market by overseas regulators. ASML ensures that there is an appropriate level of skilled resources in place to meet its regulatory obligations, including compliance, risk management and internal audit functions.

Financial risk for the syndicate covers all risks related to financial investment and the ability to pay creditors, and includes credit risk, liquidity risk and market risk elements. In relation to assets held, an investment mandate reflecting the syndicate's risk appetite is in place and has been approved by the Board. Compliance with this is controlled through the investment manager's systems and monitored through the Investment and Treasury Oversight Group.

Credit risk is the risk of financial loss to the syndicate if a counterparty to a financial instrument or a reinsurance agreement fails to discharge a contractual obligation. ASML manages credit risk by placing limits on exposure to a single counterparty by reference to the credit rating of the counterparty. On a quarterly basis the Finance Committee reviews credit exposures and reinsurance security with further oversight provided by the Board and Audit Committee.

Liquidity risk is the risk that the syndicate's assets are insufficient to fund the obligations arising from financial liabilities as they fall due.

Market risk is the risk that the fair value of future cash flows of an asset will fluctuate because of changes in market prices, excluding those that are caused by credit downgrades. The use of financial derivatives is governed by ASML's risk management policies and ASML does not use such instruments for speculative purposes. The Board has agreed key risk indicators and approved the corresponding risk appetite for each measure.

A quantitative analysis of the risks set out above is included in note 4 to the annual accounts. A traffic light indicator is used for monitoring current levels of risk based upon agreed thresholds and tolerances.

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Report of the directors of the managing agent

Emerging risks

An emerging risk is defined as a risk that is new, unforeseen, or unfamiliar. It may result from new or increased exposure that could pose both as an opportunity or threat to the existing business risk appetite or tolerance.

As the syndicate no longer accepts new business and is in the process of concluding the orderly run-off of the 2021 year of account, the level of emerging risk the syndicate is exposed to is relatively minimal. The ASML emerging risk processes have continued to incorporate the syndicate during 2023.

Some of the key emerging and emerged risks managed by ASML during 2023 are:

Inflation and macro-economic volatility

The relatively high inflationary environment experienced during 2023 introduced a level of uncertainty within the business. An understanding of the impact of inflation (with the specific drivers, economic or legal awards) is important across multiple areas of the syndicate's business activities, including reserving, pricing, underwriting (contract structure for example), business planning and capital modelling.

The most common ways that inflation impacts insurance is through claims inflation and exposure inflation. ASML considers multiple potential drivers of inflation (economic, medical, materials, court award/ litigation, fraud and social inflation) and these factors are considered by stakeholders and subject-matter experts from across the business twice annually. Within the context of the treaty exposures, this is a limited risk for the syndicate.

Climate change

Climate change remains a key area of focus and the syndicate is committed to working with its insureds and the industry to transition to a more sustainable future. The syndicate was mindful of the impact of what it does and the need to underwrite responsibly, consistent with the syndicate's overall approach to environmental, social, and governance ("ESG").

The financial risks of climate change include physical, transition and liability risks. As the syndicate no longer writes new business, and the existing business is several years mature, the level of exposure to physical and transition risks is relatively limited. As climate litigation evolves there could be some exposure to climate risk impacting existing assets and for climate litigation to impact older claims. However, given the maturity of the syndicate, and the fact that the underlying risks are property related, the risk is relatively small.

Management of climate change-related risks is shared amongst several executives and ASML's Chief Risk Officer has been given the responsibility for continuing to advise the Board on the management of the financial risks of climate change through the ASML Board Risk Committee. ASML has incorporated climate risk within its existing ERM structures, including the addition of climate-related sub-risks which are assessed via the quarterly risk and control self-assessment processes. The ERM team regularly reports to the Risk Committee in relation to performance relative to regulatory expectations.

Corporate governance

The ASML Board is chaired by Angus Winther, who is supported by four further non-executive directors and all except Stuart Davies are independent. Julian Cusack and Anthony Hulse resigned from the Board on 30 August 2023 and 7 November 2023 respectively. The Board thanks Julian and Anthony for their years of dedicated service and contribution to building Apollo. Angus Winther was appointed as a Non-Executive director and Chair on 30 August 2023. David Ibeson is the Chief Executive Officer and there were five further executive directors as at 31 December 2023. James MacDiarmid, Hayley Spink and Simon White resigned from the Board effective 1 January 2024. The Board thanks James, Hayley and Simon for their input and insights over their tenures and notes that they will remain on the ASML Executive Committee reporting into the Board. Taryn McHarg, the Apollo Group Chief Financial Officer, was appointed an executive director by the Board on 1 January 2024, although this appointment is pending regulatory approval.

Defined operational and management structures are in place and terms of reference exist for all Board and executive committees.

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Report of the directors of the managing agent

The ASML Board meets at least four times a year and more frequently when business needs require. The Board has a schedule of matters reserved for its decision and is supported by the Audit Committee, the Risk Committee and the Remuneration and Nominations Committee. These supporting committees are comprised of non-executive directors and with the exception of Stuart Davies, all members of the Audit Committee and Risk Committee are independent. All members of the Remuneration and Nominations Committee are independent.

Section 172 statement

The directors adopt the responsibilities to promote the success of the syndicate as if s172 of the Companies Act 2006 were applicable and have acted in accordance with these responsibilities during the year. The Board has identified the following key stakeholders: capital providers to the managed syndicates, employees, the shareholder of ASML, Lloyd's, regulators, policyholders and brokers.

Throughout the year the Board considered the wider impact of strategic and operational decisions on its stakeholders. Examples include the development and execution of the business plans for the syndicate; the assessment and raising of capital; communications with capital providers; and changes to Board composition. The Board considers that the interests of all stakeholders were aligned for these decisions.

The support and engagement of capital providers of the syndicate is imperative to the operation of our business. We have regular meetings with capital providers and members' agents throughout the year to discuss the performance and prospects for the syndicate.

We maintain open and transparent relationships with our regulators and Lloyd's, with these relationships being managed through our compliance team. Regular meetings are held with representatives of Lloyd's and the PRA and significant regulatory engagements are reported to the Board.

Apollo's stated purpose is "Enabling a resilient and sustainable world". Through 2023 we continued our work to develop and document our ESG principles and standards and assess our current business model against these standards. There is a defined referral process for underwriting risks to adhere to our ESG appetite and manage potential reputational risk. ESG considerations are integrated into the design of the investment strategy and asset allocation decisions, and ongoing attention given to staff engagement, particularly around Diversity, Equity & Inclusion ("DEI"). Further work on ESG activities will continue through 2024.

We have put in place arrangements to assist in managing the financial risks and opportunities associated with the effects of climate change and to ensure adequate oversight and control of this area in relation to underwriting, reserving, investment management and operations. The business meets the requirements for PRA Supervisory Statement 3/19. Whilst the Chief Risk Officer retains overall accountability for coordinating the approach to managing the risks within ASML, the responsibility is allocated to relevant managers of each business area. Further developments to ensure appropriate management of these risks and opportunities will continue through 2024.

Staff matters

ASML's people are a key asset and their attraction, retention and development are fundamental to the success of the business. The syndicate commits to positive employee engagement through effective communication, recognition, development opportunities and a continued focus on DEI and mental wellbeing.

ASML acts as a single team where employees have mutual respect and enjoy working in a collaborative, hybrid environment. Our shared values enable a strong "speak up" and "no blame" culture and relevant channels allow employees to raise concerns ensuring a safe and supportive environment that complies with relevant legislation. Compensation, benefits and terms offered to employees as part of their overall remuneration package remain competitive with the London Market insurance industry and employees are provided with opportunities to develop their skills, capabilities and careers whilst at ASML.

Business operations

ASML maintains a lean, efficient operating model utilising technology and outsourcing arrangements enabling flexibility and scalability to meet the demands of the business. We continue to invest in resources across the business in order to ensure that there is an effective operating model and robust three lines of defence model.

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Report of the directors of the managing agent

Lloyd's Market Blueprint Two initiatives offer several processing efficiency gains for the market, and we believe we are well positioned to adopt the new digital services to maximise the benefit to ASML, its syndicates and its capital providers.

ASML continues to successfully maintain a hybrid working environment with all employees able to work effectively, both remotely and from the office, with suitable access to business systems.

Aligned with the FCA's and PRA's Operational Resilience and Third-Party Oversight policies, Apollo maintains a disciplined approach to our operational resilience. We continue to focus on ensuring we maintain robust and resilient plans to prevent, adapt, respond and recover from operational disruptions with the primary objective to protect our customers and the integrity of our business.

Environmental, Social and Governance

During 2022 ASML published its first Board approved ESG strategy on its website and an update to the strategy was approved in August 2023. The ESG strategy covers a variety of internal and external targets and aligns with the Apollo vision statement as well as Apollo's purpose; "Enabling a resilient and sustainable world".

The ASML Board drives the overall ESG strategy. The Board and Executive are actively engaged in embedding ESG considerations throughout the governance structures within ASML. ASML's ESG Committee, which reports directly to the Executive Committee, coordinates the majority of ESG-related activities within ASML. It seeks to identify areas of improvement as well as to ensure progress against the ESG strategy set by the Board.

From an environmental perspective ASML is committed to a long-term sustainable approach to protecting the environment, as well as socially responsible underwriting and sustainable investing. This now includes specific ESG related underwriting risk and investment appetites which were implemented during 2022 and a public commitment to be, in the short term, carbon neutral for emissions that are within ASML's control (for Scope 1 & 2 emissions). ASML is also seeking to support clients and partners as they transition to a low carbon sustainable economy.

At Apollo our people are at the heart of everything we do, and we are committed to creating a diverse and inclusive workplace, one where difference is celebrated and everyone is welcome, included and can thrive. ASML operates a zero-tolerance policy to bullying and harassment and all forms of discrimination. This includes, but is not limited to, all of the protected characteristics of the Equality Act of 2010 as well as neurodiversity, parental and caring responsibilities, socio-economic status and working patterns.

ASML provides staff with DEI training including inclusive hiring manager training and inclusive leadership training. ASML sponsors and supports six Lloyd's market inclusion networks and has nominated "Inclusion Champions" who each represent ASML and provide links back to the business. All employees are given access to mental health and wellbeing tools via an independent partner organisation.

ASML monitors various ESG metrics across multiple business areas. These include carbon emission data across scopes 1, 2 and some elements of 3 (scope 1 & 2 emissions are those directly produced by ASML and scope 3 are indirect emissions) as well as recycling, gender and racial diversity information, employee satisfaction and governance metrics. This information will be utilised over time to ensure ASML makes progress with its broader ESG Strategy.

From a gender perspective, the ratio of female to male Board directors is 27%:73% at year-end 2023 (25%:75% at year-end 2022). Following the recent changes to the Board in 2024 the ratio of female to male Board directors is 33%:67%. For the Executive Committee and direct reports (excluding executive assistants) the ratio is 32%:68% at Q4 2023 (2022: 27%:73%). Within the overall business the ratio of female to male employees is 40%:59%, 1% prefer not to say (2022: 35%:65%).

ASML will continue to develop its ESG strategy in 2024 with the assistance of external specialists, ensuring ESG remains integral to our purpose and values.

Directors and directors' interests

The directors who held office at the date of signing this report are shown on page 2. Directors' interests are shown in note 14 as part of the related parties note to the accounts.

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Report of the directors of the managing agent

Annual General Meeting

The directors do not propose to hold an Annual General Meeting for the syndicate. If any members' agent or direct corporate supporter of the syndicate wishes to meet with them the directors are happy to do so.

Disclosure of information to the auditor

Each person who is a director of the managing agent at the date of approving this report confirms that:

- so far as the director is 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 in order to make themselves aware of any relevant audit information and to establish that the syndicate's auditor is aware of that information.

Auditors

Following the completion of the reinsurance to close transaction and the closure of the syndicate, Deloitte LLP will resign as the syndicate's auditors.

Going concern

Following the closure of the last open year of account at 31 December 2023 into Syndicate 1969, the syndicate ceased to exist. Accordingly, the financial statements have been prepared on a basis other than going concern. Given that this closure was in the ordinary course of business and on an arm's length basis no adjustments are required to the carrying values of the syndicate's assets or liabilities at 31 December 2023.

I would like to take this opportunity to thank our staff for their hard work and commitment to the business during the last year.

Approved by the Board.



DCB Ibeson
Chief Executive Officer
26 February 2024

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Statement of managing agent's responsibilities

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

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

In preparing the syndicate annual accounts, the managing agent is required to:

- 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 notes to the syndicate annual accounts; and
- prepare the syndicate annual accounts on the basis that the syndicate will continue to write future business unless it is inappropriate to presume that the syndicate will do so.

The managing agent is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the syndicate and enable it to ensure that the syndicate annual accounts comply with the 2008 Regulations. It is also responsible for safeguarding the assets of the syndicate and hence for taking reasonable steps for prevention and detection of fraud and other irregularities.

Legislation in the UK governing the preparation and dissemination of annual accounts may differ from legislation in other jurisdictions.

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Independent auditor's report to the members of Syndicate 6133

Report on the audit of the syndicate annual financial statements

Opinion

In our opinion the syndicate annual financial statements of Syndicate 6133 (the 'syndicate'):

- Give a true and fair view of the state of the syndicate's affairs as at 31 December 2023 and of its profit for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- Have been prepared in accordance with the requirements of The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008.

We have audited the syndicate annual financial statements which comprise:

- The profit and loss account;
- The statement of changes in members' balances;
- The balance sheet;
- The statement of cash flows; and
- The related notes to the annual accounts 1 to 15.

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

Basis for opinion

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

Emphasis of matter – Financial statements prepared other than on a going concern basis

We draw attention to note 1 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our report is not modified in respect of this matter.

Other information

The other information comprises the information included in the Annual Report and Accounts ("annual report"), other than the syndicate annual financial statements and our auditor's report thereon. The managing agent is responsible for the other information contained within the annual report. Our opinion on the syndicate annual financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the syndicate annual financial statements 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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Independent auditor's report to the members of Syndicate 6133

Responsibilities of managing agent

As explained more fully in the statement of managing agent's responsibilities, the managing agent is responsible for the preparation of the syndicate annual financial statements 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 syndicate annual financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the syndicate annual financial statements

Our objectives are to obtain reasonable assurance about whether the syndicate annual financial statements 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 financial statements.

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

Extent to which 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the syndicate and its control environment, and reviewed the syndicate's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the syndicate operates in, and identified the key laws and regulations that:

- Had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and the Lloyd's Syndicate Accounting Byelaw (no. 8 of 2005); and
- Do not have a direct effect on the specified forms of the financial statements but compliance with which may be fundamental to the syndicate's ability to operate or to avoid a material penalty. These included the requirements of Solvency II.

We discussed among the audit engagement team including actuarial specialists and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address them are described below:

- Valuation of technical provisions, and specifically IBNR, includes assumptions and methodology requiring significant management judgement and involves complex calculations, and therefore there is potential for management bias. There is also a risk of overriding controls by making late adjustments to the technical provisions. In response to these risks we involved our actuarial specialists to develop independent estimates of the technical provisions and we tested the late journal entries to technical provisions.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

Syndicate 6133

Independent auditor's report to the members of Syndicate 6133

In addition to the above, our procedures to respond to the risks identified included the following:

- Reviewing the financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports, and reviewing correspondence with Lloyd's.

Report on other legal and regulatory requirements

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 report of the directors of the managing agent for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The report of the directors of the managing agent has been prepared in accordance with applicable legal requirements.

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 any material misstatements in the report of the directors of the managing agent.

Matters on which we are required to report by exception

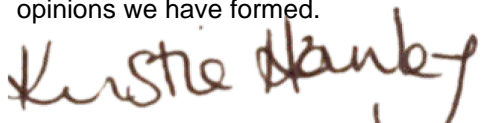
Under The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 we are required to report in respect of the following matters if, in our opinion:

- The managing agent in respect of the syndicate has not kept adequate accounting records; or
- The syndicate annual financial statements are not in agreement with the accounting records; or
- We have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the syndicate's members, as a body, in accordance with regulation 10 of 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's members as a body, for our audit work, for this report, or for the opinions we have formed.



Kirstie Hanley (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
26 February 2024

Syndicate 6133

Profit and loss account for the year ended 31 December 2023

Technical account – general business	Notes	2023 \$'000	2022 \$'000
Gross premiums written	4	589	(803)
Outward reinsurance premiums		625	(6,233)
Net premiums written		1,214	(7,036)
Change in the provision for unearned premiums:			
Gross amount		-	8,156
Reinsurers' share		-	-
Change in the net provision for unearned premiums		-	8,156
Earned premiums, net of reinsurance		1,214	1,120
Allocated investment return transferred from the non-technical account	11	1,190	(180)
Claims paid			
Gross amount		(27,747)	(36,498)
Reinsurers' share		11,621	12,390
Net claims paid		(16,126)	(24,108)
Change in the provision for claims			
Gross amount	6	29,601	29,060
Reinsurers' share	6	(12,621)	(3,387)
Change in the net provision for claims		16,980	25,673
Claims incurred, net of reinsurance		854	1,565
Net operating expenses	7	(370)	(942)
Balance on the technical account - general business		2,888	1,563

All operations relate to discontinued activities.

The notes on pages 18 to 34 form an integral part of these annual accounts.

Syndicate 6133

Profit and loss account for the year ended 31 December 2023

Non-technical account	Notes	2023 \$'000	2022 \$'000
Balance on the technical account - general business		2,888	1,563
Investment income	11	1,190	(180)
Allocated investment return transferred to the technical account - general business		(1,190)	180
(Loss) / Profit on foreign exchange		(16)	1,455
Profit for the financial year		2,872	3,018

There were no amounts recognised in other comprehensive income in the current year other than those included in the profit and loss account.

Statement of changes in members' balances for the year ended 31 December 2023

	2023 \$'000	2022 \$'000
Members' balances brought forward at 1 January	(25,233)	(33,610)
Profit for the financial year	2,872	3,018
Transfer from members' personal reserve fund	27,767	5,350
Members' agents' fees	(1)	9
Members' balances carried forward at 31 December	5,405	(25,233)

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

Syndicate 6133

Balance sheet as at 31 December 2023

Assets	Notes	2023 \$'000	2022 \$'000
Reinsurers' share of technical provisions			
Claims outstanding	6	457	13,070
Debtors			
Other debtors	12	12,138	2,960
Total assets		12,595	16,030
Liabilities			
Capital and reserves			
Members' balances		5,405	(25,233)
Technical provisions			
Claims outstanding	6	6,244	35,830
Creditors			
Other creditors	13	-	4,886
Accruals and deferred income		946	547
Total liabilities		7,190	41,263
Total liabilities and members' balances		12,595	16,030

The annual accounts on pages 14 to 34 were approved by the Board of Apollo Syndicate Management Limited and were signed on its behalf by:



DCB Ibeson
Chief Executive Officer
26 February 2024

Syndicate 6133

Statement of cash flows for the year ended 31 December 2023

	Notes	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Operating profit for the financial year		2,872	3,018
Adjustments for:			
Decrease in gross technical provisions		(29,586)	(38,060)
Decrease in reinsurers' share of technical provisions		12,613	3,394
(Increase)/Decrease in debtors		(7,988)	19,479
(Decrease)/Increase in creditors		(4,886)	4,886
Decrease in other assets/liabilities		399	1,744
Investment return		(1,190)	180
Net cash outflow from operating activities		(27,766)	(5,359)
Cash flows from investing activities			
Investment income		-	-
Net cash (outflow)/inflow from investing activities		-	-
Cash flows from financing activities			
Transfer from members in respect of underwriting participations		27,767	5,350
Members' agents' fees paid on behalf of members		(1)	9
Net cash inflow from financing activities		27,766	5,359
Net increase/(decrease) in cash and cash equivalents		-	-
Cash and cash equivalents at 1 January		-	-
Cash and cash equivalents at 31 December		-	-

As a SPA syndicate all cash receipts and payments are undertaken by the host Syndicate 1969. The cash flow reflects the movement of line-by-line elements of Syndicate 1969 ceded to the syndicate except for the cash balance itself which is reflected as the movement in the balance with Syndicate 1969.

Syndicate 6133

Notes to the annual accounts

1. Basis of preparation

Syndicate 6133 comprises a group of members of the Society of Lloyd's that underwrite insurance business in the London Market. The address of the syndicate's managing agent, Apollo Syndicate Management Limited, is One Bishopsgate, London EC2N 3AQ.

The annual accounts have been prepared in accordance with The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008, Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and Financial Reporting Standard 103 Insurance Contracts ("FRS 103") issued by the Financial Reporting Council.

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

The syndicate's functional and presentation currency is US Dollars. All amounts have been rounded to the nearest thousand and are stated in US Dollars unless otherwise indicated.

Following the closure of the last open year of account at 31 December 2023, by a reinsurance to close transaction into Syndicate 1969, the syndicate ceased to exist. Accordingly, the financial statements have been prepared on a basis other than going concern. Given that this closure was in the ordinary course of business and on an arm's length basis no adjustments are required to the carrying values of the syndicate's assets or liabilities at 31 December 2023.

2. Critical accounting judgements and key sources of estimation uncertainty

In preparing these annual accounts, the directors of the managing agent have made judgements, estimates and assumptions that affect the application of the syndicate's accounting policies and the reported amounts of assets, liabilities, income and expenses. Several of the estimates are based on actuarial assumptions underpinned by historical experience, market data, and other factors that are considered to be relevant.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised in the period in which they are identified where the revision affects only that period and future periods.

Critical judgements in applying the syndicate's accounting policies

There are no critical judgements, apart from those involving estimations (which are dealt with separately below), in the process of applying the syndicate's accounting policies.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

The syndicate's principal estimates relate to claims outstanding and gross written premium specifically in relation to the provision for claims that have been incurred at the reporting date but have not yet been reported) and pipeline premium respectively.

Gross written premium

Gross written premium comprises contractual amounts, underwriter estimates at a policy level reflecting guidance provided by clients and cover holders and actuarial pipeline premium estimates. These include amounts due to the syndicate not yet received or notified at a portfolio level based on historical experience.

Syndicate 6133

Notes to the annual accounts

2. Critical accounting judgements and key sources of estimation uncertainty (continued)

The gross written premium payable on a policy is often variable, dependent on the volume of trading undertaken by the insured during a coverage period. Estimates of such additional premiums are included in premiums written but may have to be adjusted if economic conditions or other underlying trading factors differ from those expected. Gross premiums written are disclosed in note 4.

Gross and outwards reinsurance premium is recognised over the life of the policy. There is no remaining unearned premium at 31 December 2023.

Claims outstanding

The measurement of the provision for claims outstanding and the related reinsurance recoveries requires assumptions to be made about the future that have a significant effect on the amounts recognised in the annual accounts.

The provision for claims outstanding comprises the estimated cost of settling all claims incurred but unpaid at the balance sheet date and includes IBNR and a confidence margin. This is a complex area due to the subjectivity inherent in estimating the impact of claims events that have occurred but for which the eventual outcome remains uncertain. The estimate of IBNR is generally subject to a greater degree of uncertainty than that for reported claims.

The amount included in respect of IBNR is based on statistical techniques of estimation applied by the managing agent's in-house actuaries. These techniques normally involve projecting based on past experience the development of claims over time, as adjusted for expected inflation, to form a view of the likely ultimate claims to be expected and, for more recent underwriting years, the use of industry benchmarks and initial expected loss ratios from business plans. The syndicate writes classes of business for which there is limited prior experience and considerable use is made of information obtained in the course of pricing individual risks accepted and experience of analogous business. Account is taken of variations in business accepted and the underlying terms and conditions. The provision for claims also includes amounts in respect of internal and external claims handling costs.

Accordingly, the most critical assumptions as regards to claims provisions are that the past is a reasonable indicator of the likely level of claims development, that the notified claims estimates are reasonable and that the rating, inflation and other models used for current business are based on fair reflections of the likely level of ultimate claims to be incurred. The level of uncertainty with regard to the estimations within these provisions generally decreases with the length of time elapsed since the underlying contracts were on risk.

The reserve setting process is integrated into Apollo's governance framework. The proposed best estimate reserves are reviewed in detail by the Reserving Committee on a quarterly basis and specific management margin added to increase the probability that the reserves are sufficient to meet liabilities so far as they can reasonably be foreseen. These reserves, including margins, are then subject to further review by the Audit Committee on behalf of the Board. The directors consider that the provisions for gross claims and related reinsurance recoveries are fairly stated on the basis of the information currently available. The ultimate liability will vary as a result of subsequent information and events, which may result in significant adjustments to the amounts provided. The estimate of the provision for claims outstanding will develop over time and the estimated claims expense will continue to change until all the claims are paid. The historical development of claims incurred estimates is set out in the loss development triangles by year of account in note 4. The adjustment in the current year for the revision to the prior year estimate of the provision for claims outstanding is disclosed in note 6.

Syndicate 6133

Notes to the annual accounts

3. Significant accounting policies

The following principal accounting policies have been applied consistently in accounting for items which are considered material in relation to the syndicate's annual accounts.

Gross premiums written

Premiums written comprise premiums on contracts of insurance incepted during the financial year as well as adjustments made in the year to premiums on policies incepted in prior accounting periods. Additional or return premiums are treated as a re-measurement of the initial premium. Estimates are made for pipeline premiums, representing amounts due to the syndicate not yet received or notified.

Premiums are shown gross of brokerage payable and are exclusive of taxes and duties thereon.

Outwards reinsurance premiums

Written outwards reinsurance premiums comprise the estimated premiums payable for contracts entered into during the period. Non-proportional reinsurance contracts are recognised on the date on which the policy incepts, and proportional reinsurance is recognised when the underlying gross premium is written.

Premiums are shown gross of brokerage payable and are exclusive of taxes and duties thereon. The reported outwards reinsurance premiums include adjustments for variations in cover relating to contracts incepting in prior accounting periods.

Under some policies, reinsurance premiums payable are adjusted retrospectively in the light of claims experience. Where written premiums are subject to an increase retrospectively, any potential increase is recognised as soon as there is an obligation to the reinsurer.

Provisions for unearned premiums

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

Outwards reinsurance premiums are earned in the same accounting period as the premiums for the related direct or inwards business being reinsured.

Claims provisions and related recoveries

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

Incurred claims outstanding are reduced by anticipated salvage and other recoveries from third parties. The amount of any salvage and subrogation recoveries is separately identified and, where material, reported as a receivable.

The provision for claims outstanding is assessed on an individual case by case basis and is based on the estimated ultimate cost of all claims notified but not settled by the balance sheet date, together with the provision for related claims handling costs. The provision also includes the estimated cost of IBNR claims as well as claims incurred but not enough reported ("IBNER") and a confidence margin above best estimate.

The reinsurers' share of provisions for claims is based on amounts of claims outstanding and projections for IBNR, net of estimated irrecoverable amounts, having regard to the reinsurance programme in place for the class of business, the claims experience for the year and the current security rating of the reinsurance companies involved.

Where the security rating provides an indication that the recoverable amount may be impaired a proportion of the balance will be provided for as a provision for bad debt by applying a percentage based on historical experience.

Adjustments to the amounts of claims provisions established in prior years are reflected in the annual accounts for the period in which the adjustments are made. The provisions are not discounted for the investment earnings that may be expected to arise in the future on the funds retained to meet the future liabilities. The methods used, and the estimates made, are reviewed regularly.

Syndicate 6133

Notes to the annual accounts

3. Significant accounting policies (continued)

Unexpired risks provision

A provision for unexpired risks is made where claims and related expenses likely to arise after the end of the financial period in respect of contracts concluded before that date are expected, in the normal course of events, to exceed the unearned premiums and premiums receivable under these contracts after the deduction of any acquisition costs deferred.

A provision for unexpired risks is calculated separately by reference to classes of business which are regarded as managed together after taking into account relevant investment return. All the classes of the syndicate are considered to be managed together.

Debtors and creditors

Debtors and creditors are recognised when due. These include amounts due to and from the host syndicate. Which are classified as debtors and creditors as they are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. Debtors are measured at amortised cost less any provision for impairments. Creditors are stated at amortised cost less any provision for impairments.

Investment return

Investment return is comprised of interest earned on the funds withheld balance. Interest is calculated based on the balance on the experience account, held by Syndicate 1969 on behalf of the syndicate. Interest on each currency is credited at the same yield earned by Syndicate 1969 in the period.

Net operating expenses

Net operating expenses include acquisition costs, administrative expenses and members' standard personal expenses. Operating expenses are paid by the host Syndicate 1969 and recharged to the syndicate. No mark-up is applied.

Acquisition costs

Acquisition costs represent costs arising from the conclusion of insurance contracts. They include both direct costs such as brokerage and commission, and indirect costs such as administrative expenses connected with the processing of proposals and the issuing of policies. Acquisition costs include fees paid to consortium leaders in return for business written on behalf of the syndicate as a consortium member.

Acquisition costs are earned in line with the earning of the gross premiums to which they relate. The deferred acquisition cost asset represents the proportion of acquisition costs which corresponds to the proportion of gross premiums written that is unearned at the balance sheet date.

Managing agent's fees

The managing agent charges a management fee of 0.9% of syndicate capacity. This expense is recognised over the 12 months following commencement of the underwriting year to which it relates.

The managing agent has agreed contractual terms with the capital providers to the syndicate for the payment of profit commission based on the performance of the individual years of account of the syndicate. Profit commission is accrued in line with the contractual terms and the development of the result of the underlying years of account which is reassessed regularly.

Amounts charged to the syndicate do not become payable until after the appropriate year of account closes, normally at 36 months, although the managing agent may receive payments on account of anticipated profit commission if interim profits are released to members.

Syndicate 6133

Notes to the annual accounts

3. Significant accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are translated into US Dollars which is the functional and presentational currency of the syndicate. Transactions in foreign currencies are translated using the exchange rates at the date of the transactions if significant or otherwise at the appropriate average rates of exchange for the period. The syndicate's monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rates of exchange at the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured at historic cost are translated to the functional currency using the exchange rate at the date of the transaction. For the purposes of foreign currency translation, unearned premiums and deferred acquisition costs are treated as monetary items.

Foreign exchange differences arising on translation of foreign currency amounts are included in the non-technical account.

Pension costs

Apollo operates a defined contribution pension scheme. Pension contributions relating to managing agency staff working on behalf of the syndicate are charged to the syndicate and included within net operating expenses.

Taxation

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

No provision has been made for any United States Federal Income Tax payable on underwriting results or investment earnings. Any payments on account made by the syndicate during the year on behalf of members 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.

Funds withheld

The underlying premiums and claims are settled by Syndicate 1969 with policy holders as they fall due. Within the syndicate these are accounted for on a funds withheld basis.

Reinsurance debtors and creditors arising between the syndicate and Syndicate 1969 are not settled in full until the year of account has closed. Claims outstanding together with other non-technical transactions are settled when the year of account closes, including the apportioned investment return.

Cash calls made during the period are paid to Syndicate 1969 and credited to the funds withheld balance. These will therefore reduce the amount due for payment to Syndicate 1969 on closure of a loss-making year.

4. Risk and capital management

Introduction and overview

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

The nature of the syndicate's exposures to risk and its objectives are, due to the nature of the quota share contract and funds withheld arrangement therein, shared with Syndicate 1969. There have been no live risks written since the expiry of the 2021 underwriting year. The syndicate shares all the risks associated with the Property Treaty business written by Syndicate 1969 including those associated with the assets and liabilities that arise. There have been no significant changes to the ASML policies for managing risk in the current year.

Enterprise Risk Management framework

The ASML ERM framework has been adopted and embedded by the syndicate. The primary objective of the ERM framework is to protect the syndicate's members from events that could impede sustainable growth and achievement of a consistent financial performance, including failing to maximise opportunities through informed and appropriate risk taking.

Syndicate 6133

Notes to the annual accounts

4. Risk and capital management (continued)

The Board of ASML has overall responsibility for the establishment and oversight of the ERM framework. The Board has established an Audit Committee and a Risk Committee which oversee the operation of the syndicate's ERM framework and review and monitor the management of the risks to which the syndicate is exposed.

ASML has established an ERM function, together with terms of reference for the Board, its committees and the associated Executive Management Committees which identify the risk management obligations of each. The function is supported by a clear organisational structure with documented authorities and responsibilities from the Board to Executive Management Committees and senior managers using a standard 'three lines of defence' model. The framework sets out the risk appetites for the syndicate and includes controls and business conduct standards.

Under the ERM framework, ASML's Risk and Capital Committee oversees the ERM function at an Executive level. The management of specific risk grouping is delegated to several executive committees: the Reserving Committee is responsible for developing and monitoring insurance risk management policies; the management of aspects of financial risks is the responsibility of the Finance Committee. In addition, the syndicate is exposed to potential operational risks and the management of aspects of these risks is the responsibility of the Operations and Change Committee. Accordingly, the ERM function and the Risk and Capital Committee operates as the second line of defence above these committees. The ERM function reports quarterly to the ASML Board and Risk Committee on its activities during the quarter and provides a forward-looking view of the upcoming assurance activities.

Insurance risk

Management of insurance risk

Insurance risk refers to fluctuations in the timing, frequency and severity of insured events, relative to expectations at the time of underwriting. It is comprised of premium risk and reserving risk and was the principal risk the syndicate faced in the writing of insurance contracts. The syndicate ceased writing business after the 2021 year of account and at 31 December there are no live risks. As a result the principal risk for the syndicate remains reserving risk.

The syndicate made use of outwards reinsurance to mitigate the risk of incurring significant losses linked to a single or catastrophe event, including excess of loss and catastrophe reinsurance. It also limited its exposure to catastrophic events based on the syndicate's risk appetite.

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

ASML actuaries perform a reserving analysis on a quarterly basis, liaising closely with underwriters, claims and reinsurance personnel. The aim of this exercise is to produce a probability-weighted average of the expected future cash outflows arising from the settlement of incurred claims and claims on unearned premium. These projections include an analysis of claims development compared to the previous 'best estimate' projections.

The Reserving Committee performs a comprehensive review of the projections, both gross and net of reinsurance. Following this review, the Reserving Committee makes recommendations to the Audit Committee and Board as to the claims provisions to be established.

In arriving at the level of claims provisions a margin is applied over and above the actuarial best estimate to increase the probability that the reserves are sufficient to meet liabilities.

The level of year end reserves is validated by external consulting actuaries through their report to management and their provision of a Statement of Actuarial Opinion to ASML and Lloyd's on gross and net reserves by year of account as at 31 December 2023.

Syndicate 6133

Notes to the annual accounts

4. Risk and capital management (continued)

Sensitivity to insurance risk

Whilst the liabilities established for the syndicate could be lower or higher than the ultimate cost of settling the claims arising, the level of this sensitivity has reduced as no live business has been written for two years, and the years have developed.

A ten percent increase or decrease in the ultimate cost of settling claims arising from a change in actuarial assumptions is considered reasonably possible at the reporting date. A ten percent increase or decrease in total earned claims liabilities due to a change in assumptions would have the following effect on profit or loss and members' balances.

	2023		2022	
	Gross	Net	Gross	Net
	\$'000	\$'000	\$'000	\$'000
10% increase in claims	(624)	(579)	(3,583)	(2,276)
10% decrease in claims	624	579	3,583	2,276

On a net of reinsurance basis the effects are more complex depending on the nature of the loss and its interaction with other losses already incurred. The incidence of profit commission payable to intermediaries may also affect the gross and net impact on results and members' balance.

Financial risk

Under the funds withheld arrangement in the quota share contract with Syndicate 1969 the syndicate has exposure to financial risk.

The financial risk faced by the syndicate is managed by ensuring that its financial assets are sufficient to fund the obligations arising from its insurance contracts as they fall due. The primary objective of the investment management process is to maintain capital value, which is of particular importance in volatile financial market conditions. A secondary objective is to optimise the risk-adjusted total return whilst being constrained by capital preservation and liquidity requirements.

The investment management of a short dated fixed income bond portfolio is outsourced to a third party. An investment mandate reflecting ASML's risk appetite is in place and has been approved by the Board. Compliance with this is controlled through the investment manager's systems and monitored through the monthly and quarterly reporting process.

Credit risk

Credit risk is the risk of financial loss to the syndicate if a counterparty fails to discharge a contractual obligation.

The syndicate shares the Syndicate 1969 risk of financial loss on balances relating to the funds withheld arrangement in respect of the following:

- holdings in collective investment schemes;
- short dated fixed income government and corporate bonds;
- amounts due from intermediaries;
- cash and cash equivalents held at bank; and
- other debtors and accrued interest.

The syndicate has direct exposure to the reinsurers' share of insurance liabilities through the common account outwards reinsurance that is in place.

Management of credit risk

The syndicate is exposed to the credit risk associated with the Syndicate 1969 investment portfolio of securities which are rated BBB or above. The bond portfolio is managed to single issuer limits set by credit rating and there is a limit to the overall exposure to BBB rated securities. ASML limits the amount of cash and cash equivalents that can be deposited with a single counterparty and maintains an authorised list of counterparties.

Syndicate 6133

Notes to the annual accounts

4. Risk and capital management (continued)

ASML manages reinsurer credit risk through outwards reinsurance purchase guidelines. The guidelines place limits on exposure to a single counterparty, the credit rating of the counterparty, and the counterparty's market reputation and recent performance. The syndicate's exposure to reinsurance counterparties is monitored by the reinsurance team as part of their credit control processes. On a quarterly basis the Finance Committee reviews the credit exposures to reinsurance counterparties.

The syndicate is exposed to intermediary debtor credit risk ceded under the quota share. ASML reviews intermediary performance against the terms of business agreements by the compliance function. The status of intermediary debt collection is reported to the Finance Committee.

Exposure to credit risk

All assets are due from Syndicate 1969, which benefits from Lloyd's credit rating from Standard and Poor's of A+. It is not practical to look through this to analyse the credit rating of the syndicate's share of the Syndicate 1969 assets.

The syndicate's common account reinsurance programme is placed predominantly with non-traditional reinsurance carriers and these exposures are fully collateralised with trust funds containing US treasuries or investments with credit institutions. The balance of the reinsurance placing is with reinsurers with a credit rating of A or above.

Financial assets that are past due or impaired

The syndicate does not have any directly held receivables that are past due and impaired or any other impaired assets at the reporting date. The syndicate shares in the Syndicate 1969 risk associated with debtors arising from direct insurance and reinsurance operations that are past due but not impaired at the reporting date. These debtors have been individually assessed for impairment by considering information such as the occurrence of significant changes in the counterparty's financial position, patterns of historical payment information, disputes and compliance with ASML terms and conditions.

Liquidity risk

Liquidity risk is the risk that the syndicate's assets are insufficient to fund the obligations arising from its insurance contracts and financial liabilities as they fall due or can only be met by incurring additional costs. Due to the funds withheld nature of the contract the syndicate wrote, liquidity risk is initially borne by Syndicate 1969, but the syndicate is indirectly sensitive to the liquidity risk associated with cash payments made by Syndicate 1969 on behalf of the syndicate.

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

- forecasts are prepared and revised on a regular basis to predict cash outflows from insurance contracts and overheads over the short, medium and long term;
- the syndicate purchases assets with durations not greater than its estimated insurance contract liabilities and expense outflows;
- assets purchased by the syndicate are required to satisfy specified marketability requirements;
- the syndicate maintains cash and liquid assets to meet daily calls; and
- the syndicate regularly updates its contingency funding plans to ensure that adequate liquid financial resources are in place to meet obligations as they fall due in the event of reasonably foreseeable abnormal circumstances.
- liquidity stress testing is performed for the syndicate, looking both at cash flow liquidity and shock loss scenarios.

ASML maintains sufficient premium trust funds in money market funds to meet daily liquidity. Holdings in money market funds are well diversified, liquid and generally low risk.

The syndicate operates on a funds withheld basis and the maturity analysis presented in the table below shows the underlying remaining contractual maturities that will be fulfilled by Syndicate 1969 for the insurance contracts and financial assets and liabilities. Syndicate 1969 manages its liquidity for itself and Syndicate 6133. In addition to the cash flows arising from the balances in the table below Syndicate 1969 will recover losses from members on the closure of each year of account.

Syndicate 6133

Notes to the annual accounts

4. Risk and capital management (continued)

	Carrying amount	Less than	1-2	2-5	More than
	\$'000	1 year	years	years	5 years
	\$'000	\$'000	\$'000	\$'000	\$'000
2023					
Reinsurers' share of technical provisions	457	178	107	130	42
Debtors, prepayments and accrued income	12,138	12,138	-	-	-
Total assets	12,595	12,316	107	130	42
Technical provisions	(6,244)	(2,438)	(1,451)	(1,775)	(580)
Creditors	-	-	-	-	-
Accruals and deferred income	(946)	(946)	-	-	-
Total liabilities	(7,190)	(3,384)	(1,451)	(1,775)	(580)
	Carrying amount	Less than	1-2	2-5	More than
	\$'000	1 year	years	years	5 years
	\$'000	\$'000	\$'000	\$'000	\$'000
2022					
Reinsurers' share of technical provisions	13,070	5,200	3,021	3,666	1,183
Debtors, prepayments and accrued income	2,960	1,178	684	830	268
Total assets	16,030	6,378	3,705	4,496	1,451
Technical provisions	(35,830)	(14,255)	(8,280)	(10,050)	(3,245)
Creditors	(4,886)	(12,282)	7,396	-	-
Accruals and deferred income	(547)	(547)	-	-	-
Total liabilities	(41,263)	(27,084)	(884)	(10,050)	(3,245)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument or insurance contract will fluctuate because of changes in market prices, excluding those that are caused by credit downgrades which are included under credit risk. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk within the framework set by the managing agent's investment policy.

Management of Market risk

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

Interest rate risk

The syndicate shares interest rate risk through the allocation of investment return under the funds withheld arrangement. Interest rate risk arises primarily from the exposure to financial investments and overseas deposits. Exposure to significant fluctuations in market value due to changes in bond yields is managed through investment in short duration securities; the key risk indicator is set at less than three years. Investment types include short dated fixed income bonds, absolute return bond funds and money market funds.

ASML limits exposure to absolute return bond funds. These funds manage exposure to changes in market value resulting from movements in bond yields by managing to a very short or even negative duration.

Syndicate 6133

Notes to the annual accounts

4. Risk and capital management (continued)

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The syndicate wrote business primarily in Sterling, Euros, US Dollars and Canadian Dollars and is therefore exposed to currency risk arising from fluctuations in the exchange rates of its functional currency (US Dollars) against these currencies.

The foreign exchange policy is to maintain assets in the currency in which the cash flows from liabilities are to be settled in order to hedge the currency risk inherent in these contracts so far as is allowed by regulatory requirements and for any profit or loss to be reflected in the net assets of the functional currency. As a syndicate operating on a funds withheld basis actions cannot be taken within the syndicate to match currencies. However, the host, Syndicate 1969, takes actions to the extent considered appropriate to match currencies on behalf of the syndicate.

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

	Sterling \$'000	Euro \$'000	US Dollar \$'000	Other \$'000	Total \$'000
2023					
Total assets	(164)	44	12,664	51	12,595
Total liabilities	(105)	-	(7,082)	(3)	(7,190)
Net assets / (liabilities)	(269)	44	5,582	48	5,405
	Sterling \$'000	Euro \$'000	US Dollar \$'000	Other \$'000	Total \$'000
2022					
Total assets	3,985	17	11,995	33	16,030
Total liabilities	(9,322)	(159)	(31,680)	(102)	(41,263)
Net assets / (liabilities)	(5,337)	(142)	(19,685)	(69)	(25,233)

An analysis of the syndicate's sensitivity to currency risk is presented in the table below. The table shows the effect on profit or loss of reasonably possible changes in the relevant risk variable. The sensitivity analysis assumes that all other variables remain constant and that the exchange rate movement occurs at the end of the reporting period. The impact of exchange rate fluctuations could differ significantly over a longer period. The occurrence of a change in foreign exchange rates may lead to changes in other market factors as a result of correlations.

	2023 \$'000	2022 \$'000
Profit / (Loss) for the year		
Currency risk		
20% strengthening of Sterling against US Dollar	(67)	(1,334)
20% weakening of Sterling against US Dollar	45	889
20% strengthening of Euro against US Dollar	11	(36)
20% weakening of Euro against US Dollar	(7)	24

Other price risk

The syndicate is subject to other price risk through the funds withheld arrangement with Syndicate 1969. Investments in Syndicate 1969 comprise holdings in short dated fixed income government and corporate bonds, absolute return bond funds and money market funds. The bond portfolio is relatively low risk being both short dated and predominantly credit rating A or above with a modest exposure to BBB rated securities and therefore it has limited sensitivity to market movements.

The money market funds are near cash and therefore have minimal exposure to market movements.

Syndicate 6133

Notes to the annual accounts

4. Risk and capital management (continued)

It is not practical to allocate the Syndicate 1969 assets to the syndicate and therefore a fair value hierarchy categorising the assets to which the syndicate is exposed according to the level of judgement exercised in valuation has not been provided.

Capital Management

Capital framework at Lloyd's

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

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

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

Lloyd's capital setting process

In order to meet Lloyd's requirements, Syndicate 6133 is required to calculate its SCR for the outstanding liabilities as the syndicate completes an orderly run-off and anticipated reinsurance to close for the 2021 open 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 and approval by Lloyd's. During 2023 ASML made use of the Lloyd's Standard Model, which is a factor based model that operates along the principles of the standard formula. No explicit SCR has been calculated from 1 January 2024.

A syndicate may be comprised of one or more underwriting members of Lloyd's. Each member is liable for their own share of underwriting liabilities on the syndicates on which they participate but not for other members' shares. Accordingly, the capital requirements that Lloyd's sets for each member; operate on a similar basis. Each member's SCR is based on the member's share of the syndicate's SCR 'to ultimate'.

Where a member participates on more than one syndicate, Lloyd's sums together each syndicate's SCR but a credit for diversification is allowed to reflect the spread of risk 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 ECA. The purpose of this uplift, which is a Lloyd's rather than a Solvency II requirement, is to support Lloyd's financial strength, licence and ratings objectives.

Provision of capital by members

Each member may provide capital to meet their ECA by assets held in trust by Lloyd's specifically for that member (Funds at Lloyd's), assets held and managed within a syndicate (Funds in Syndicate), or as the member's share of the members' balances on each syndicate on which they participate.

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

Claims development

The syndicate's current catastrophe exposure is predominantly US windstorm and North American earthquake related. Property catastrophe claims, such as earthquake or hurricane losses, can take several months or years, to develop as adjusters visit damaged property and agree claim valuations.

Syndicate 6133

Notes to the annual accounts

4. Risk and capital management (continued)

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNR for each successive underwriting year at each reporting date, together with cumulative payments to date. The 2020 and prior net claims were part of the reinsurance to close transferred to Syndicate 1969 at the beginning of 2023, and therefore not included in this table. Balances have been translated at exchange rates prevailing at 31 December 2023 in all cases.

Gross claims development as at 31 December 2023:

	2021
Pure underwriting year	\$'000
Incurring gross claims	
At end of underwriting year	49,538
one year later	52,190
two years later	50,040
Incurring gross claims	50,040
Less gross claims paid	(43,796)
Gross claims outstanding provision	6,244

Net claims development as at 31 December 2023:

	2021
Pure underwriting year	\$'000
Incurring net claims	
At end of underwriting year	26,065
one year later	22,182
two years later	21,284
Incurring net claims	21,284
Less net claims paid	(15,497)
Net claims outstanding provision	5,787

All balances presented are in respect of premiums earned to the balance sheet date and therefore reflect the pattern of earnings and risk exposed over a number of calendar years.

Year of account development

The table below presents the annual results split by year of account. Movements in results for closed years of account are reflected within the results for the year into which they closed by reinsurance to close.

	2023	2022
Result before members' agents' fees	\$'000	\$'000
Year of account		
2020	-	(1,407)
2021	2,872	4,425
Calendar year result	2,872	3,018

Syndicate 6133

Notes to the annual accounts

4. Risk and capital management (continued)

The 2021 year of account balance of \$5,405,000 (after members' agents' fees of \$14,000) will be distributed to members in 2024. During 2023 \$27,767,000 (after members' agents' fees of \$66,000) was collected from the members in respect of the 2020 year of account.

5. Segmental analysis

All business written by the syndicate is reinsurance. All premiums were underwritten in the United Kingdom.

6. Technical provisions

An analysis of the movement in technical provisions is set out below:

	Claims Outstanding \$'000
Gross	
At 1 January 2023	35,830
Exchange adjustments	15
Movement in provision	(29,601)
At 31 December 2023	6,244
Reinsurance	
At 1 January 2023	13,070
Exchange adjustments	8
Movement in provision	(12,621)
At 31 December 2023	457
Net technical provisions	
At 31 December 2023	5,787
At 31 December 2022	22,760

7. Net operating expenses

	2023 \$'000	2022 \$'000
Brokerage and commission	79	(1,118)
Other acquisition costs	319	(237)
Change in deferred acquisition costs	-	1,963
Gross acquisition costs	398	608
Administrative expenses	(462)	(82)
Members' standard personal expenses	434	416
Total	370	942

All premiums have been fully earned so the syndicate no longer has any deferred acquisition costs (2022: nil).

Syndicate 6133

Notes to the annual accounts

8. Auditor's remuneration

	2023 \$'000	2022 \$'000
Audit fees		
Fees payable to the syndicate's auditor for the audit of the syndicate's annual financial statements	24	23
Non-audit fees		
Audit related assurance services	45	45
Other assurance services	25	30
	<hr/> 70	<hr/> 75
Total	<hr/> 94	<hr/> 98

ASML incurred audit fees payable to the syndicate's auditors of \$34,000 (2022: \$32,000) and other assurance services of \$4,000 (2022: \$2,000).

9. Staff number and costs

All staff are employed by a related company of ASML. Whilst a management charge was made there was no direct allocation to the syndicate in respect of salary costs.

During 2023 there were seven Non-Executive directors on the ASML board who allocated their time to the syndicate.

10. Emoluments of the directors of the managing agent

For the purposes of FRS 102, the directors of ASML are deemed to be the key management personnel.

For the period ending 31 December 2023, the remuneration recharged to the syndicate for the directors of ASML is \$67,000 (2022: \$71,000) which is charged as a syndicate expense.

Included in the remuneration are emoluments paid to the highest paid director amounting to \$20,000 (2022: \$21,000). No new business has been written since 2021 and no remuneration was charged to the syndicate for the services of the active underwriter.

Syndicate 6133

Notes to the annual accounts

11. Investment income

	2023	2022
	\$'000	\$'000
Income received from related syndicates	1,190	(180)

Investment income represents the return achieved by Syndicate 1969 and attributable to the business undertaken on behalf of the syndicate. Due to the adverse movement in interest rates during 2022, the return achieved during the year was negative.

12. Other debtors

	2023	2022
	\$'000	\$'000
Amounts due from Syndicate 1969	9,050	-
Amounts due from cover holder	3,088	2,960
Total	12,138	2,960

Amounts due from Syndicate 1969 represents the net funds withheld balance receivable under the quota share contract.

13. Other creditors

	2023	2022
	\$'000	\$'000
Amounts due to Syndicate 1969	-	4,501
Amounts due to group companies	-	385
Total	-	4,886

Amounts due to Syndicate 1969 represents the net funds withheld balance receivable under the quota share contract. The balances attributable to each year of account are due on closure of the underlying years of account.

14. Related parties

All business with related parties is transacted on an arm's length basis.

ASML is a wholly owned subsidiary of Apollo Group Holdings Limited ("AGHL").

Metacomet LLC, a US incorporated limited company, is a shareholder of AGHL. Affiliated companies of Metacomet LLC participated on the syndicate.

On 11 October 2021, Alchemy Special Opportunities Fund IV LP ("Alchemy") committed to invest \$90m in AGHL. Alchemy's investment in AGHL was completed on 11 February 2022, following receipt of regulatory approvals. A key element of that investment was to allow AGHL to provide underwriting capacity to support the Apollo managed syndicates 1969 and 1971.

The syndicate is a SPA with Syndicate 1969 as the host. A single 90% quota share reinsurance contract is in place for each year of account ceding all gross premiums and related expenses and investment income. All transactions set out the annual accounts have been undertaken by Syndicate 1969 on behalf of the syndicate. On closure of a year of account the syndicate distribution is settled by Syndicate 1969.

Syndicate 6133

Notes to the annual accounts

14. Related parties (continued)

On closure of the 2020 year of account at 31 December 2022, Syndicate 6133 entered a reinsurance to close transaction with Syndicate 1969 for the 2020 and prior years of account. At 31 December 2023, Syndicate 6133 entered into a reinsurance to close transaction with Syndicate 1969 on the 2021 year of account, thus transferring the remaining syndicate liabilities and ceasing the relationship between Syndicate 6133 and Syndicate 1969.

The related party transactions and amounts outstanding at the balance sheet date are shown below:

Syndicate 1969	2023	2022
	\$'000	\$'000
Gross written premium receivable	589	(803)
Claims payable	(27,747)	(36,498)
Expenses payable	(292)	(98)
Allocated investment return	1,190	(180)
Other debtors	9,050	-
Other creditors	-	(4,501)

In accordance with the Managing Agent's Agreement, ASML accrued managing agent's fees (0.9% of syndicate capacity) and profit commission (20% of profit). A two-year deficit clause is in place which requires losses experienced by existing names to be offset by future profits before further profit commission becomes payable.

Apollo Partners LLP ("APL") is a wholly owned subsidiary of AGHL which employs all Apollo group staff, including underwriters, claims and reinsurance staff. APL provides the services of these staff to ASML to enable it to function as managing agent for the syndicate. APL also incurs a large proportion of the expenses in respect of operating the syndicate. The cost of these services and expenses are recharged to ASML which in turn recharges these to the syndicate, via Syndicate 1969, on a basis that reflects usage of resources, all recharges being without any mark up on cost.

The transactions and amounts outstanding at the balance sheet date are shown below:

ASML	2023	2022
	\$'000	\$'000
Expense recharges	453	518
Managing agent's profit commission	434	385
Other creditors	(818)	(385)

There are no amounts payable directly to ASML; these are reflected in the balances with Syndicate 1969.

Ariel Re group, backed by Pelican Ventures, provided 75% of the capacity for the 2021 year of account through Ariel Re's corporate member. Business was written through two Ariel Re companies as cover holders under a binding authority with Syndicate 1969 (as host for Syndicate 6133). This operated in a similar fashion to other cover holders, although they are related parties to Ariel Re's corporate member. The Ariel Re cover holder was remunerated with a fee based on gross written premium, at normal commercial rates for these services, and this is 90% ceded to Syndicate 6133. Ariel Re Limited is an appointed representative of ASML.

Syndicate 6133

Notes to the annual accounts

14. Related parties (continued)

Ariel Re	2023 \$'000	2022 \$'000
Cover holder fee	2,961	2,960

A reinsurance with Syndicate 1910, managed by Ariel Re, was put in place to cede the unexpired risk from 1 January 2022. The rationale for ASML and members of the syndicate is to transfer the risk for future events, thereby reducing volatility of the result and capital required to support Syndicate 6133. The risks comprising the Property Treaty portfolio were renewed into Syndicate 1910 for the 2022 year of account. Ariel Re is a capital backer of both Syndicate 1910 and Syndicate 6133.

15. Subsequent events

The 2021 year of account has been reinsured to close to Syndicate 1969. The unsettled net liabilities transferred on closure were \$5,787,000. 2021 was the last year of account and the Syndicate subsequently ceased to exist.

SYNDICATE 6133

SYNDICATE UNDERWRITING YEAR ACCOUNTS

**FOR THE 2021 YEAR OF ACCOUNT
CLOSED AT 31 DECEMBER 2023**

Syndicate 6133

Report of the directors of the managing agent

The directors of the managing agent present their report for the 2021 year of account of SPA Syndicate 6133 for the cumulative result to 31 December 2023.

The syndicate underwriting year accounts have been prepared under The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 in accordance with the Lloyd's Syndicate Accounting Bylaw (no. 8 of 2005) and applicable accounting standards in the United Kingdom.

Principal activity

This report covers the business of Syndicate 6133, which was established for the 2018 year of account as a Special Purpose Arrangement ("SPA"). The principal activity of the syndicate was to underwrite a quota share reinsurance of Syndicate 1969 in respect of its Property Treaty class of business.

The quota share contract with Syndicate 1969 operates on a funds withheld basis. Under this arrangement all transactions are undertaken by Syndicate 1969 on behalf of the syndicate, until closure of the year, when the declared result is remitted to members. Investment income arising on the business is allocated to the funds withheld balance.

Syndicate 6133 traded through Lloyd's worldwide licenses and rating and had the benefit of the Lloyd's brand. Lloyd's has an A (Excellent) rating from A.M. Best, A+ (Strong) from Standard & Poor's and AA- (Very Strong) from Fitch.

The syndicate's capacity for the 2021 year of account was £65m (\$80.6m at the Lloyd's planning rate of \$1.24).

Apollo Syndicate Management Limited ("ASML") is approved as a managing agency at Lloyd's and is authorised by the Prudential Regulation Authority ("PRA"). ASML is regulated by the Financial Conduct Authority ("FCA") and PRA.

Review of the business

The 2021 year of account is now closing at 36 months. This is the last year of account for the syndicate.

2021 closed year result

We are now closing the 2021 year of account at a profit of 6.5% on stamp capacity of \$80.6m (£65m).

This year of account has already been impacted by significant losses from the natural catastrophe events that occurred in 2021. The syndicate incurred losses from Hurricane Ida, the Texas Winter Storms, and Quad State tornadoes in the United States. The syndicate has benefitted from the outwards excess of loss retrocession purchased for the Property Treaty class which has materially reduced the net loss incurred. For these two events, reinsurance recoveries are in excess of USD 30m for the class with 90% of this figure attributed to Syndicate 6133. Our estimates for the 2021 catastrophe events for the syndicate have remained stable over the 2023 calendar year.

At 31 December 2023 the syndicate entered into a reinsurance to close transaction with Syndicate 1969 on the 2021 year of account, thus transferring the syndicate's remaining liabilities. Syndicate 6133 therefore ceased to exist from this date.

Directors and directors' interests

The directors who held office at the date of signing are shown on page 2. Directors' interests are shown in note 12 as part of the related parties note to the accounts.

Disclosure of information to the auditor

Each person who is a director of the managing agent at the date of approving this report confirms that:

- so far as the director is 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 in order to make themselves aware of any relevant audit information and to establish that the syndicate's auditor is aware of that information.

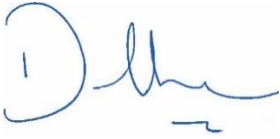
Syndicate 6133

Report of the directors of the managing agent

Auditor

Following the completion of the reinsurance to close transaction and the closure of the syndicate, Deloitte LLP will resign as the syndicate's auditors.

Approved by the Board.

A handwritten signature in blue ink, appearing to be 'D. Ibeson', with a horizontal line underneath the name.

DCB Ibeson
Chief Executive Officer
26 February 2024

Syndicate 6133

Statement of managing agent's responsibilities

Apollo Syndicate Management Limited, as managing agent, is responsible for preparing syndicate underwriting year accounts in accordance with applicable law and the Lloyd's Syndicate Accounting Byelaw.

The Insurance Accounts Directive (Lloyd's Syndicates and Aggregate Accounts) Regulation 2008 (the "Lloyd's Regulations") require the managing agent to prepare syndicate underwriting year accounts for each syndicate in respect of any underwriting year which is being closed by reinsurance to close as at 31 December 2023. These syndicate underwriting year accounts must give a true and fair view of the result of the closed year of account.

In preparing the syndicate underwriting year of accounts, the managing agent is required to:

- select suitable accounting policies which are applied consistently and where there are items which affect more than one year of account, ensure a treatment which is equitable as between the members of the syndicate affected. In particular, the amount charged by way of premium in respect of the reinsurance to close shall, where the reinsuring members and reinsured members are members of the same syndicate for different years of account, be equitable as between them, having regard to the nature and amount of the liabilities reinsured;
- take into account all income and charges relating to a closed year of account without regard to the date of receipt or payment;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in these accounts.

The managing agent is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the syndicate and enable it to ensure that the syndicate underwriting year of accounts comply with the Lloyd's Regulations and Syndicate Accounting Byelaw. It is also responsible for safeguarding the assets of the syndicate and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Syndicate 6133

Independent auditor's report to the members of Syndicate 6133 – 2021 closed year of account

Report on the audit of the syndicate underwriting year accounts for the 2021 closed year of account for the three years ended 31 December 2023

Opinion

In our opinion the syndicate underwriting year accounts of Syndicate 6133 (the 'syndicate'):

- Give a true and fair view of the profit for the 2021 closed year of account;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- Have been prepared in accordance with the requirements of The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and in accordance with the Lloyd's Syndicate Accounting Byelaw (no. 8 of 2005).

We have audited the syndicate underwriting year accounts which comprise:

- The profit and loss account;
- The statement of changes in members' balances;
- The balance sheet;
- The statement of cash flows; and
- The related notes to the underwriting year accounts 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "the Financial Reporting Standard applicable in the UK and Republic of Ireland", the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and 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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The other information comprises the information included in the Annual Report and Accounts ("annual report"), 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 annual report. Our opinion on the syndicate underwriting year accounts does not cover the other information and 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of managing agent

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

Syndicate 6133

Independent auditor's report to the members of Syndicate 6133 – 2021 closed year of account

In preparing the syndicate underwriting 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.

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

Extent to which 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the syndicate and its control environment, and reviewed the syndicate's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the syndicate operates in, and identified the key laws and regulations that:

- Had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and the Lloyd's Syndicate Accounting Byelaw (no. 8 of 2005); and
- Do not have a direct effect on the syndicate underwriting year accounts but compliance with which may be fundamental to the syndicate's ability to operate or to avoid a material penalty. These included the requirements of Solvency II.

We discussed among the audit engagement team including actuarial specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our procedures performed to address them are described below:

- Valuation of technical provisions, and specifically IBNR, includes assumptions and methodology requiring significant management judgement and involves complex calculations, and therefore there is potential for management bias. There is also a risk of overriding controls by making late adjustments to the technical provisions. In response to these risks we involved our actuarial specialists to develop independent estimates of the technical provisions and we tested the late journal entries to technical provisions.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

Syndicate 6133

Independent auditor's report to the members of Syndicate 6133 – 2021 closed year of account

In addition to the above, our procedures to respond to the risks identified included the following:

- Reviewing underwriting year accounts disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the syndicate underwriting year accounts;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports, and reviewing correspondence with Lloyd's.

Report on other legal and regulatory requirements

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

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

- The information given in the managing agent's report for the financial year for which the syndicate underwriting year accounts are prepared is consistent with the syndicate underwriting year accounts; and
- The managing agent's report has been prepared in accordance with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008.

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 any material misstatements in the managing agent's report.

Matters on which we are required to report by exception

Under the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008 and Lloyd's Syndicate Accounting Byelaw (no.8 of 2005) we are required to report in respect of the following matters if, in our opinion:

- The managing agent in respect of the syndicate has not kept adequate or proper accounting records; or
- The syndicate underwriting year accounts are not in agreement with the accounting records or
- We have not received all the information and explanations we require for our audit; or
- The syndicate underwriting year accounts are not in compliance with the requirements of paragraph 5 of Schedule 1 of the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the syndicate's members, as a body, in accordance with regulation 6 of 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's members as a body, for our audit work, for this report, or for the opinions we have formed.



Kirstie Hanley (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
26 February 2024

Syndicate 6133

Profit and loss account

2021 year of account

for the 36 months ended 31 December 2023

Technical account – general business	Notes	\$'000
Syndicate allocated capacity		80,625
Gross premiums	3	79,619
Outward reinsurance premiums		(35,318)
Net premiums written and earned		44,301
Allocated investment return transferred from the non-technical account	9	1,016
Claims paid		
Gross amount		(43,759)
Reinsurers' share		28,263
Net claims paid		(15,496)
Reinsurance to close premium, net of reinsurance	4	(5,830)
Claims incurred, net of reinsurance		(21,326)
Net operating expenses	5	(19,096)
Balance on the technical account - general business		4,895

Syndicate 6133

Profit and loss account

2021 year of account

for the 36 months ended 31 December 2023

Non-technical account	Notes	\$'000
Balance on the technical account – general business		4,895
Investment income	9	1,016
Allocated investment return transferred to the technical account – general business		(1,016)
Profit on foreign exchange		524
Profit for the 2021 closed year of account		5,419

There are no recognised gains or losses in the accounting period other than those dealt with in the technical and non-technical accounts.

Statement of changes in members' balances

for the 36 months ended 31 December 2023

	Notes	\$'000
Profit for the 2021 closed year of account	10	5,419
Members' agents' fees		(14)
Amounts due to members at 31 December 2023	10	5,405

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

Syndicate 6133

Balance sheet

2021 year of account

for the 36 months ended 31 December 2023

Assets	Notes	\$'000
Reinsurance recoveries anticipated on gross reinsurance to close premium	4	457
Debtors		
Other debtors		12,138
Total assets		12,595

Liabilities	Notes	\$'000
Amounts due from members	10	5,405
Reinsurance to close premium payable to close the account – gross amount	4	6,244
Accruals and deferred income	11	946
Total liabilities and members' balances		12,595

The syndicate underwriting year accounts on pages 42 to 53 were approved by the Board of Apollo Syndicate Management Limited and were signed on its behalf by:



DCB Ibeson
Chief Executive Officer
26 February 2024

Syndicate 6133

Statement of cash flows

2021 year of account

for the 36 months ended 31 December 2023

	\$'000
Cash flows from operating activities	
Profit for the 2021 closed year of account	5,419
Adjustments for:	
Increase in gross reinsurance to close payable	6,244
Increase in reinsurers' share of reinsurance to close	(457)
Increase in debtors	(11,122)
Increase in creditors	-
Increase in other assets/ liabilities	946
Investment return	(1,016)
Net cash inflow from operating activities	14
Cash flows from investing activities	
Investment income received	-
Net cash flow from investing activities	-
Cash flows from financing activities	
Members' agents' fees paid on behalf of members	(14)
Net cash outflow from financing activities	(14)
Net increase in cash and cash equivalents	-
Cash and cash equivalents at 1 January 2021	-
Cash and cash equivalents at 31 December 2023	-

As a SPA syndicate all cash receipts and payments are undertaken by the host Syndicate 1969. The cash flow reflects the movement of line-by-line elements of Syndicate 1969 ceded to the syndicate except for the cash balance itself which is reflected as the movement in the creditor due to Syndicate 1969.

Syndicate 6133

Notes to the underwriting year accounts

1. Basis of preparation

These underwriting year accounts have been prepared in accordance with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008, Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and Financial Reporting Standard 103 Insurance Contracts ("FRS 103").

Members participate on a syndicate by reference to a year of account and each syndicate year of account is a separate annual venture. These accounts relate to the 2021 year of account which has been closed by reinsurance to close at 31 December 2023. Consequently, the balance sheet represents the assets and liabilities of the 2021 year of account at the date of closure. The profit and loss account and cash flow statement reflect the transactions for that year of account during the three-year period until closure.

These underwriting year accounts cover the three years from the date of inception of the 2021 year of account to the date of closure. Accordingly, this is the only reporting period and so comparative amounts are not shown.

As a consequence of the 2021 year of account reinsuring to close into Syndicate 1969, the residual risks to the members on the closed year have been minimised. Accordingly, the members are no longer exposed to changes in the estimates and judgements made after the balance sheet date. The risk disclosure requirements of FRS 102 and FRS 103 are therefore deemed not applicable to these underwriting year accounts. However, it should be noted that a reinsurance contract does not extinguish the primary liability of the original underwriter.

2. Accounting policies

The accounts for each year of account 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 year of account to be closed by payment of a reinsurance to close premium to the successor year of account.

Gross premiums written

Gross premiums are allocated to years of account based on the inception date of the policy. Premiums in respect of insurance contracts underwritten under a binding authority, lineslip or consortium arrangement are allocated to the year of account corresponding to the calendar year of inception of the arrangement. Premiums are shown gross of brokerage payable and exclude taxes.

Outward reinsurance premiums

Outwards reinsurance premiums are allocated to a year of account in accordance with the underlying risks being protected.

Claims paid and related recoveries

Gross claims paid include internal and external claims settlement expenses and, together with reinsurance recoveries less amounts provided for in respect of doubtful reinsurers, are attributed to the same year of account as the original premium for the underlying policy.

Reinstatement premiums payable in the event of a claim being made are charged to the same year of account as that to which the recovery is credited.

Syndicate 6133

Notes to the underwriting year accounts

2. Accounting policies (continued)

Reinsurance to close premium payable

A reinsurance to close is a contract of insurance which, in return for a premium paid by the closing year of account, transfers, normally to the following year of account, all known and unknown liabilities arising out of transactions connected with insurance business underwritten by the closing year of account. A reinsurance to close can be payable to the next year of account of the syndicate or a third party syndicate. However, it should be noted that a reinsurance contract does not extinguish the primary liability of the original underwriter.

The net reinsurance to close premium payable is determined on the basis of estimated outstanding liabilities and related claims settlement costs (including claims incurred but not reported), net of estimated collectable reinsurance recoveries and net of future net premiums relating to the open year of account and all previous years of account reinsured therein. No credit is taken for investment earnings which may be expected to arise in the future on the funds representing the reinsurance to close.

The techniques used and assumptions made in determining outstanding claims reserves, both gross and net of reinsurance, are described within the “Key sources of estimation uncertainty” and in the accounting policy for “Claims provisions and related recoveries” section of the syndicate annual accounts.

The calculation of the reinsurance to close premium payable is determined by the directors on the basis of the information available to them at the time. However, it is implicit in the estimation procedure that the ultimate liabilities will be at a variance from the reinsurance to close so determined.

Where a reinsurance to close premium is payable to a third party syndicate, the net premium payable represents the amount agreed with the third party. The only judgement involved is whether or not to accept the third party's price for taking on the underlying obligations, net of associated reinsurance. As a reinsurance to close, the contract is deemed to be effective on closure.

Investment return

The investment return comprises all investment income, realised investment gains and losses and movements in unrealised gains and losses, net of investment expenses, charges and interest. The investment return arising in each calendar year is allocated to years of account in proportion to the average funds available for investment attributable to those years. Investment returns in respect of overseas deposits are allocated to the year of account which funded these deposits.

Net operating expenses

Net operating expenses include acquisition costs, administrative expenses and members' standard personal expenses. Reinsurers' commissions and profit participations and consortia income represent contributions towards operating expenses and are reported accordingly.

Costs incurred by the managing agent on behalf of the syndicate are recognised on an accruals basis. No mark-up is applied.

Net operating expenses are charged to the year of account to which they relate.

Acquisition costs

Acquisition costs comprise costs arising from the conclusion of insurance contracts. They include both direct costs such as brokerage and commission, and indirect costs such as administrative expenses connected with the processing of proposals and the issuing of policies. Acquisition costs include fees paid to consortium leaders in return for business written on behalf of the syndicate as a consortium member.

Acquisition costs are earned in line with the earning of the gross premiums to which they relate. The deferred acquisition cost asset represents the proportion of acquisition costs, this corresponds to the proportion of gross premiums written that is unearned at the balance sheet date.

Syndicate 6133

Notes to the underwriting year accounts

2. Accounting policies (continued)

Reinsurers' commissions and profit participations

Under certain outwards reinsurance contracts the syndicate receives a contribution towards the expenses incurred. The outwards reinsurance contracts may allow the ceding of acquisition costs and in certain instances an allocation of administrative expenses. Reinsurance arrangements can also pay an overriding or profit commission.

The reinsurers' share of expenses is included with operating expenses and earned in line with the related expense. The reinsurers' share of deferred acquisition cost liability corresponds to the gross deferred acquisition costs at the balance sheet date.

Managing agent's fees

The managing agent charges a management fee of 0.9% of syndicate capacity. The managing agent has agreed contractual terms with the capital providers to the syndicate for the payment of profit commission based on the performance of the year of account. Amounts charged to the syndicate become payable on closure of the year of account although the managing agent may receive payments on account of anticipated profit commission if interim profits are released to members.

Foreign currencies

Transactions in foreign currencies are translated into US Dollars which is the functional and presentational currency of the syndicate. Transactions in foreign currencies are translated using the exchange rates at the date of the transactions if significant or otherwise at the appropriate average rates of exchange for the period. The syndicate's monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rates of exchange at the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured at historic cost are translated to the functional currency using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation of foreign currency amounts are included in the non-technical account.

3. Segmental analysis

All business written by the syndicate is reinsurance. All premiums were underwritten in the UK.

The geographical analysis of gross written premiums by situs of the risk is as follows:

	\$'000
US	74,494
Australia	3,066
Japan	679
UK	375
Other	1,005
Total	79,619

Syndicate 6133

Notes to the underwriting year accounts

4. Reinsurance to close premium payable

	\$'000
Gross reinsurance to close premium payable	6,253
Reinsurance recoveries anticipated	(423)
Reinsurance to close premium, net of reinsurance (at average exchange rates)	5,830
Foreign exchange	(43)
Reinsurance to close premium payable, net of reinsurance (at closing exchange rates)	5,787

	Reported \$'000	IBNR \$'000	Total \$'000
Gross reinsurance to close premium payable	2,826	3,418	6,244
Reinsurance recoveries anticipated	(457)	-	(457)
Reinsurance to close premium payable, net of reinsurance	2,369	3,418	5,787

5. Net operating expenses

	\$'000
Brokerage and commission	13,479
Other acquisition costs	514
Acquisition costs	13,993
Administrative expenses	2,790
Members' standard personal expenses	2,313
Total	19,096

Syndicate 6133

Notes to the underwriting year accounts

6. Auditor's remuneration

	\$'000
Audit fees	
Fees payable to the syndicate's auditor for the audit of the syndicate's annual financial statements	24
Non-audit fees	
Other services pursuant to Regulations and Lloyd's Byelaws	32
Non audit fees	16
	<hr/>
	48
	<hr/>
Total	72

7. Staff number and costs

All staff are employed by a related company of ASML. The following amounts were incurred by the syndicate in respect of salary costs:

	\$'000
Wages and salaries	161
Social security costs	16
Other pension costs	17
	<hr/>
Total	194

The average monthly number of employees employed by the managing agency or related companies but working for the syndicate each year and aggregated for the three years was as follows:

	Number
Underwriting	1
Management, administration and finance	8
	<hr/>
Total	9

There have been eight Non-Executive directors on the ASML board who have allocated their time to the syndicate during the period from 1 January 2021 to 31 December 2023.

8. Emoluments of the directors of the managing agent

For the purposes of FRS 102, the directors of ASML are deemed to be the key management personnel.

The directors received remuneration recharged to the syndicate of \$539,000 for the syndicate's 2021 year of account charged as a syndicate expense.

Included in the total above are emoluments paid to the highest paid director amounting to \$135,000. The remuneration amount recharged to the syndicate for the Active Underwriter is \$18,000 on the 2021 year of account, which is charged as a syndicate expense.

Syndicate 6133

Notes to the underwriting year accounts

9. Investment income

	\$'000
Income received from related syndicates	1,016

Investment income represents amounts received by Syndicate 1969 attributable to the business undertaken on behalf of the syndicate.

10. Balance on technical account

	\$'000
Technical account balance before investment return & net operating expenses	22,975
Acquisition costs	(13,993)
	<u>8,982</u>
Allocated investment return transferred from the non-technical account	1,016
Net operating expenses other than acquisition costs	(5,103)
Profit on foreign exchange	524
Profit for the 2021 closed year of account	<u>5,419</u>
Members' agents' fees	(14)
Amounts due to members at 31 December 2023	<u>5,405</u>

11. Accruals and deferred income

	\$'000
Managing agent's profit commission	818
Cover holder fee	128
Total	<u>946</u>

12. Related parties

All business with related parties is transacted on an arm's length basis.

Apollo completed a corporate reorganisation during 2021, the effect of which was that ASML became a fully owned subsidiary of a new holding company, Apollo Group Holdings Limited ("AGHL"). Prior to 31 August 2021 ASML was a subsidiary of Apollo Partners LLP ("APL").

Metacomet LLC, a US incorporated limited company, is a shareholder of AGHL. Affiliated companies of Metacomet LLC participate on the syndicate.

On 11 October 2021, Alchemy Special Opportunities Fund IV LP ("Alchemy") committed to invest \$90m in AGHL. Alchemy's investment in AGHL was completed on 11 February 2022, following receipt of regulatory approvals. A key element of that investment was to allow AGHL to provide underwriting capacity to support the Apollo managed syndicates 1969 and 1971.

Syndicate 6133

Notes to the underwriting year accounts

12. Related parties (continued)

The syndicate is a SPA with Syndicate 1969 as the host. A single 90% quota share reinsurance contract is in place for each year of account ceding all gross premiums and related expenses and investment income. All transactions set out in the underwriting year accounts have been undertaken by Syndicate 1969 on behalf of the syndicate. The year of account distribution will be settled by Syndicate 1969.

The related party transactions and amounts outstanding at the balance sheet date are shown below:

Syndicate 1969	\$'000
Gross written premium receivable	79,619
Claims payable	(43,759)
Expenses payable	(5,617)
Allocated investment return	1,016
Other debtors	9,050

On closure the 2021 year of account has been reinsured to close into Syndicate 1969 in accordance with the original SPA quota share reinsurance agreement.

In accordance with the Managing Agent's Agreement, ASML accrued managing agent's fees (0.9% of syndicate capacity) and profit commission (20% of profit). A two-year deficit clause is in place which requires losses experienced by existing names to be offset by future profits before further profit commission becomes payable.

APL is a wholly owned subsidiary of AGHL which employs all Apollo group staff, including underwriters, claims and reinsurance staff. APL provides the services of these staff to ASML to enable it to function as a managing agent for the syndicate. APL also incurs a large proportion of the expenses in respect of operating the syndicate. The cost of these services and expenses are recharged to ASML which in turn recharges these to the syndicate, via Syndicate 1969, on a basis that reflects usage of resources, all recharges being without any mark up on cost.

There are no amounts payable directly to ASML; these are reflected in the balances with Syndicate 1969.

Ariel Re group, backed by Pelican Ventures, provided 75% of the capacity for the 2021 year of account through Ariel Re's corporate member. Business was written through two Ariel Re companies as cover holders under a binding authority with Syndicate 1969 (as host for Syndicate 6133). This operated in a similar fashion to other cover holders, although they are related parties to Ariel Re's corporate member. The Ariel Re cover holder was remunerated with a fee based on gross written premium, at normal commercial rates for these services, and this is 90% ceded to Syndicate 6133. Ariel Re Limited is an appointed representative of ASML.

Ariel Re	\$'000
Cover holder fee	2,961

A reinsurance with Syndicate 1910, managed by Ariel Re, was put in place to cede the unexpired risk from 1 January 2022. The rationale for ASML and members of the syndicate is to transfer the risk for future events, thereby reducing volatility of the result and capital required to support Syndicate 6133. The risks comprising the Property Treaty portfolio have been renewed into Syndicate 1910 for the 2022 year of account. Ariel Re is a capital backer of both Syndicate 1910 and Syndicate 6133.

Syndicate 6133

Summary of underwriting results

As at 31 December 2023

(Unaudited)

	2018	2019	2020	2021
Syndicate allocated capacity (£'000)	35,000	50,000	60,000	65,020
Syndicate allocated capacity (\$'000) (note 2)	47,799	67,677	72,604	82,777
Number of underwriting members	167	174	126	8
Aggregate net premiums (\$'000)	40,853	43,022	48,267	44,301
Result for a name with an illustrative share of £10,000	\$	\$	\$	\$
Gross premiums	16,478	13,451	13,394	12,245
Net premiums	11,672	8,604	8,045	6,813
Premium for reinsurance to close an earlier year of account	-	540	1,678	-
Net claims	(9,822)	(4,938)	(8,571)	(2,383)
Reinsurance to close the year of account	(724)	(1,912)	(2,682)	(897)
Syndicate operating expenses	(4,265)	(3,234)	(3,090)	(2,581)
(Loss)/Profit on exchange	(129)	(24)	248	81
Balance on technical account	(3,268)	(964)	(4,373)	1,033
Investment return	199	126	7	156
(Loss)/ Profit before personal expenses	(3,069)	(838)	(4,366)	1,189
Illustrative personal expenses (note 3)	(189)	(218)	(250)	(356)
(Loss)/ Profit after illustrative personal expenses	(3,258)	(1,056)	(4,617)	833
Capacity utilised (note 4)	107.4%	86.5%	96.6%	79.9%
Net capacity utilised (note 5)	70.2%	50.7%	52.4%	37.2%
Underwriting profit ratio (note 6)	(19.5)%	(7.2)%	(32.7)%	8.4%
Result as a percentage of stamp capacity	(23.9)%	(7.8)%	(38.2)%	6.5%

Notes to the summary:

1. The summary has been prepared from the audited accounts of the syndicate.
2. Syndicate allocated capacity is expressed in US Dollars at the foreign exchange rate at the date the year of account was closed.
3. Illustrative personal expenses comprise the managing agent's fee, contributions to the Central Fund, Lloyd's Annual Subscription incurred by a Name writing the illustrative share, irrespective of any minimum charge applicable to the managing agent's fee, and profit commission payable to the managing agent. This amount excludes members' agents' fees.
4. Capacity utilised represents gross premium written net of acquisition costs expressed as a percentage of allocated capacity using business planning foreign exchange rates.
5. Net capacity utilised represents written premium net of acquisition costs net of reinsurance expressed as a percentage of allocated capacity using business planning foreign exchange rates.
6. The underwriting profit ratio represents the balance on technical account expressed as a percentage of gross premiums written.