

Company No 01893407

BEAZLEY FURLONGE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2024

BEAZLEY FURLONGE LIMITED

Directors and Advisors

Directors

R S Anarfi
P Bantick
W W E Barkholt
R J Clark
A P Cox
A J Reizenstein
L Santori
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N Wall
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BEAZLEY FURLONGE LIMITED

Strategic report

The Directors present their strategic report for Beazley Furlonge Limited ('BFL' or 'the Company'), registered number: 01893407, that accompanies the audited financial statements for the year ended 31 December 2024.

Business review and principal activity

The principal activity of the Company is to act as the managing agent for seven Lloyd's syndicates (2623, 623, 3623, 6107, 3622, 5623 and 4321). The Company received managing agency fees for the year at the rate of 0.6% of capacity for syndicates 2623, 3622 and 3623 (2023: 0.6%), 1% of capacity for 5623 (2023: 1%), 0.6% of capacity for 623 (2023: nil) and nil for 6107 and 4321 (2023: nil). The Company also receives profit commissions from syndicate 623 at a rate of 17.5% of year of account ('YOA') profit (2023: 17.5%), and from syndicate 5623 at a rate of 20% of YOA profit (2023: 20%). Profit commission is only charged when a YOA becomes profitable.

The capacities of the managed syndicates are as follows:

Syndicate Number	Capacity 2024	Capacity 2023
2623	£2,299.6m	£3,794.5m
623	£887.2m	£818.6m
5623	£396.6m	£339.8m
6107	£57.8m	£43.3m
3623	£1,325.6m	£nil
3622	£37.0m	£33.8m
4321	£nil	£33.1m

The company has made a profit of £32.0m (2023 £35.3m) driven by an increase in profit commissions from managing syndicates offset by an increase in administrative expenses.

Syndicates 2623, 623 and 3623 had business mix changes during the year. Business previously written through 2623 and 623 through a Beazley US based coverholder began writing through Syndicate 3623 in 2024. This US coverholder business will continue to decrease in size over the coming years.

Syndicate 4321 ceased writing new business in 2024 and has entered run off, expected to be completed in early 2026. Syndicates 5623, 6107 and 3622 continued to grow their books in 2024.

Principal risks and uncertainties

The principal risks and uncertainties of the Company are aligned with those of Beazley plc ("the Group") and include:

- Insurance risk;
- Market risk;
- Credit risk;
- Group risk;
- Liquidity risk;
- Regulatory and legal risk;
- Operational risk; and
- Strategic risk

The Group operates a risk management framework, within which risk appetite is defined, assumed risks are identified and managed and key controls are implemented and monitored.

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Strategic report (continued)

The principal risks and uncertainties of the Company arise from the management of syndicates 2623, 623, 3623, 6107, 3622, 5623 and 4321.

Further information on the Group's strategy can be found in the annual report and accounts of Beazley plc.

Key performance indicators ("KPIs")

The Company's Directors are of the opinion that the KPIs for the Company are best represented by the turnover and related notes, in particular note 2 and note 4.

Social, environmental and ethical risks

Given the limited scope of the Company's activities, these risks are not considered significant.

Risk governance and reporting

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

Climate change and responsible business

Led by Beazley plc's Board and supported by the Boards of the Company, Beazley Insurance plc, and Beazley Insurance Company Inc, sustainability issues and climate-related risks have become regular agenda items throughout 2024. The Group's Responsible Business Strategy is published alongside the Beazley plc annual report and accounts, sets out the goals and targets across a wider range of sustainability issues, including climate change.

In addition to the summary Responsible Business report, Beazley plc has disclosed its compliance with the Task Force on Climate-Related Financial Disclosures' Recommendations and Recommended Disclosures at the consolidated Group level in the Beazley plc annual report and accounts.

Risk management

The Company's Board of Directors prides itself on understanding the drivers of risk, and is aided by the risk function in challenging management on managing risks for the Company's managed syndicates and its clients. Growth brings additional challenges, and the Board remains mindful of emerging risks as well as regulatory and legal changes. The risk function continues engaging in key strategic projects to provide second line challenge and ensure the risk management framework adapts accordingly.

The Board and the Risk Committee continue to ensure that the risk management framework adapts to the risk profile and continues to embed a strong risk culture. The Board and the Risk Committee have also worked to ensure the risk management supports risk oversight responsibilities and effective challenge of the changing risk landscape. This includes risks arising from growth plans, and the business' programme of operational enhancement. The risk framework also needs to be able to adapt to ensure it continues to manage an increasingly complex risk and controls environment.

Key to the success of the performance of risk management across the business has been overseeing continued collaboration between the Company's assurance functions, in particular the compliance, risk and second line assurance teams, to deliver a robust second line oversight function. The Company continues to embed its risk management framework into its business processes to ensure that it is able to achieve its goals supported by a robust risk culture.

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Strategic report (continued)

Risk management oversight and framework

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

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

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

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

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

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

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

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

Principal risks

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

Key to table below:

- △ Increasing risk outlook
- ◇ Stable risk outlook
- ▽ Decreasing risk outlook

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Strategic report (continued)

Principal risks and summary descriptions	Mitigation and monitoring
Insurance ◇ Risk of loss arising from uncertainties and deviations of the occurrence, frequency, amount and timing of insurance premium and claim liabilities relative to the assumptions at the time of underwriting. This includes risk from underwriting such as market cycle, catastrophe, reinsurance and reserves. • Market cycle: potential systematic mispricing of medium- or long-tailed business that does not support revenue to invest and cover future claims; • Catastrophe: one or more large events caused by nature (e.g. hurricane, windstorm, earthquake and/or wildfire) or mankind (e.g. coordinated cyber-attack, global pandemic, losses linked to an economic crisis, an act of terrorism or an act of war and/or a political event) impacting a number of policies, and therefore giving rise to multiple losses; • Reinsurance arrangements: reinsurance may not be available or purchases do not support the business underwritten (e.g. mismatch); and • Reserving: reserves may not be sufficiently established to reflect the ultimate paid losses.	Insurance risk, arising in the syndicates, is principally managed by the Company through pricing tools, analysis of macro trends and claim frequency/severity and ensures exposure is well diversified and not overly concentrated in any one area, or line of business. Our strategic approach to exposure management and a comprehensive internal and external reinsurance programme helps to reduce volatility of profits in addition to managing net exposure through the transfer of risk. Our prudent and comprehensive approach to reserving ensures adequate provisions are made for the payment of all valid claims. High calibre claims and underwriting professionals deliver expert service and claims handling to insureds, ensuring good customer outcomes. The Company carries out periodic analysis to identify significant areas of concentration risk across its business. The Company makes extensive use of modelling, including catastrophe modelling, the use of our Solvency II model and stress and scenario testing to ensure insurance risk is within our risk appetite. Insurance risk outlook continues to be stable as BFL manages the market cycle across all the lines of business.

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Strategic report (continued)

Principal risks and summary descriptions	Mitigation and monitoring
Market ◇ The risk of loss resulting from fluctuations in the level and in the volatility of market prices of assets, liabilities and financial instruments. Investment assets may be impacted by adverse movements in financial markets, interest rates, exchange rates, or external market forces.	Beazley operates a conservative investment strategy with a view to limiting investment losses that would impact the syndicate's financial results. We employ robust policies and tools to manage market risk, ensuring alignment with regulatory requirements and industry best practices. Interest rate and foreign exchange risks are managed using natural hedges and financial instruments, minimizing potential volatility. The Investment Committee regularly reviews market risk exposures to ensure that our risk management capabilities remain agile and effective in responding to evolving market dynamics. Despite the global and political economic uncertainties, we maintain a stable market risk outlook, driven by clear political outcomes and steady growth in the United States, where most of our asset exposures are concentrated.
Credit ◇ The risk of loss resulting from default in obligations due or changes in the credit standing of either issuers of securities, counterparties or any debtors which the Company is exposed to. Exposure to credit risk largely emanates from the use of reinsurers, brokers, and coverholders and our investments, of which reinsurance asset is the largest exposure for the Company.	The Company maintains long-term partnerships with strategic reinsurance partners to support it throughout the insurance cycle and during potential catastrophic claim events. The Company uses a range of traditional and alternative reinsurance mechanisms to diversify reinsurance credit risk. All reinsurers must meet stringent internal approval criteria, overseen by the Reinsurance Security Committee. Credit risk from brokers and coverholders remains low. The credit risk outlook therefore remains stable, as Beazley manages reinsurance, broker, coverholder and investment credit risks, maintaining low levels of aged and/or bad debt.
Group ◇ The contagion risk that an action or inaction of one part of the Beazley Group adversely affect another part or parts of BFL. This also includes a deterioration in culture which leads to inappropriate behaviour, actions and/or decisions including dilution of culture or negative impact on the brand.	Risk culture is grounded in principles of transparency, accountability, and awareness. An effective risk culture reflects a mature risk management function, encourages prudent risk-taking, and fosters awareness of existing and emerging risks. The Executive Committee and the Board oversee Group risk, with regular monitoring conducted by the Risk Management function and overseen by the Risk Committee. Our Group risk outlook remains stable, with the Executive Committee continuously managing and improving our risk culture through ongoing monitoring and enhancements.

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Strategic report (continued)

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

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Strategic report (continued)

Principal risks and summary descriptions	Mitigation and monitoring
Operational ▲ Failures of people, processes and systems or the impact of an external event on operations (e.g., a cyber-attack having a detrimental impact on operations) including transformation and change related risks.	The Company attracts and nurtures talented colleagues who champion diversity of thought, fostering a culture of empowerment, collaboration, and innovation. This commitment creates an environment of employee wellbeing, where high-calibre, motivated, loyal, and productive individuals are empowered to perform their duties competently. The Company continues investing in technology and re-engineering processes to support our operations, overseen by the Operations Committee. Our business continuity, disaster recovery, and incident response plans ensure the stability of our processes and systems, enabling our team to consistently deliver optimal outcomes for our clients. We expect technology and cyber resilience to continue being key focus areas. We are dedicated to collaborating with external agencies, and maintaining robust controls over information security, data, and operational resilience. We regularly review incident response plans and continue to invest in cybersecurity training for our employees. While maintaining a low appetite for operational risk, we observed an increased frequency of reported risk incidents during 2024, coinciding with an increasingly complex operating environment. During 2024 there was one incident in relation to activities of an individual underwriter which received additional Board and management scrutiny during the year. BFL oversaw a root cause analysis from the incident and has identified areas to further enhance processes and controls. Beazley Group will continue to carry out its medium-term plans to de-risk and simplify the business; including evolving current infrastructure and automating processes to support a more robust internal control framework. BFL reviewed legacy areas of concern to ensure that there is adequate management attention and oversight in place while more permanent solutions from strategic projects are delivered. The risk management function continues to work with first line teams to ensure that controls and processes in place remain appropriate as the operating landscape evolves. Our risks and controls are formally monitored and reported through a risk and control self-assessment process and the use of quantifiable Key Risk Indicators. The outlook for this risk is increased as we continue to strengthen operationally and realise the benefits of ongoing initiatives to modernise our systems and processes.

BEAZLEY FURLONGE LIMITED

Strategic report (continued)

Principal risks and summary descriptions	Mitigation and monitoring
Strategic ◇ The risk of loss resulting from ineffective strategic direction and implementation that leads to inadequate profitability, insufficient capital, financial loss and/or reputational damage for BFL. Pervasive risks impacting multiple areas of Beazley (e.g., reputation, and sustainability) occurring through real or perceived action, or inaction, by a regulatory body, market and/or third-party provider. A negative change to Beazley's reputation would have a detrimental impact to BFL and the syndicates performance and public perception.	The Company consistently addresses key strategic opportunities and challenges, striving to be the highest performing and most sustainable specialist insurer. We ensure that we recognize, understand, discuss, and develop action plans for significant strategic priorities in a timely manner, while maintaining operational effectiveness and brand reputation. The Company creates an environment that attracts, retains and develops high performing talent with diverse perspectives, encouraging exploration, creation, and innovation. By investing in understanding the complexities of the risks our clients face and deploying our expertise where it adds value, we thrive. The Executive Committee and the Board oversee these risks. Our commitment is to create a sustainable business for our people, partners, and planet through responsible business goals. We embed sustainability principles and ambitions, focusing on reducing our carbon footprint (refer to the Group's TCFD report for more details on climate-related risks and mitigations), contributing to our social environment, and practicing good governance. While we consider market developments, we evaluate each on its individual merits, weighing both potential opportunities and risks. As we consolidate and embed our achievements from 2024, our strategic risk outlook remains stable.

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Strategic report (continued)

Section 172 statement and stakeholder engagement

The Board of Directors confirm that during the year ended 31 December 2024 they have discharged their duties to act in a way they believe promotes the long-term success of the Company for the benefit of its members as a whole, whilst having regard to the matters set out in section 172 of the Companies Act 2006.

Overall approach

The Board is responsible for the long-term success of the Company. The Company is part of the Beazley Group, and its ultimate parent is Beazley plc. The Board is responsible for setting the Company's strategy, in consultation with Beazley plc, and ensuring that the necessary resources are in place to meet its objectives. The Board reviews and approves annual business plans which are aligned with the agreed strategy.

The Board meets at least quarterly and has agreed a schedule of matters specifically reserved for its consideration, including its responsibilities and how it interacts with Beazley plc. The governance framework applied to the Company ensures that the Board has overall regard to the strategy and interests of the Group and its stakeholders, whilst acting in the interests of its own stakeholders and promoting the long-term success of the Company. In line with the governance framework, the Board has established an Audit Committee, a Risk Committee and a Nomination and Remuneration Committee to help it discharge its duties.

The Board is responsible for considering its stakeholders in its decision-making. The Board has identified that its key stakeholders are:

- the members of the Group's workforce who act on behalf of and provide services to the managed syndicates and the Company;
- external capital providers (the Names) on its managed syndicates;
- the managed syndicates' customers and brokers;
- regulators including Lloyd's, the Prudential Regulation Authority and the Financial Conduct Authority; and
- Beazley plc and its stakeholders;

The Board also ensures that it has regard to the need to foster business relationships with suppliers in its discussions and when taking decisions as appropriate.

Board decision making

Throughout the year, the Board considered the wider impact of strategic and operational decisions on the Company's stakeholders. Information is provided below on three of the principal decisions taken by the Board during the year, showing how key stakeholders and other matters set out in section 172 were considered by the Board in making these decisions.

Principal decision 1: Approval of interim dividend
Stakeholders: shareholders, regulators
Other section 172 factors: promoting the success of the Company for the benefit of the Company's members, long-term consequences, maintaining a reputation for high standards

BEAZLEY FURLONGE LIMITED

Strategic report (continued)

Section 172 statement and stakeholder engagement (continued)

In March 2024, the Board approved the distribution of an interim dividend of £35m to its sole shareholder, Beazley Furlonge Holdings Limited. In approving the payment of the interim dividend, the Directors considered the long-term consequences for the Company and the impact on its stakeholders.

The Directors considered the views of the Company's immediate shareholder, and those of its ultimate parent, Beazley plc. Beazley plc uses dividend payments from its subsidiaries to ensure the long-term success and viability of the Group as a whole and to ensure it meets its aims of providing a reasonable return on equity to its shareholders, whilst ensuring the Group has sufficient reserves and capital. In addition, the Board considered the regulatory environment and the views of its regulators in paying a dividend. To ensure the dividend was prudent from a financial, legal and regulatory perspective, the Board reviewed its financial performance.

After considering these factors, together with other considerations when paying a dividend, the Directors concluded that the payment of the interim dividend would promote the success of the Company for the benefit of its member.

Principal decision 2: Material change to sub-outsourcing agreement

Stakeholders: Names, regulators, customers, brokers, employees, suppliers, shareholders

Other section 172 factors: promoting the success of the Company, long-term consequences, maintaining a reputation for high standards.

As the Group continues to work to simplify, drive efficiency and de-risk the organisation, a project was initiated by a fellow subsidiary company to consider the consolidation of four material co-outsourcing arrangements into one. The Company has an intra-group services agreement with the subsidiary company to provide essential services, including claims and underwriting administration. By consolidating the services into one agreement with a single vendor, Beazley would benefit from access to a partner with deep industry knowledge, which is incentivised to improve services and has the flexibility to manage change and business growth. The result would enable Beazley's employees to spend more time prioritising core business activities. The arrangement was also expected to result in a cost saving, directly benefiting the Company.

As a material change to the intra-group services agreement, the Board received a number of updates on the progress of the project, from vendor assessment and finalisation and onboarding. At each of these updates, the Board considered the potential risks, opportunities and benefits to Company, the employees managing the agreements and undertaking the administration, the Company's Names, brokers and customers. The Board also considered the potential view of the regulators and the requirement to notify them of the changes.

The Board were kept apprised of the due diligence undertaken on the selected vendor, alongside reviewing risk management's opinion on the project and the steps taken to mitigate the risks identified. Directors had the opportunity to regularly give feedback and challenge as required and at each stage, the Board confirmed their approval of, and support for, the project and recognised the benefits to the Company's stakeholders.

Principal decision 3: Investment strategy review

Stakeholders: regulators, shareholders, Names

Other section 172 factors: promoting the success of the Company, long-term consequences, maintaining a reputation for high standards

BEAZLEY FURLONGE LIMITED

Strategic report (continued)

Section 172 statement and stakeholder engagement (continued)

In 2024, Beazley's investment team undertook a review of the Group investment strategy. Although the investment return for certain syndicates was already the highest in the Lloyd's market, the review sought to identify methods to further improve the investment returns and return on capital.

As the investment strategy applies across the Group, it is approved by Beazley plc, however each syndicate has its own individual risk appetite. As managing agent, the Company was required to consider the potential impact on the syndicate's capital position and risk to Names from adjusting the risk appetite and asset allocation.

The Board received a number of updates in 2024 on the development of the strategy review. The Board considered the impact of adding too much risk, which could generate losses having a material impact on the Company's and syndicate's capital position. In addition, the regulatory requirements and constraints were also taken into account to ensure any changes were within the rules. The Board approved the changes to moderately adjust the asset allocation and risk appetite compared to previous years, which was recognised as conservative approach. The Board concluded that the strategic changes at a Group level remained consistent with the Company's own investment objectives. Directors recognised that taking steps to improve the investment return would directly benefit the Company and Names.

Other matters relevant to section 172: the impact of the Company's operations on the environment and community

The Beazley Group has a responsible business strategy which sets out four central ambitions: a sustainable world, responsible culture, enhancing livelihoods and positive procurement. The Group's responsible business strategy covers the impact of the Group's activities on the environment, supporting clients and partners to transition to a decarbonised future and charity activities supporting communities impacted by climate change.

As part of the Group, the Company's operations and activities are integrated into the strategy. The Board has oversight of the responsible business strategy through reporting received from the Chief Underwriting Officer on the impact, risks and opportunities of climate change and ESG matters on underwriting activities.

Through its responsible business strategy, the Group is committed to actively engaging with and supporting the communities in which it operates. Group employees are encouraged to engage with the local communities in which they work through the 'make a difference' programme. This programme encourages all employees to devote time to volunteering and Beazley matches any charitable funds raised. Beazley also has a global charity Committee, which helps support charitable work in the local communities. In 2024, Group employees contributed 5529 hours to charity and community events. Beazley also has a global charity committee, which was selected by our employees as our partner for 2023 and 2024. World Central Kitchen provides meals to communities impacted by natural disasters and during prolonged humanitarian crises.

Further information on the Group's responsible business strategy and how the Group provides support to our communities and the environment are included in Beazley plc's 2024 annual report.

How we engage with our stakeholders:

The workforce who act on behalf of the managed syndicates and provide services to the Company:

BEAZLEY FURLONGE LIMITED

Strategic report (continued)

Section 172 statement and stakeholder engagement (continued)

The Company does not directly employ any staff and has an agreement with a fellow subsidiary of Beazley plc to provide staff to the Company. The approach to engagement with the workforce is led by Beazley plc. However, the Company is responsible for ensuring the workforce are appropriately considered by the Board in its discussions and decision making on the Company's activities and receives regular updates on culture and people.

The Company recognises that the Group workforce is fundamental to the long-term success of the Group and Company, with 'People' identified as one of the five pillars of Beazley's strategy. Active engagement with the workforce has always been a priority and continues to be important in our hybrid working environment. Direct engagement with the workforce has continued, utilising opportunities for both in-person and remote events. This has consisted of regular all-employee meetings, newsletters, CEO podcasts, Q&As with senior management. Smaller meetings between the leadership of the Group and employees are also held where employees can engage directly with the executive leadership on topics of importance to them.

The Group also has a number of employee networks which provide an opportunity for employees to be involved in matters of importance to them. The networks can put forward ideas and engage on potential changes impacting employees.

In addition, the Group carries out an annual workforce engagement survey, which provides valuable information to the Board and leadership of Beazley plc regarding matters of importance to the workforce and any actions required to be taken. The most recent survey conducted in 2024 gave an overall engagement score of 85%, with 81% of Group employees participating. This is higher than the global engagement score benchmark of 80% and actions will be considered to ensure engagement remains high.

More information on workforce engagement is provided in the Stakeholder engagement section of Beazley plc's 2024 annual report.

The Names on our syndicates: The support and engagement of the Names is imperative to the future success of the Company. In all relevant discussions and decision making, the Board ensure that they act fairly with regard to the Names supporting the syndicates. We have appropriate channels for Members' Agents to contact us to discuss the performance and management of the syndicates.

The syndicates' customers and brokers: Customers are at the heart of Beazley's decision making and one of the five pillars of the Group strategy. Direct engagement with Beazley's insureds and broker partners is fundamental to how we do business. There is constant engagement by underwriters with brokers and clients to fully understand specific risks and requirements and by claims teams to ensure responsiveness, fair claims outcomes and excellent service.

There is also regular, coordinated engagement with our key broker partners which is facilitated through the Group's partner engagement team. There are a number of annual industry-wide events that bring our senior management together with the senior leaders of the broking firms. The Board receives updates on our key broker relationships, client engagement and claims trends through reports from the CEO and Group Head of Claims. Further information on client and broker engagement and the outcomes can be found in the Beazley plc annual report.

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Strategic report (continued)

Section 172 statement and stakeholder engagement (continued)

Regulators: We strive for transparent communication with our key regulators supported by our compliance function. Our compliance function, executive leadership team, and the non-executive directors have ongoing engagement with our regulators, including when requested to discuss specific matters. Any significant regulatory engagements and matters are reported to the Board and risk committee.

Lloyd's: As a Lloyd's managing agent that manages a number of active syndicates, the Board views the success of the Lloyd's market as fundamental to the Company's success. The Company has been part of the Lloyd's market since its incorporation and is a strong supporter of market initiatives. The Company and the Board regularly engage with Lloyd's on the Company's activities, strategy and business plans.

Beazley plc and its stakeholders: A key stakeholder for the Company is its ultimate shareholder, Beazley plc and its stakeholders. The Board ensures it engages with the Beazley plc Board and the wider group on all matters. In order to ensure engagement between the Board and Beazley plc, the Chair of the Board is also a director of Beazley plc. The Company regularly reports to and receives reports from the Beazley plc Board and Committees. Where there are topics of importance to both entities, joint board meetings are held to enable the Boards to discuss and approve proposals in the interests of the Company and the Group.

Suppliers: The Board receives services from other subsidiaries within the Group, which are overseen by the Board and managed in accordance with a services agreement. Engagement with external suppliers is led by the Group procurement team, who actively engage with suppliers and outsourced providers recognising the key role they play in helping the Company to run the business and deliver strategic value.

Engagement is underpinned by a desire to maintain and foster equitable relationships. Prior to any new engagement due diligence is carried out, including on values and cultural alignment, service expectations, contractual terms, and business practices. Suppliers are expected to adopt the same standards of ethical business practice as the Group, which includes respecting human rights and ensuring supply chains do not involve modern slavery or human trafficking. Beazley's modern slavery statement is available on its website at www.beazley.com.

The Group continues to introduce responsible business principles into its supply chain and to encourage suppliers to help identify ways to reduce the environmental impact arising from our operations. We continue to encourage our suppliers to raise any concerns they have through Beazley's independent whistleblowing hotline.

The Board is cognisant of the need to foster business relationships with its suppliers and is kept informed of material supplier matters through operational updates and other reports.



C C J Wong
Director

7 March 2025

Registered office: 22 Bishopsgate, London, EC2N 4BQ

BEAZLEY FURLONGE LIMITED

Directors' report

Business review and future developments

The Directors present their report together with the audited financial statements for the year ended 31 December 2024.

A review of the Company's (registered no: 01893407) activities, significant changes within the year and future developments are included in the strategic report.

Results and dividends

The results for the period are shown in the statement of comprehensive income on page 22. An interim dividend of £35.0m was approved and paid in 2024 (2023: £20.0m).

Director's indemnity insurance

Beazley plc, as the Company's ultimate parent, has granted indemnities to one or more of the Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provisions remain in force as at the date of approving the Directors' report.

Directors

The Directors of the Company, who served during the year and up to the date of this report, unless otherwise stated, were as follows:

R S Anarfi
C C R Bannister (resigned 31 March 2024)
P Bantick (appointed 7 June 2024)
W W E Barkholt (appointed 1 January 2025)
G P Blunden (resigned 31 March 2024)
R J Clark (appointed on 23 May 2024)
A P Cox
S M Lake (resigned 30 June 2024)
R E Quane (resigned 4 October 2024)
A J Reizenstein
L Santori
R A Stuchbery - Chair
N Wall
C C J Wong (appointed 17 September 2024)

The Directors of Beazley Furlonge Limited during the period covered by this annual report who participated in syndicate 623 through Beazley Staff Underwriting Limited are as follows:

Year of Account	2022 year of account underwriting capacity £	2023 year of account underwriting capacity £	2024 year of account underwriting capacity £	2025 year of account underwriting capacity £
A P Cox	400,000	400,000	400,000	500,000
S M Lake	100,000	250,000	—	—
R S Anarfi	100,000	112,143	175,000	275,000
R Quane	100,000	100,000	150,000	—
P Bantick	—	350,000	350,000	500,000

BEAZLEY FURLONGE LIMITED

Directors' report (continued)

Disclosure of information to auditor

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 auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

In accordance with section 487(2) of the Companies Act 2006 and in the absence of notice proposing that the appointment be terminated at a general meeting, Ernst & Young LLP will be deemed to be reappointed for the next financial year.

Energy and carbon reporting

Reporting required in accordance with The Companies (Directors' report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 can be found at a consolidated Group level in the Beazley plc annual report and accounts.

Matters disclosed in the strategic report

The Directors consider the following matter to be of strategic importance and have chosen to disclose these in the strategic report:

- how Directors have had regard to the need to foster business relationships with customers, suppliers and others;
- exposure to credit and liquidity risk; and
- financial risk management objectives and policies.

Signed on behalf of the Board



C C J Wong
Director

7 March 2025
22 Bishopsgate
London
EC2N 4BQ

BEAZLEY FURLONGE LIMITED

Statement of Directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

The Directors are responsible for preparing the Directors' report, strategic 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 they have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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 period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- Use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- State whether applicable UK Accounting Standards have been followed, subject to material departures disclosed and explained in the financial statements.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



C C J Wong
Director

7 March 2025

BEAZLEY FURLONGE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEAZLEY FURLONGE LIMITED

Opinion

We have audited the financial statements of Beazley Furlonge Limited for the year ended 31 December 2024 which comprise the Statement of profit or loss, the Statement of comprehensive income, the Statement of changes in equity and the Statement of financial position and the related notes 1 to 14, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including 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.

Conclusions relating to going concern

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.

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 12 months from when the financial statements are authorised for issue which covers a period to 7 March 2026.

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

BEAZLEY FURLONGE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEAZLEY FURLONGE LIMITED (CONTINUED)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 17, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

BEAZLEY FURLONGE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEAZLEY FURLONGE LIMITED (CONTINUED)

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.

Auditor's 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 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 financial statements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are the relevant laws and regulations related to elements of company law, tax legislation and the financial reporting framework. Our considerations to other laws that may have a material effect on the financial statements included permissions and supervisory requirements of the Financial Conduct Authority ('FCA') and the Companies Act 2006.
- We understood how Beazley Furlonge Limited is complying with those frameworks by making enquiries of management, internal audit and those responsible for the legal and compliance matters. We also reviewed minutes of the Board and attended the Audit and Risk Committees and gained an understanding of the company's approach to governance demonstrated by the Board's approval of the company's governance framework.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the controls that the company has established to address risks identified by the entity, or that otherwise seek to prevent, deter or detect fraud. Additionally, we tested year-end adjustments i.e. early close topside adjustments and manual journals, to provide reasonable assurance that the financial statements were free from fraud or error.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved making enquiry of those charged with governance and senior management for their awareness of any non-compliance of laws and regulations; inquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees; inquiring about the company's methods of enforcing and monitoring compliance with such policies and inspecting significant correspondence with the FCA, involvement of relevant specialists, including forensics specialists and inquiring about the appointment of external advisers, including legal counsel.

BEAZLEY FURLONGE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEAZLEY FURLONGE LIMITED (CONTINUED)

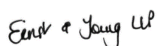
A further description of our responsibilities for the audit of the financial statements is located on the

Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:



679A5BA3F9AF484

Niamh Byrne (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

7 March 2025

BEAZLEY FURLONGE LIMITED

Statement of comprehensive income for the year ended 31 December 2024

	Note	2024 £m	2023 £m
Turnover	2	65.5	50.3
Other operating income	2	432.9	387.6
		498.4	437.9
Administrative expenses	4	(452.0)	(392.0)
Foreign exchange (loss)/gain		(0.4)	0.2
Operating profit		46.0	46.1
Profit on ordinary activities before taxation		46.0	46.1
Taxation charge	5	(14.0)	(10.8)
Profit after tax for the financial year		32.0	35.3

The Company's operating activities all relate to continuing operations.

The notes on pages 26 to 34 form part of these financial statements.

BEAZLEY FURLONGE LIMITED

Statement of comprehensive income for the year ended 31 December 2024

	2024 £m	2023 £m
Profit after tax for the financial year	32.0	35.3
Loss on remeasurement of retirement benefit asset	(0.5)	(0.1)
Tax credit/(expense) on retirement benefit asset	(0.4)	0.4
Amounts recharged to managed syndicates	0.5	0.1
Total comprehensive income for the financial year	31.6	35.7

The notes on pages 26 to 34 form part of these financial statements.

BEAZLEY FURLONGE LIMITED

Statement of changes in equity for the year ended 31 December 2024

	Share capital £m	Retained earnings £m	Total £m
Balance at 1 January 2023	0.4	39.7	40.1
Total comprehensive income for the financial year	—	35.7	35.7
Dividends paid	—	(20.0)	(20.0)
Balance at 31 December 2023	0.4	55.4	55.8
Total comprehensive income for the financial year	—	31.6	31.6
Dividends paid	—	(35.0)	(35.0)
Balance at 31 December 2024	0.4	52.0	52.4

The Company's operating activities all relate to continuing operations.

The notes on pages 26 to 34 form part of these financial statements.

BEAZLEY FURLONGE LIMITED

Statement of financial position as at 31 December 2024

	Note	2024 £m	2023 £m
Assets			
Other receivables	6	218.9	117.6
Cash and cash equivalents		1.9	2.4
Retirement benefit asset	10	3.1	3.6
Total assets		223.9	123.6
Equity			
Share capital	9	0.4	0.4
Retained earnings		52.0	55.4
Total equity		52.4	55.8
Liabilities			
Other payables	7	170.7	66.9
Deferred tax liability	8	0.8	0.9
Total equity and liabilities		223.9	123.6

Signed on behalf of the Board of Directors



C C J Wong
Director

The financial statements were approved by the Board of Directors on 7 March 2025.

The notes on pages 26 to 34 form part of these financial statements.

BEAZLEY FURLONGE LIMITED

Notes to the financial statements

1. Accounting policies

Statement of compliance

The Company is a limited liability company incorporated in England under the Companies Act, limited by shares. The address of the registered office is given on page 1.

The financial statements of the Company were authorised for issue by the Board of Directors on 7 March 2025. The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK (FRS 102), as it applies to the financial statements of the Company for the year ended 31 December 2024 and in accordance with the provisions of the Large and Medium-sized Companies and Group (Accounts and Reports) Regulations.

Basis of preparation

The financial statements are prepared using the historical cost convention. All amounts presented are stated in pounds sterling, as the Company's functional and presentational currency, and in millions, unless stated otherwise.

Exemptions for qualifying entities under FRS 102

The Company has taken advantage of the exemption in Section 400 of the Companies Act 2006 from preparing group accounts as it is a wholly owned subsidiary of Beazley Furlonge Holdings Limited, a Company registered in the United Kingdom and the results of the Company are included in the consolidated financial statements of Beazley plc, a Company registered in the United Kingdom whose consolidated accounts are publicly available.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions. As these conditions have been complied with, the Company has taken advantage of the following exemptions:

- (1) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in the Group's consolidated financial statements, includes the Company's cash flows;
- (2) from disclosing share based payment arrangements concerning its own equity instruments. The Group's share based payment arrangements and relevant disclosures are presented in the Group's consolidated financial statements;
- (3) from disclosing the Company's key management personnel compensation, as required by FRS 102; and
- (4) from disclosing transactions entered into between related parties within a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Going Concern

The financial statements of the Company have been prepared on a going concern basis. As a wholly owned subsidiary of the Beazley plc Group, the Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the strategic report contained in the Beazley plc Annual Report & Accounts. In addition, the risk report includes the Group's risk management objectives and the Group's objectives, policies and processes for managing its capital.

BEAZLEY FURLONGE LIMITED

Notes to the financial statements (continued)

1. Accounting policies (continued)

Going Concern(continued)

In assessing the Company's going concern position as at 31 December 2024, the Directors have considered a number of factors, including the current statement of financial position, the Company's strategic and financial plan, taking into account possible changes in trading performance and funding retention. The assessment concluded that, the Company has sufficient capital and liquidity for the next twelve months, from when the financial statements are authorised for issue.

As a result of the assessment, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future and therefore believe that the Company is well placed to manage its business risks successfully. Accordingly, they continue to adopt the going concern basis in preparing the Company's financial statements.

Significant accounting policies

Turnover

Turnover represents agency fees and profit commission derived from underwriting names at Lloyd's.

Agency fees represent net retained fees in respect of the 2024 underwriting account.

Profit commissions represent commissions on profit earned in syndicates 623 and 5623.

Taxation

Taxation expense for the period comprises current tax and deferred tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case tax is also recognised in those locations.

Current tax is the expected 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 by the end of the reporting period.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date.

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.

Cash and cash equivalents

This consists purely of cash at bank and in hand. Cash at bank and in hand balances are carried at amortised cost less any impairment losses.

Other debtors

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

Other creditors

Other creditors principally consist of intercompany payable balances and are stated at amortised cost determined on the effective interest rate method. Within other creditors is an amount measured at fair value through profit or loss. This is more fully discussed in note 7.

BEAZLEY FURLONGE LIMITED

Notes to the financial statements (continued)

1. Accounting policies (continued)

Significant accounting policies (continued)

Foreign currencies

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit or loss account and other comprehensive income.

Dividends

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are not recognised in the financial statements but are disclosed in the notes to the financial statements.

Retirement benefit asset

The Company operates a defined benefit pension plan that is closed to new entrants and future service accrual.

The net pension asset is measured at the present value of the estimated future net cash flows and is stated net of plan assets.

Remeasurements of the net defined benefit asset, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income.

Net interest income/expense is recognised in the statement of profit or loss.

Plan assets are measured at fair value. The scheme holds a bulk-annuity policy with an external insurance company. As the cash flows match the timing and value of the benefits payable to the relevant scheme members, these meet the criteria to be classified as "qualifying insurance policies" as defined in FRS 102. The fair value of these policies is thus deemed to be the present value of the liabilities insured.

BEAZLEY FURLONGE LIMITED

Notes to the financial statements (continued)

2. Turnover and other operating income

	2024 £m	2023 £m
Managing agent fees	30.8	25.9
Profit commissions	34.7	24.4
	65.5	50.3

Turnover and profit before taxation arise in the United Kingdom, from business underwritten at Lloyd's on behalf of Names resident in the United Kingdom and overseas.

Other operating income of £432.9m (2023: £387.6m) represents charges to managed syndicates (2623, 623, 3623, 3622, 4321 and 5623).

3. Directors and employees

The Directors and employees rendering services to the Company are paid for those services through Beazley Management Limited. The charges in relation to the services provided by Directors and employees are subsequently recharged through the Company to the managed syndicates. Remuneration paid to Directors of the Company specifically relating to services rendered to the Company are shown below.

During the year the aggregate total of remuneration paid to the Company Directors was £300k (2023: £334k). The highest remuneration paid to a Director was £81k (2023: £87k). All remuneration was recharged to managed syndicates.

Further details of the remuneration paid to Directors and employees for their services to the Group are shown in the ultimate parent undertaking's accounts, Beazley plc, which can be found at www.beazley.com.

4. Administrative expenses

Administrative expenses comprise of £437.4m (2023: £392.0m) recharged from Beazley Management Limited. Additionally there was £14.6m of other expenses (2023: Nil) incurred by the Company.

The audit fee in the current financial year was £26,203 (2023: £25,440) and was paid by Beazley Management Limited.

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent, Beazley plc.

All staff are employed and paid by Beazley Management Limited. The executive Directors of the Company are paid by Beazley Management Limited in relation to their directorships of this Company.

BEAZLEY FURLONGE LIMITED

Notes to the financial statements (continued)

5. Taxation

	2024 £m	2023 £m
Current tax:		
UK corporation tax charge for the year at 25.0% (2023: 23.5%)	11.5	10.8
Disposal of internally generated intangible asset*	2.5	—
Taxation charge for the year	14.0	10.8

Tax (expense)/credit included in other comprehensive income

	2024 £m	2023 £m
Current Tax:	(0.5)	0.4
Deferred tax:		
Origination and reversal of timing differences	0.1	—
Total tax (expense)/credit included in other comprehensive income	(0.4)	0.4

Reconciliation of tax charge

The tax charge for the current year is higher than (2023: equal to) the standard rate of corporation tax in the UK of 25.0% for the calendar year 2024 (2023: 23.5%).

	2024 £m	2023 £m
Profit on ordinary activities before taxation	46.0	46.1
UK corporation tax charge at 25.0% (2023:23.5%)	11.5	10.8
Disposal of internally generated intangible asset*	2.5	—
Taxation charge for the year	14.0	10.8

*This relates to the transfer of internally generated renewal rights to another Beazley Group entity from the Company, where the carrying value of the asset for tax purposes differed from the accounting value.

BEAZLEY FURLONGE LIMITED

Notes to the financial statements (continued)

6. Other receivables

	2024 £m	2023 £m
Amounts due from other group undertakings	44.0	10.4
Amounts due from third party syndicates	30.7	10.6
Profit commission receivable	67.3	33.0
Managing agent fee receivable	76.9	63.6
	218.9	117.6

Managing agent fees receivable of £19.7m (2023:£17.5m) relates to amounts due within one year. The remainder of the managing agent fees of £57.2m (2023:£46.1m) are due after one year. Profit commissions of £35.5m (2023: £19.3m) relates to amounts due within one year. The remainder of the profit commissions of £31.8m (2023: £13.7m) are due after one year. The remainder of the Company's debtors are due within one year.

7. Other payables

	2024 £m	2023 £m
Amounts due to intermediate and ultimate parent undertakings	65.6	30.8
Amounts due to other group undertakings	64.4	17.8
Amounts due to third party syndicates	—	0.5
Current tax payable	19.6	17.2
Group relief payable	6.5	0.6
Other creditors	14.6	—
	170.7	66.9

All amounts are payable within one year, except for other creditors, which are payable in 2029. The Company has agreed a potential profit uplift commission payment to the Members of Syndicate 623 on the 2023 year of account contingent upon the underwriting profit recognised in certain entities in the 2025 to 2028 financial years, which would become payable in 2029. The maximum amount payable is capped at £60m.

8. Deferred tax

	2024 £m	2023 £m
The movement in deferred tax during the year was:		
Opening balance	(0.9)	(0.9)
Movement in comprehensive income during the year	0.1	—
Closing liability	(0.8)	(0.9)
Deferred tax liabilities provided in the accounts are:		
Defined benefit pension scheme	(0.8)	(0.9)

The timing of the unwinding of the deferred tax liabilities in respect of the defined benefits pension scheme cannot be predicted.

BEAZLEY FURLONGE LIMITED

Notes to the financial statements (continued)

9. Share capital

	2024		2023	
	No. of shares (m)	£m	No. of shares (m)	£m
Ordinary shares of £1 each				
Issued and fully paid	0.4	0.4	0.4	0.4
Balance at 1 January and 31 December	0.4	0.4	0.4	0.4

10. Retirement benefit asset

The Company operates a defined benefit pension scheme ('the Beazley Furlonge Limited Pension Scheme') which closed to new members in 2002 and to future service accrual in 2006.

The scheme is administered by a trust that is legally separated from the Beazley Group.

The pension scheme trustees completed a transaction that insures all of the scheme's liabilities to a third party via a bulk annuity buy-in with an external insurance company in 2022. During the year an additional true-up premium of £0.4m was paid from the remaining surplus to finalise the buy-in.

At the reporting date, the trustees and the Company retain all obligations to ensure benefits due to scheme members are paid. Following the buy-in transaction the Group expects to make no further contributions to the scheme. The Company is working with the trustees to proceed to a full buy-out of the scheme and eventual wind-down.

Historically the scheme exposed the Company to additional actuarial, interest rate and market risk. However as a result of the buy-in transaction in 2022 these risks are now born by the insurance company to which liabilities have been insured. The buy-in transaction does expose the Company to additional credit risk with regard to the insurance company from whom the annuities were purchased. This counterparty has an investment grade credit rating and therefore the Company considers the credit risk to be minimal.

Movement in pension liability:

	2024	2023
	£m	£m
Balance at beginning of year	27.8	25.4
Interest cost	1.3	1.2
Actuarial (gain)/loss	(3.5)	1.6
Benefits paid	(0.6)	(0.4)
Balance at the end of year	25.0	27.8

BEAZLEY FURLONGE LIMITED

Notes to the financial statements (continued)

10. Retirement benefit asset (continued)

Movement in fair value of plan assets:

	2024	2023
	£m	£m
Balance at beginning of year	31.4	29.1
Expected return on assets	1.4	1.4
Actuarial (loss)/gain	(4.1)	1.3
Benefits paid	(0.6)	(0.4)
Balance at the end of year	28.1	31.4

Plan assets are comprised as follows:

	2024	2023
	£m	£m
Insurance policy	25.0	27.8
Cash	3.1	3.6
	28.1	31.4
Fair value of plan assets	28.1	31.4
Present value of funded obligations	(25.0)	(27.8)
Net pension asset	3.1	3.6

11. Dividends

The following dividends were recognised during the period:

	2024	2023
	£m	£m
£87.50 (2023: £50.00) per qualifying ordinary share	35.0	20.0

The Directors do not propose the payment of a dividend in respect of the year ended 31 December 2024.

12. Ultimate parent undertaking

The ultimate parent undertaking is Beazley plc incorporated in the UK, whose principal place of business is 22 Bishopsgate, London, EC2N 4BQ, United Kingdom. The immediate controlling Company is Beazley Furlonge Holdings Limited incorporated in the UK.

The largest and the smallest groups in which the results of the Company are consolidated is that headed by Beazley plc.

The consolidated financial statements of the ultimate controlling Company, Beazley plc, can be obtained from the website www.beazley.com.

BEAZLEY FURLONGE LIMITED

Notes to the financial statements (continued)

13. Related party undertakings

The Company has related party relationships with syndicates 623, 4321, 5623 and 6107. For amounts due to and from Group companies, please refer to notes 6 and 7.

Syndicate 623 - The Company received managing agent fees and profit commissions for providing a range of management services to syndicate 623. The total amount recognised in the year was £26.5m (2023: £23.2m). The company recharged expenses to Syndicate 623 in the year of £104.3m (2023: £67.1m).

The total amount due from 623 at the 2024 year end was £17.2m (2023: (£0.5m)).

Certain Directors of the Company participate in syndicate 623 through Beazley Staff Underwriting Limited. The details of the participations are disclosed in the Directors' report on page 15.

Syndicate 5623 - The Company received managing agent fees and profit commissions for providing a range of management services to syndicate 5623. The total amount recognised in the year was £17.0m (2023: £4.1m). The company recharged expenses to Syndicate 5623 in the year of £13.9m (2023: £7.1m).

The amount due from 5623 at the 2024 year end was £7.8m (2023: £6.0m).

Syndicate 4321 - The Company recharged expenses to Syndicate 4321 in the year of £0.3m (2023 £2.7m)

The amount due from 4321 at the 2024 year end was £5.7m (2023: £4.6m).

The Company has taken the exemption from disclosing transactions entered into between related parties within the Group and wholly owned syndicates provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

14. Subsequent events

There are no events that are material to the Company that have occurred since the reporting date.