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Company registration no 2202362

Talbot Underwriting Ltd

Annual Report and Financial Statements

31 December 2022

Contents

Company information

Registered office

Talbot Underwriting Ltd
60 Threadneedle Street
London
EC2R 8HP

Bankers

Barclays PLC
1 Churchill Place
London
E14 5HP

Company registration no.

2202362

Directors

CJR Rash	(Chief Executive Officer)
JG Ross	(Chief Risk Officer)
RE Bean	(Chief Underwriting Officer)
RD Cowling	(Chief Financial Officer, appointed 26 April 2022)
ME Hind	(Independent Non-Executive, appointed 7 June 2022)
DJ Batchelor	(Independent Non-Executive)
MEA Carpenter	(Non-Executive)
KA Coates	(Independent Non-Executive)
JL Hancock	(Non-Executive, shareholder representative)
TA Bolt	(Non-Executive, shareholder representative)

Former Directors who served during 2022

M Scales	(Non-Executive, resigned 30 June 2022)
BJ Hurst-Bannister	(Non-Executive, resigned 31 December 2022)

Company Secretary

M-C Gallagher

Independent auditors

PricewaterhouseCoopers LLP
7 More London
Riverside
London
SE1 2RT

Strategic report

The Directors present the Strategic report of Talbot Underwriting Ltd (the Company) for the year ended 31 December 2022.

Principal activity

The principal activity of the Company is that of a Lloyd's managing agency. The Company manages the affairs of Syndicate 1183 and Syndicate 2019, together "the Syndicates".

The principal activity of Syndicate 1183 continues to be the underwriting of direct and reinsurance business in the Lloyd's market. The principal activity of Syndicate 2019 continues to be the underwriting of a proportional quota share reinsurance contract covering high net worth (HNW) personal lines insurance business underwritten by American International Group, Inc (AIG) companies, as part of its Private Clients Group (PCG) HNW portfolio. The Company also acts as holding company for companies that underwrite business on behalf of Syndicate 1183.

Review of business

The principal sources of turnover for the Company were the managing agency fees receivable for provision of services to the Syndicates. These are shown for the current and preceding year in the table below.

	2022	2021
	£'000	£'000
Syndicate 1183 – Managing agent fees	8,700	8,000
Syndicate 2019 – Managing agent fees	4,873	5,751
Syndicate 1183 – Profit commission	14,448	310
Total turnover	**28,021**	**14,061**

The net profit for the financial year was £13.1m (2021: profit £3.6m). The net profit in the year includes £14.4m (2021: £0.3m) of profit commission recognised due to the profitable results for Syndicate 1183.

Expenses consist primarily of a management fee charged to the Company by the service company, Talbot Underwriting Services Ltd (TUSL). Administrative expenses were £11.9m (2021: £9.6m).

The net asset position of the Company has increased from £18.6m to £31.7m. The main asset on the balance sheet is £18.8m (2021: nil) of cash and cash equivalents.

Key performance indicators

The key performance indicators for the business are turnover, net profit and net assets. There are no non-financial key performance indicators.

Strategic report (continued)

Principal risks and uncertainties

The Company manages the Syndicates in return for managing agency fees. The principal risk to the Company arises from future cash flows in respect of income that it receives from its management of the Syndicates. Income arises from fees charged to both Syndicates and variable profit commission on the underwriting results of the Syndicates. Managing agency fees are directly related to capacity for Syndicate 1183 and gross premiums written for Syndicate 2019. A change in the capacity or in gross premiums may reduce or increase the fee income to the Company. The Company manages the risk of any potential future reductions in income levels by regularly reviewing fee arrangements, budgeting and forecasting, monitoring actual performance and taking action to reduce costs, where appropriate. The Company's financial position has strengthened during the financial year with net assets of £31.7m at 31 December 2022 (2021: £18.6m). This includes an increase in cash and cash equivalents to £18.8m (2021: nil).

The Company is required to operate under the regulatory and compliance frameworks set by the Prudential Regulation Authority and the Financial Conduct Authority as regulators and Lloyd's as franchisor. Regulatory and compliance risk is considered to be the inability or failure of the Company to comply with applicable regulatory requirements. All risks are overseen by the Board and its sub-committees through a range of risk measures, including an established set of risk appetite limits. The Company's Board has developed a Risk Management framework, which covers specific areas such as risk identification, risk management, mitigation and risk reporting. The Company is required by Lloyd's to meet the qualifying net asset solvency requirements set by Lloyd's for Managing Agents. The Company's net assets are monitored regularly to ensure that solvency requirements are met.

During the year the Russia-Ukraine conflict started, changing the risk landscape and increasing the uncertainties that Syndicate 1183 faces. TUL manages such emerging risks in line with its risk management framework. TUL has performed an analysis of, and continues to monitor, Syndicate 1183 underwriting risks and investments and the potential for operational disruption, including heightened cyber risks and disruption via third party service providers. TUL has so far experienced limited adverse impact to its operational risk arising from the conflict and continues to monitor and respond to all changes in applicable sanctions regimes. For further information, refer to the Syndicate 1183 Annual Report and Accounts.

Information on the management of financial and operational risks of the Company are provided in note 3 to the financial statements (management of risk).

Environmental Responsibilities and Climate Risks

The Company, as part of the AIG Group, recognises the material risk that climate change poses to its business and is committed to embedding climate change considerations within its decision making. This is demonstrated by the AIG Group's commitment to reach net zero greenhouse gas (GHG) emissions across its underwriting and investment portfolios by 2050, or sooner. The Company is aligned with to AIG Group's commitments and 'Operational Pathway to Net Zero emissions' by 2050 Programme.

Further information of the climate change risks and environmental strategies are disclosed in the respective Syndicate's annual report and accounts.

Section 172 Statement

The Board, believes that in order to support the long-term success of the Company and deliver value to its shareholder, it must collectively consider the interests of the Company's key stakeholders. This is best achieved through proactive and effective engagement. The Board engages with the Company's community of stakeholders including:

1. Employees;
2. The AIG Group (of which the Company is a wholly owned subsidiary);
3. Customers (consisting of insureds and brokers through the Syndicates);
4. *Suppliers (including claims related service providers and reinsurers through the syndicates);*
5. Third party Corporate Members;
6. Regulators;
7. The local community; and
8. Those affected by our environmental actions.

By understanding who the Company's stakeholders are and paying due regard to their interests when making decisions on behalf of the Company, the Board aims to meet the requirements of Section 172 of the UK Companies Act 2006.

During the 2022 reporting year, the Board is satisfied that it has effectively engaged with and paid due regard to the interests of the key stakeholders outlined above, through direct engagement, through deepening its understanding via training or questioning, and through information provided by management. In the table below, we set out our community of key stakeholders, why each stakeholder matters to Company strategy, how the Board engaged with them during 2022 and what the resulting outcomes were.

Section 172 Statement (continued)

Table 1:

Why we engage - Strategic impact	**How the Company's Board Engaged in 2022**	**What - Outcomes and Actions in 2022**
Who/Stakeholder: Our Employees		
The staff who conduct the Company's business are provided to it by Talbot Underwriting Services Ltd. Supporting these employees to develop a strong sense of wellbeing, career path and community is part of the overall drive to fulfil the Company's strategy and contribute to the long-term success of the Company. The Company has a strong focus on career development, ensuring employees have the knowledge and skills to perform in their roles as well as advancing their careers.	• Quarterly meetings of the People and Remuneration Committee, which focuses on, inter alia, culture, remuneration and related matters. • Human resource quarterly updates • Diversity, Equity and Inclusion reporting • Culture review reporting • Quarterly All-Staff Briefings • People newsletters on a monthly basis • Regular meetings of Independent Non-Executive Directors with Heads of Departments • One of the enablers of the Company's strategy is its "Diverse Talent & High Performance Must Win Battle", which aims to embed organisational values, related behaviours, policies and processes to drive accountability, adaptability and delivery of performance targets. This is considered part of the Board's quarterly discussions on strategy.	• The AIG Values articulate the behaviours that support the Company in delivering its strategy. The Values are: Take Ownership, Set the Standard, Be an Ally, Win Together and Do What's Right. In 2022 the AIG Values were embedded into regular employee communications and annual appraisals. Recognition Awards, are given quarterly to employees who most embodied our Values. Our Values are a key tool in maintaining a reputation for high standards of business conduct, which is reinforced through our code of conduct, staff handbook and appraisal process and overseen through our governance structures discussed below. • The learnings from 2021's culture review were actioned and embedded. Further surveys were undertaken during 2022, which have been used to inform our people and culture priorities for 2023. • The Company embraced a flexible working approach where employees are encouraged to work both in the office and from home. • Promotion of Diversity, Equity and Inclusion through different channels: events celebrating diversity, reverse mentoring for our independent non-executive directors and senior leaders and workshops to educate on DEI.

Section 172 Statement (continued)

Table 1: (continued)

Why we engage - Strategic Impact	How the Company's Board Engaged in 2022	What - Outcomes and Actions in 2022
Stakeholder: AIG Group – Our Sole Shareholder		
The Company pays regard to the strategic direction and purpose of the AIG Group. The Company works with AIG to identify solutions to shared challenges and leverage core capabilities and areas of expertise to generate value within the Company and for AIG Group as shareholder.	• The Board worked closely with management in embedding the Company's strategy. It actively considered AIG strategy when setting the Company strategy and engages with them to ensure that the Company is able to take advantage of the benefits of being part of a global group. • AIG Senior Executives who serve as Non-Executive Directors on the TUL Board to ensure two-way communication between the Board and the shareholder.	• The Company's strategy is clearly articulated to its staff and internal and key external stakeholders. • Employees have developed skills and knowledge and broader experience and opportunities by working on collaboration opportunities such as Syndicate 2019 and distribution opportunities brought about by Group membership as well as relationships across the AIG Group. • The Company benefits from greater collaboration for example through Centres of Excellence, shared underwriting capability and shared Employee Resource Groups (ERGs).
Stakeholder: Customers – Brokers and Insureds		
The Company's strategy focuses on identifying, understanding and engaging with its customers in a structured manner; tailoring and distributing its products via appropriate channels, to deliver value for its insureds.	• Internal quarterly reporting on the Company's strategic initiatives from the CEO. • Quarterly reporting on the Company's Conduct Risk performance, including monitoring of product governance and fair value reviews and overseeing the Company's implementation of the FCA Consumer Duty.	• The Board sets the Company strategy, which includes a focus on Customer Engagement and Digital Distribution. • Customer engagement is one of our key strategic priorities. During 2022, the Company redesigned the formal broker engagement process and our value proposition to further enhance our service provided to our customers.

Section 172 Statement (continued)

Table 1: (continued)

Why we engage - Strategic Impact	How the Company's Board Engaged in 2022	What - Outcomes and Actions in 2022
Stakeholder: Suppliers (including claims related service providers and reinsurers)		
The Company builds and maintains strong relationships with, amongst others, vendors, claims service providers and reinsurers. A detailed exercise has been carried out to identify suppliers who are material to the Company's important business services, and therefore its ability to serve its customers and to operate resiliently.	• The Board (via the Underwriting Committee) receives regular updates from the Head of Claims, including the monitoring of key claims performance data. • The Board also receives regular updates (via the Underwriting Committee) on the performance of the reinsurance programme. • The Board reviews the analysis of "Important Business Services" and sets and monitors against, failure tolerance thresholds. • The teams managing suppliers carry out due diligence and audits to ensure that services are appropriate and are delivered by reputable companies in accordance with the agreed terms.	• The Board continued a review of key third party suppliers in 2022, as part of the PRA Operational Resilience requirements and identified the critical third parties, including key suppliers. • The Board ensures it maintains good relationships with these suppliers, through regular management reporting on engagement and performance of suppliers.
Stakeholder: Regulators the FCA, PRA and Lloyd's		
The Company values its relationship with all regulators and aims at all times to ensure it maintains a close, ongoing and co-operative dialogue with those overseeing its business.	• The Board considers and discusses key PRA/FCA and Lloyd's areas of focus on a regular basis through reporting from senior management. • The Risk and Compliance Committee receives quarterly reporting on pertinent regulatory matters. • The Company's executive management meets regularly with Lloyd's and the PRA and reports key issues to the Risk and Compliance Committee and Board as required. • Board members engage with the PRA and Lloyd's on topical issues as they arise. • The Chairman has regular meetings with the PRA and the independent non-executive directors attend applicable regulatory briefings.	• New regulatory initiatives, Dear CEO letters, supervisory statements, as well as correspondence specific to the Company are tracked and reported to the Board (where appropriate via the Risk and Compliance Committee) to enable the Board to monitor that these are appropriately considered and action is taken where required. For example, the Company has launched a project to implement the FCA's new Consumer Duty following the issuance of its policy statement 22/9 in July 2022. • The Company works with Lloyd's and the LMA to ensure best market practices are considered. • Specialist regulatory considerations such as the impact of sanctions following Russia's invasion of Ukraine are managed by the Company also leveraging the benefit of specialist Group expertise.

Strategic report (continued)

Section 172 Statement (continued)

Table 1: (continued)

Why we engage - Strategic Impact	How the Company's Board Engaged in 2022	What - Outcomes and Actions in 2022
Stakeholder: The Local Community		
The local community is important to the Company's culture. Employees, through various initiatives, have the opportunity to give back.	• A summary of charity initiatives is reported annually via the Talbot Charity and Volunteering Committee Report and the Board actively encourages a culture of participation.	• The Company's employees drive community engagement by nominating a "Talbot Charity of the Year" and which initiatives to take part in through the Talbot Charity and Voluntary Committee. • Initiatives include community projects, reading and maths support at local primary schools, mentoring school age students and school leavers, sponsored runs, cycles, Christmas Toy appeals as well as matched funding for charity donations from Talbot employees. • Staff are given two volunteering days per annum to spend on initiatives of their choice. The Company (or individual departments within it) organises various such volunteering opportunities.
Stakeholder: The Environment		
The Company acknowledges its environmental responsibilities and the impact that climate change has on the business and remains committed to playing a role in addressing these challenges.	• The Board and its sub-committee, the Risk and Compliance Committee, receives updates on financial risks arising from climate change. • The Company also recognises that there are operational risks from climate change and assesses the risks and opportunities associated with the physical impacts of climate change, including individual facilities and office locations. • The Board has agreed to adopt and implement the ESG guidelines set by Lloyd's.	• The Chief Financial Officer and Chief Underwriting Officer are responsible for the management of risks arising from climate change. • A working group monitors and assesses the risks arising from climate change which the Company may face or is facing. • An ESG Committee monitors the ESG activities of the Company and reports quarterly to the Board.
Who/Stakeholder: Third Party corporate members		
Third party corporate members provide capital to support the writing of reinsurance by Syndicate 2019.	• The Board receives reports from the Audit Committee on Syndicate 2019 returns to Lloyd's. • The Audit Committee and Board concluded the Reinsurance to Close of the 2020 year of account at 31 December 2022 in accordance with the Lloyd's convention and applicable byelaws.	• Third party corporate members are kept apprised of Syndicate 2019's performance, at least quarterly, through a letter from the Active Underwriter and receipt of the Lloyd's quarterly returns for the Syndicate.

Section 172 Statement (continued)

A key role of the Board is to approve the business strategy and monitor progress against it, taking into account the key stakeholder requirements as summarised above. The Company's strategy is agreed with a 3-year horizon and is then refreshed every year within that horizon before a more significant re-set for the next 3-year period. The strategy contains a 'definition of success' within specific boundaries. The definition of success will be measured by achievement against the targets set. The strategy was set for 2021-23, success will be evaluated in 2023 and the strategy will be re-set for 2024-26. The long-term consequences of strategic decisions are a key consideration in the strategy setting process itself. The long-term stability of the Company is further supported by its annual Own Risk and Solvency Assessment (ORSA) exercise, which links the Company's business and risk management strategies to the capital and solvency implications of those strategies, and the Enterprise Risk Management team's annual review of its business plan.

Approved by the Board of Directors and signed on behalf of the Board.

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Richard Cowling

Chief Financial Officer

10 May 2023

Directors' report

The Directors present their annual report and audited financial statements of the Company for the year ended 31 December 2022. The results and principal risks and uncertainties are covered in the Strategic report.

Future developments

The underwriting capacity for the 2023 underwriting year of account was approved by Lloyd's to be £1,038m (2022: £870m and 2021: £800m) for Syndicate 1183 and £498m (2022: £498m and 2021: £500m) for Syndicate 2019. The underwriting capacity for Syndicate 1183 is provided by a fellow group Company, Talbot 2002 Underwriting Capital Ltd. PCG 2019 Corporate Member Limited, an AIG subsidiary, provides 100% underwriting capacity for Syndicate 2019 for the 2023 year of account, 82.58% for 2022 and 82.55% for 2021. Third-party Lloyd's members provided the remaining underwriting capacity in 2022 and 2021. The combined capacity for the two managed Syndicates for the 2023 year of account is £1,536m (2022: £1,368m and 2021: £1,300m). The capital resources for Syndicate 2019 are mostly provided by AIG to support underwriting participation. All capital resources for Syndicate 1183 are provided by AIG.

On 26 April 2023, AIG announced it had finalised its agreement with Stone Point Capital (Stone Point), a leading private equity firm focused on investing in businesses within the global financial services industry, to form an independent Managing General Agency (MGA) to serve the High and Ultra High Net Worth markets.

As part of this new structure, the Private Client Group (PCG) business will move to the MGA, once it is formed, and will be rebranded as Private Client Select Insurance Services (PCS). AIG will be the lead carrier for PCS and will have an equity stake in the MGA. PCG will be supported by a diverse base of third-party capital providers including AIG and Syndicate 2019. The establishment of the MGA is subject to obtaining the required permits and other regulatory approvals. Once the MGA is formed, PCG employees and core solutions will transfer to PCS, which will improve product offerings to better serve the High and Ultra High Net Worth markets.

The Company understands it is AIG's intention to continue to support the Syndicates using the Company as a Managing Agency at Lloyd's. The Directors have a reasonable expectation that the Company will continue as a going concern.

Dividend

The Company did not pay any dividend during the year (2021: nil). The Directors do not propose a final dividend for the year ended 31 December 2022 (2021: nil).

Corporate governance

The Board is responsible for the overall management and direction of the business and affairs of the Company. This includes responsibility for the Company's long-term strategy for success, and determining the high level objectives and the policies governing the conduct of the Company's business. The Company's Board currently comprises four executive Directors and six non-executive Directors (being an independent non-executive Director Chair and two independent non-executive Directors, two non-executive shareholder representatives and one additional non-executive Director).

The non-executive Directors: (i) participate in the collective decision making and collective responsibilities of the Board; (ii) challenge the executive Directors constructively on their recommendations and running of the business; (iii) review the performance of management in meeting agreed objectives and targets and monitor the reporting of performance; and (iv) satisfy themselves that financial controls and systems of risk management are adequate.

Corporate governance (continued)

The Audit Committee is made up of five non-executive Directors and is attended by executive Directors and members of management. The purpose of the Audit Committee is, with input from external auditors and internal audit to review and to report to the Board on financial and regulatory reporting, reserves, control infrastructure and internal audit of the Company and its managed Syndicates. In addition, the committee is responsible for recommending the approval of the annual report and financial statements to the Board.

The Risk and Compliance Committee is made up of five non-executive Directors and is attended by executive Directors and members of management. The purpose of the Risk and Compliance Committee is to oversee the risk management process and framework, to review issues of policy and to drive the risk culture at the Company. The Risk and Compliance Committee monitors the conduct and co-ordination of risk management activities across the Company and its managed Syndicates on behalf of the Board, including the identification of key business risks and material changes to the business environment.

The Underwriting Committee is made up of six non-executive Directors and is attended by executive Directors and members of management. The purpose of the Underwriting Committee is to review the underwriting activities of the managed Syndicates, ensuring these activities are conducted in such a way as to meet the objectives of the business in accordance with the Syndicates' strategy and business plans.

The People and Remuneration Committee is made up of five non-executive Directors and is attended by the Chief Executive Officer and the Head of Human Resources. The Chief Risk Officer reports to this Committee on an annual basis. The purpose of the People and Remuneration Committee is to ensure that appropriate policies are set as regards human resourcing matters, including but not limited to: Diversity, Equity and Inclusion, Succession Planning, Talent Development and Organisational Culture. The People and Remuneration Committee also ensures that Talbot group remuneration policies which impact the Syndicate are consistent with sound risk management and do not expose the Syndicate to excessive risk.

Corporate Governance Disclosures regarding Wates Principles

The Board addresses each of the principles in its governance practices as follows:

1. **Purpose and Leadership**: As per the Corporate Governance section within the Directors' report, the Board sets out a clear long-term strategy and purpose for the Company and regularly monitors progress towards the Company's strategic goals. The Board considers the impact of this strategy on each key stakeholder group, as outlined in detail in the Section 172 statement.

2. **Board Composition:** As per the Corporate Governance section above, the Board consists of both executive and non-executive Directors, with a majority of non-executive Directors, and the duties of the Board are executed partially through Board Committees. The Board is chaired by a Non-Executive Director and membership of Board committees is exclusively comprised of Non-Executive Directors, so that they are able to challenge and influence a broad range of areas across the Company. The current non-Executive Directors possess a broad range of experience including finance, insurance distribution and law and the most recent appointments bring a diversity of skills and experience to the Board that further enhances and deepens the overall competence of the Board. Directors update their skills, knowledge and familiarity with the Company by meeting regularly with senior management, through external training courses and specific Board-training sessions which are coordinated by the Chair and Company Secretary. There is an induction process for all new Directors, which is tailored for specific individuals. The Board conducts an effectiveness review on an annual basis, with external facilitation of the review every 3 years (the next externally facilitated review being in respect of 2023). The findings are reported to and considered by the Board annually. Actions arising are tracked and monitored throughout the year.

3. **Director Responsibilities:** A statement of Directors' responsibilities with regard to financial statements under Company law is found in the Directors' Report. In addition to these responsibilities, the Board maintains a Terms of Reference document outlining the duties of the Board, a fundamental duty being to set the strategic aims and risk appetite of the Company. The Board delegates authority for day-to-day management of the Company to the Chief Executive Officer (CEO), who chairs the Executive Committee, which meets formally on a monthly basis and is responsible for supporting the CEO in execution of the Board-set strategy. The Executive Committee membership consists of leaders of each business area.

Corporate Governance Disclosures regarding Wates Principles (continued)

4. **Opportunity and Risk:** A statement of principal risks and uncertainties is provided in the Strategic Report. As outlined in the Corporate Governance section within the Directors' report, the Risk and Compliance Committee monitors the Company risk management framework and receives a quarterly report on management of risks and emerging risks.

   In order to promote the long-term sustainability of the Company, strategic opportunities are reviewed by the Board and specific objectives set by the Board. The key strategic objectives and the impacted stakeholders are outlined in the S172 statement.

5. **Remuneration:** As per the Corporate Governance section, the People and Remuneration Committee ensures that remuneration policies are consistent with sound risk management and do not expose the Company to excessive risk. The People and Remuneration Committee is responsible for ensuring that the remuneration policy of the Company is fair and that remuneration appropriately reflects the performance of the Company, individuals contributions and promotion of the values expected. In addition, the Committee ensures remuneration policy complies with applicable regulations.

6. **Stakeholder Relationships and Engagement**: As per the Section 172 Statement, the Company has identified a range of key stakeholders, each of whom is integral to the long term objectives of the Company. The Section 172 Statement outlines how the Board engages with each of these stakeholders and the outcomes of this engagement contribute to the delivery of the long term objectives of the Company.

Professional indemnity insurance

The Company purchases professional indemnity insurance protecting the Company and all past, present and future Directors and employees of the Company in respect of errors, omissions and negligent acts within the scope, and subject to the limits, of the policy. This was in force during the financial year and also at the date of approval of the financial statements.

Directors and officers

The Directors of the Managing Agent during the period from 1 January 2022 to the date of this report are as follows:

CJR Rash	(Chief Executive Officer)
JG Ross	(Chief Risk Officer)
RE Bean	(Chief Underwriting Officer)
RD Cowling	(Chief Financial Officer, appointed 26 April 2022)
ME Hind	(Independent Non-Executive, appointed 7 June 2022)
DJ Batchelor	(Independent Non-Executive)
MEA Carpenter	(Non-Executive)
KA Coates	(Independent Non-Executive)
JL Hancock	(Non-Executive, shareholder representative)
TA Bolt	(Non-Executive, shareholder representative)

Former Directors who served during 2022 were as follows:

M Scales	(Non-Executive, resigned 30 June 2022)
BJ Hurst-Bannister	(Non-Executive, resigned 31 December 2022)

Company Secretary

M-C Gallagher

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the financial statements, in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 "The Financial Standard Applicable in the UK and Republic of Ireland" (FRS 102).

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP have indicated their willingness to continue in office. The Company has an elective resolution in place under s485 of the Companies Act 2006 to dispense with the obligation to appoint the auditors annually.

Approved by the Board of Directors and signed on behalf of the Board.

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Richard Cowling

Chief Financial Officer

10 May 2023

Independent auditors' report to the members of Talbot Underwriting Ltd

Report on the audit of the financial statements

Opinion

In our opinion, Talbot Underwriting Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2022; the Profit and loss account and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Independent auditors' report to the members of Talbot Underwriting Ltd (continued)

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 financial statements.

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the Prudential Regulation Authority and the Financial Conduct Authority, and those regulations set by the Council of Lloyd's, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the risk of management override of controls. Audit procedures performed by the engagement team included:

- Discussion with the Board, management, the compliance function and the Internal Audit Group of the company, including consideration of known or suspected instances of fraud or non-compliance with laws and regulations;
- Assessment of matters reported on the company's whistleblowing helpline and the results of investigations of such matters;
- Reviewing relevant meeting minutes, including those of the Board, Risk and Compliance Committee and the Audit Committee of the company, and correspondence with regulatory authorities, including the Council of Lloyd's, the Prudential Regulation Authority and the Financial Conduct Authority;
- Identification and testing of journal entries identified as potential indicators of fraud, particularly backdated journal entries, those with unusual words, those with unusual account combinations, duplicate journals and reversals posted within the same period, or journals posted by employees who have left the entity; and
- Designing audit procedures to incorporate unpredictability around the nature, timing and extent of testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Andrew Lyttle (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

10 May 2023

Profit and loss account

For the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Turnover	4	28,021	14,061
Administrative expenses		(11,862)	(9,587)
Operating profit		16,159	4,474
Other interest receivable and similar income		21	-
Profit before tax	5	16,180	4,474
Tax on profit	8	(3,074)	(850)
Profit for the financial year		13,106	3,624

There was no other comprehensive income in the year.

Balance sheet

As at 31 December 2022

	Note	2022 £'000	2021 £'000
Fixed assets			
Investments	9	226	226
Current assets			
Debtors – amounts due within one year	10	13,324	18,065
Cash and cash equivalents		18,800	-
Deferred tax asset	11	1,121	1,121
		33,245	19,186
Prepayments and accrued income – due after more than one year	12	4,786	-
		38,031	19,186
Creditors - amounts falling due within one year	13	(6,589)	(850)
Net current assets		31,442	18,336
Total assets less current liabilities		31,668	18,562
Net assets		31,668	18,562
Capital and reserves			
Called up share capital	14	400	400
Retained earnings		31,268	18,162
Total equity		31,668	18,562

The notes on pages 21 to 28 are an integral part of these financial statements.

The financial statements on pages 18 to 28 were approved by the Board of Directors on 3 May 2023 and signed on its behalf by:

DocuSigned by:

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Richard Cowling
Chief Financial Officer
Company registration no: 2202362

10 May 2023

Statement of changes in equity

For the year ended 31 December 2022

	Called-up share capital £'000	Retained earnings £'000	Total £'000
Balance at 1 January 2021	400	14,538	14,938
Profit for the financial year	-	3,624	3,624
Balance at 31 December 2021	400	18,162	18,562
Profit for the financial year	-	13,106	13,106
Balance at 31 December 2022	400	31,268	31,668

Notes to the financial statements

1 General information

Talbot Underwriting Ltd, registered number 2202362, is a private Company limited by shares. The Company is a Lloyd's managing agency and manages the affairs of Lloyd's Syndicates 1183 and 2019.

The Company also acts as a holding Company for companies that underwrite business on behalf of Syndicate 1183. Further details are shown in note 9 to the financial statements.

The Company is incorporated and registered in England and Wales. The address of its registered office is 60 Threadneedle Street, London EC2R 8HP.

2 Summary of significant accounting policies

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

Statement of compliance

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (FRS 102) and the Companies Act 2006 (the Act), under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).

Basis of preparation

The financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Act and applicable accounting standards in the United Kingdom, including FRS 102.

The Company's financial statements are presented to the nearest thousand (2021: presented to the nearest pound).

(a) Exemptions for qualifying entities under the Act and FRS 102

Under s401 of the Act, the Company is exempt from preparing consolidated financial statements on the basis that the ultimate parent undertaking, American International Group, Inc (AIG) prepares consolidated financial statements.

The Company has taken advantage of the exemption under FRS 102 Section 7, paragraph 3.17(d), from preparing a statement of cash flows on the basis that it is a qualifying entity and its ultimate parent Company, AIG, includes the Company's cash flows in its own consolidated financial statements.

(b) Key estimates and significant judgements

The Company receives profit commission as a percentage of the Syndicates' profit, which is subject to estimates, judgements and assumptions relating to the Syndicates claims reserves and estimated premium income. Further information on key judgement and uncertainties relating to Syndicate 1183 and 2019 are disclosed in respective Syndicate's annual report and accounts.

(c) Foreign currency

The Company's functional and presentational currency is Sterling. Transactions in other currencies are translated into the functional currency at the average rates of exchange for the year. Assets and liabilities denominated in other currencies are translated into US dollars at the closing rates of exchange for the year.

Foreign exchange gains and losses resulting from the translation of transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Notes to the financial statements (continued)

2. Summary of significant accounting policies (continued)

(d) Revenue recognition

Turnover consists of managing agency fees and profit commissions derived from the management of Lloyd's Syndicates.

Managing agency fees for Syndicate 1183 are based on capacity and for Syndicate 2019 are based on gross premiums written, and are recognised over the period for which services are provided.

Profit commissions payable to the managing agency arising on closure of a Lloyd's year of account are recognised on an accruals basis reflecting earned Syndicate results, subject to the operation of any applicable deficit clause.

For the financial year ended 31 December 2022 profit commission of £14.4m (2021: £0.3m) has been recognised for Syndicate 1183. For Syndicate 2019 no profit commission has been recognised for the year ended 31 December 2022.

Dividends due from subsidiary companies are recognised as income once the dividend has been approved by the Board of the subsidiary Company.

(e) Taxation

Taxation expense for the year comprises current and deferred tax recognised in the reporting year. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity. In this case, tax is also recognised directly in equity.

Current or deferred tax assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted in the year.

(ii) Deferred tax

Deferred tax arises from timing differences between taxable profits and total income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

(f) Investments

Investments in subsidiary companies are stated at cost and are reviewed for impairment when events or changes in circumstances indicate the carrying amount may be impaired. If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount and an impairment loss is recognised in the profit and loss account.

(g) Cash and cash equivalents

Cash and cash equivalents includes deposits held on call with banks and other short-term highly liquid investments with original maturities of three months or less.

Notes to the financial statements (continued)

2. Summary of significant accounting policies (continued)

(h) Financial assets and liabilities

The Company has chosen to adopt the recognition, measurement and disclosure requirements of FRS 102 sections 11 and 12.

Financial Assets

Basic financial assets, including amounts due from group undertakings are initially recognised at transaction price and subsequently carried at amortised cost.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or are settled, or substantially all the risks and rewards of the ownership of the asset are transferred to another party, or control of the asset has been transferred to another party who has the practical ability to sell the asset to an unrelated party.

Cash and cash equivalents comprise cash at bank and short-term highly liquid investments readily realisable as cash without significant financial penalty.

Financial Liabilities

Basic financial liabilities, including amounts due to group undertakings, are initially recognised at transaction price and subsequently measured at amortised cost.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(i) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(j) Distributions to equity holders

Dividends and other distributions to the Company's shareholder are recognised in the financial statements in the period in which the dividends and other distributions are approved by the Company's shareholder. These amounts are recognised in the statement of changes in equity.

Notes to the financial statements (continued)

3. Management of risk

All risks are overseen by the Board and its sub-committees through a range of risk measures, including an established set of risk appetite limits. The Company's Board has developed a Risk Management Framework, which covers specific areas such as risk identification, risk management, mitigation and risk reporting. The overall appetite for accepting and managing varying classes of risk is defined by the Board.

Executive oversight of the Risk Management Framework is delegated to the Chief Executive Officer, who is responsible for ensuring that risk management is embedded, ensuring that risks are properly managed, mitigated and that there are appropriate controls, operating effectively. The Executive Committee is formed by the Chief Executive Officer in order to discharge duties delegated from the Board and there are also a number of other management committees that support oversight of how risk is managed by the business.

The Company's Risk Management function provides senior management with a consolidated view of key risks. It supports the business and management in the embedding of risk management in business processes and in identifying, assessing, quantifying, managing, monitoring, reporting and mitigating risk exposures. This includes risks related to changing climate conditions, and tracking societal changes that could impact operations and elevate reputational risks.

A summary of the financial and operational risks faced by the Company, and the risk mitigation techniques to identify, assess and evaluate and mitigate these risks are outlined as follows:

Credit risk is the risk that counterparties are unable, or unwilling, to settle their debts as they fall due. The Company is exposed to credit risk from the risk of default by the Syndicates and/or one or more group companies. To mitigate this risk, balances with the Syndicates and group companies are reviewed on a regular basis. Lloyd's is A rated by AM Best and A+ by S&P. AIG, which is rated A by AM Best and by A+ by S&P, has 100% participation on Syndicate 1183 and the majority participation across all underwriting years of Syndicate 2019 at 31 December 2022. Based on this management have concluded that the risk of credit default related to amounts due from Group undertakings is minimal.

Group risk is the risk of financial loss to the Company from its membership of AIG Group. Group risk is mitigated through parental support with the financial strength of AIG Group.

The Company is financed by the equity investment of its parent together with retained earnings. It has no debt finance and has no **interest rate risk** exposure.

Currency risk is the risk that foreign exchange rate movements could impact the valuation of assets, liabilities in the Company's reporting currency. While the Company's results are reported in Sterling, income is recognised in both Sterling and US dollars. To mitigate this, funds are held in both Sterling and US dollars and liabilities are settled with receipts denominated in the same currency to eliminate exposure.

Liquidity risk is the risk of loss to the Company arising from the Company having insufficient liquid assets to meet all cash flow commitments as and when they fall due. Currently, the Company has significant cash balances held on short fixed term deposits with banks, which can be used in order to meet any short-term liabilities.

Operational risk is the risk of loss to the Company resulting from the inadequate or failed internal processes, people and systems, or from external events. This is mitigated through a system of documented, monitored, and tested controls.

Reputational Risk is when the Company recognises reputational risk as a by-product of inappropriate/inadequate management and mitigation of all other risk categories.

The Company recognises the **risks** posed by **climate change** on its business and the need for a robust risk management response. Risks associated with climate change could impact not only the physical environment but also the liability environment in which the Company operates. The Company continues to monitor developments, including regulatory expectations in this area.

Further information of risk management relating to Syndicate 1183 and 2019 is included in respective Syndicate's annual report and accounts.

4. Turnover

During the year the Company received the following income in respect of:

	2022 £'000	2021 £'000
Syndicate 1183 – Managing agent fees	8,700	8,000
Syndicate 2019 – Managing agent fees	4,873	5,751
Syndicate 1183 – Profit commission	14,448	310
	28,021	14,061

All income arises in the United Kingdom.

5. Profit before tax

Profit before tax is stated after management charges of £11.9m (2021: £9.6m). These primarily comprise charges from the group service Company, Talbot Underwriting Services Ltd (TUSL), for services provided to the Company.

6. Audit and non-audit fees

The audit fees for the Company are included in administrative expenses. During the year, the charges were £26,000 (2021: £21,000) in respect of audit fees and £6,000 (2021: £5,000) of audit related assurance service fees.

7. Employees and Directors

The Company has no employees (2021: No employees). All staff and key management personnel who provide services to the Company are employed by Talbot Underwriting Services Ltd (TUSL), a fellow group Company, which pays all their remuneration. The charges in relation to the services provided by Non-Executive Directors are recharged by TUSL to the Company. The charges in relation to the services provided by Executive Directors to Syndicate 1183 are included in the management fees recharged by TUSL to Syndicate 1183.

The aggregate remuneration of the Non-Executive Directors in respect of their services recharged to the Company and the Executive Directors in respect of their services to Syndicate 1183, was £2.1m (2021: £2.0m). This includes the remuneration of the highest paid Director which was £0.6m (2021: £0.4m).

8. Tax on profit

(a) Tax charge included in profit and loss account

	2022 £'000
Current tax	
UK corporation tax on profit for the year	3,074
Tax on profit	3,074

Notes to the financial statements (continued)

8. Tax on profit (continued)

(b) Reconciliation of tax charge

The tax charge for the year is the same as (2021: same as) the standard effective rate of corporation tax in the UK of 19% (2021: 19%). The details are below:

	2022	2021
	£'000	£'000
Profit before taxation	16,180	4,474
Profit before tax multiplied by 19% (2021: 19%)	3,074	850
Tax charge for the year	3,074	850

(c) Tax rate changes

An increase from the current 19% UK corporation tax rate to 25% has been substantively enacted; effective from 1 April 2023.

9. Investments

The Company has two wholly owned subsidiary companies and one that is 99% owned. These subsidiary companies that underwrite as coverholders on behalf of Syndicate 1183 are shown below:

Subsidiary	Country of incorporation	Registered office	Interest (all direct)
Talbot Risk Services Pte Ltd (TRSA)	Singapore	AIG Building #11-16, 78 Shenton Way, Singapore 079120	100% ordinary shares
Talbot Underwriting Risk Services Ltd (TURSL)	England and Wales	60 Threadneedle Street, London EC2R 8HP, UK	100% ordinary shares

The following subsidiary Company has ceased underwriting as a coverholder on behalf of the Syndicate:

Subsidiary	Country of incorporation	Registered office	Interest (all direct)
Talbot Underwriting (LATAM) S.A*	Chile	Avenida Apoquindo No.3650 Piso 8 Oficina 803, Las Condes, Santiago, Chile	99% ordinary shares

The value of the Company's investments at the end of each year is shown below:

	TRSA	TURSL	LATAM*	Total
	£'000	£'000	£'000	£'000
31 December 2022	200	25	1	226
31 December 2021	200	25	1	226

*Talbot Underwriting (LATAM) S.A is in liquidation and it is expected to be dissolved.

10. Debtors

	2022	2021
	£'000	£'000
Amounts owed by managed Syndicates – Managing agent fees & other	3,047	4,284
Amounts owed by managed Syndicates – Profit commission	10,016	310
Amounts owed by group undertakings	240	13,471
Amounts owed by third parties	21	-
	13,324	18,065

Amounts owed by group undertakings and the managed Syndicates are unsecured, interest free and due within one year.

11. Deferred tax asset

	2022	2021
	£'000	£'000
Deferred tax asset at beginning of year	1,121	1,121
Total current year movement	-	-
Deferred tax asset at end of the year	1,121	1,121

The deferred tax asset is in respect of tax losses carried forward. The asset will be recoverable within one year

12. Prepayments and accrued income – due after more than one year

	2022	2021
	£'000	£'000
Amounts owed by managed Syndicates – Profit commission	4,786	-
	4,786	-

Amounts owed by group undertakings and the managed Syndicates are unsecured, interest free and due after more than one year.

13. Creditors – amounts falling due within one year

	2022	2021
	£'000	£'000
Amounts owed to group undertakings	3,515	-
Corporation tax	3,074	850
	6,589	850

14. Called up share capital

	2022	2021
	£'000	£'000
Authorised, allotted and fully paid		
400,000 Ordinary Shares of £1.00	400	400

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

15. Controlling parties

The immediate parent Company is Talbot Underwriting Holdings Ltd, a Company registered in England and Wales. The registered office is 60 Threadneedle Street, London, EC2R 8HP.

The ultimate parent and controlling party of Talbot is American International Group, Inc (AIG). The registered office of which is 175 Water Street, New York, NY 10038, United States of America. AIG is listed on the New York Stock Exchange.

16. Related party transactions

Under FRS 102 the Company is exempt from disclosing related party transactions as they are with other companies that are wholly owned within the group.