
STATUTORY INSTRUMENTS

2004 No. 3219

**The Insurance Accounts Directive (Lloyd's Syndicate
and Aggregate Accounts) Regulations 2004**

PART 3

Aggregate accounts

Preparation of aggregate accounts by Council of Lloyd's

8.—(1) The members of the Council of Lloyd's must prepare aggregate accounts in respect of each financial year by cumulating all the syndicate annual accounts prepared in accordance with regulation 3 for that year.

- (2) The aggregate accounts must consist of—
- (a) an aggregate balance sheet as at the last day of the year; and
 - (b) an aggregate profit and loss account.

Those accounts are referred to in these Regulations as the “aggregate accounts”.

- (3) The aggregate accounts must—
- (a) be prepared within the period of 6 months beginning immediately after the end of the financial year; and
 - (b) state that they are prepared under these Regulations.

(4) The aggregate accounts must comply with the provisions of Schedule 9A to the 1985 Act as to the form and content of the aggregate balance sheet and aggregate profit and loss account, and additional information to be provided by way of notes to the accounts, apart from the provisions set out in paragraph (5).

- (5) The provisions are the following—
- (a) paragraphs 10(2), 61, 64, 65, 68, 70, 72(2), 73;
 - (b) in paragraph 2(2) the words from “but the following” to the end; and
 - (c) Part 2 of that Schedule.

Approval and signing of aggregate accounts

9.—(1) The aggregate accounts must be approved by the Council of Lloyd's and signed on behalf of the Council by a member of the Council.

- (2) The signature must be on the aggregate balance sheet.
- (3) Every copy of the aggregate balance sheet which is circulated, published or issued must state the name of the person who signed it on behalf of the Council.
- (4) The copy of the aggregate balance sheet which is delivered to the Authority must be signed on behalf of the Council by a member of the Council.

Preparation of annual report by the Council of Lloyd's

10.—(1) The members of the Council of Lloyd's must prepare an annual report on the insurance business carried on by the members of Lloyd's containing—

- (a) a fair review of the insurance business carried on by the members of Lloyd's during the financial year, and of the position of the Lloyd's market at the end of it, consisting of a balanced and comprehensive analysis of the development and performance of the business of the members of Lloyd's; and
- (b) a description of the principal risks and uncertainties facing the Lloyd's market.

(2) The business review in the Council of Lloyd's' annual report must include, to the extent necessary for an understanding of the development, performance or position of the insurance business of the members of Lloyd's—

- (a) analysis using financial key performance indicators; and
- (b) where appropriate, analysis using other key performance indicators.

(3) The review must, where appropriate, include references to and additional explanations of amounts included in the aggregate accounts.

(4) In this regulation “key performance indicators” means factors by reference to which the development, performance or position of the insurance business of the members of Lloyd's can be measured most effectively.

Approval and signing of annual report

11.—(1) The annual report prepared under regulation 10 above must be approved by the Council of Lloyd's and signed on behalf of the Council by a member of the Council.

(2) Every copy of the annual report which is circulated, published or issued, must state the name of the person who signed it on behalf of the Council.

(3) The copy of the annual report which is delivered to the Authority must be signed on behalf of the Council by a member of the Council.

Auditors' report

12.—(1) The members of the Council of Lloyd's must obtain an auditors' report on the aggregate accounts.

(2) The auditors' report shall include—

- (a) an introduction identifying the aggregate accounts that are the subject of the report and the financial reporting framework that has been applied in their preparation;
- (b) a description of the scope of the review carried out by the auditors and identifying the standards in accordance with which the review was conducted;
- (c) a clear statement as to whether, in their opinion, the aggregate accounts have been properly prepared in accordance with the requirements of these Regulations and whether those accounts are correctly aggregated.

(3) The auditors' report—

- (a) must be either unqualified or qualified; and
- (b) must include a reference to any matters to which the auditors wish to draw attention by way of emphasis without qualifying the report.

(4) The auditors' report must state whether, in their opinion, the annual report of the Council of Lloyd's—

- (a) is consistent with the aggregate accounts for the same financial year; and

(b) has been prepared in accordance with these Regulations.

Signature of auditors' report

13.—(1) The auditors' report must state the names of the auditors and be signed and dated by them.

(2) Every copy of the auditors' report which is circulated, published or issued must state the names of the auditors.

(3) The copy of the auditors' report which is delivered to the Authority must state the names of the auditors and be signed and dated by them.

(4) References in this regulation to signature by the auditors are, where the office of auditor is held by a body corporate or partnership, to signature in the name of the body corporate or partnership by a person authorised to sign on its behalf.

Appointment of and duties of auditors

14.—(1) Part 2 of the Companies Act 1989 (eligibility for appointment as auditors) applies to auditors appointed by the Council of Lloyd's to report on the aggregate accounts.

(2) The auditors of the aggregate accounts must, in preparing their report, carry out such investigations as will enable them to form an opinion as to whether the aggregate accounts are properly prepared and a correct aggregation of the syndicate accounts which have been cumulated to prepare them.

(3) If those auditors are of the opinion that the aggregate accounts are not properly prepared or not a correct aggregation of the syndicate accounts which have been cumulated to prepare them, the auditors must state that fact in their report.

(4) If those auditors fail to obtain all the information and explanations which, to the best of their knowledge and belief, are necessary for the purposes of their report, they must state that fact in their report.

Aggregate accounts and annual report of Council to be delivered to the Authority and published

15.—(1) The Council of Lloyd's must deliver to the Authority a copy of the aggregate accounts and its annual report on each financial year within a period of 6 months from the end of that year.

(2) The Council of Lloyd's must—

(a) make available, on reasonable notice, the latest aggregate accounts and its latest annual report for inspection by any person, without charge and during business hours, at the Council's head office; and

(b) supply to any person upon request a copy of those accounts or that report (or such part of them as may be requested) at a price not exceeding the administrative cost of making the copy.