
STATUTORY INSTRUMENTS

2008 No. 1950

**The Insurance Accounts Directive (Lloyd's Syndicate
and Aggregate Accounts) Regulations 2008**

PART 3

AGGREGATE ACCOUNTS

Preparation of aggregate accounts by Council of Lloyd's

18.—(1) The members of the Council of Lloyd's must prepare aggregate accounts for each financial year by cumulating all the syndicate annual accounts prepared in accordance with regulation 5 for that year.

(2) The aggregate accounts must consist of—

- (a) an aggregate balance sheet as at the last day of the financial 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 3 to the 2008 Regulations (insurance companies: Companies Act individual accounts), other than the provisions (or parts of provisions) set out in paragraph (5) as to—

- (a) the form and content of the aggregate balance sheet and aggregate profit and loss account; and
- (b) additional information to be provided by way of notes to the accounts.

(5) The provisions are the following—

- (a) paragraphs 11(2), 68, 71, 72, 79, 81, 82(2), 83; and
- (b) in paragraph 2(2) the words from “save that none” to the end of that sub-paragraph.

(6) The aggregate accounts must also contain the information on auditor remuneration required in Schedule 2 to these Regulations and comply with the provisions set out in paragraph 1 of Schedule 3 to these Regulations.

(7) Schedule 3 to these Regulations has effect.

Approval and signing of aggregate accounts

19.—(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

20. 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 which complies with the requirements set out in paragraphs 2 to 4 of Schedule 3.

Approval and signing of annual report

21.—(1) The annual report prepared under regulation 20 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.

Auditor's report

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

(2) The auditor's 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 auditor and identifying the standards in accordance with which the review was conducted; and
- (c) a clear statement as to whether, in the auditor's 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 auditor's report must state whether, in the auditor's 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.

(4) The auditor's report—

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

Signature of auditor's report

23.—(1) The auditor's report must state the name of the auditor and be signed and dated.

(2) Where the auditor is an individual, the report must be signed by that individual.

(3) Where the auditor is a firm, the report must be signed by the senior statutory auditor in his own name, for and on behalf of the auditor.

Names to be stated in copies of auditor's report published or filed

24.—(1) Every copy of the auditor's report which is published by or on behalf of the Council of Lloyd's must—

- (a) state the name of the auditor and (where the auditor is a firm) the name of the person who signed it as senior statutory auditor; or
- (b) if the conditions in regulation 25 are met, state that a resolution has been passed and notified to the Authority in accordance with regulation 25(2)(b).

(2) The copy of the auditor's report delivered to the Authority must be signed and dated by the auditor.

(3) For the purposes of this regulation, the Council is regarded as publishing the report if it publishes, issues, circulates or otherwise makes it available for public inspection in a manner calculated to invite members of the public generally, or any class of members of the public, to read it.

Circumstances in which names may be omitted

25.—(1) The auditor's name, and (where the auditor is a firm) the name of the person who signed the report as senior statutory auditor, may be omitted from copies of the report circulated, published, issued or delivered where the conditions in paragraph (2) are met.

(2) The conditions referred to in paragraph (1) are that the Council of Lloyd's—

- (a) considering on reasonable grounds that statement of the name would create or be likely to create a serious risk that the auditor, senior statutory auditor, or any other person, would be subject to violence or intimidation, has resolved that the name should not be stated; and
- (b) has given notice of the resolution to the Authority, stating—
 - (i) the year to which the report relates; and
 - (ii) the name of the auditor and (where the auditor is a firm) the name of the person who signed the report as senior statutory auditor.

Duties of auditors

26.—(1) The auditor of the aggregate accounts must, in preparing the auditor's report, carry out such investigations as will enable the auditor 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.

(2) If the auditor is 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, that fact must be stated in the auditor's report.

(3) If the auditor fails to obtain all the information and explanations which, to the best of the auditor's knowledge and belief, are necessary for the purposes of the auditor's report, that fact must be stated in the auditor's report.

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

27.—(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 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.

Penalties for non-compliance

28.—(1) If the members of the Council of Lloyd's fail to comply with the requirement in regulation 18(1) within the period referred to in regulation 18(3) to prepare aggregate accounts, every person who was a member of the Council of Lloyd's immediately before the end of that period is guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the standard scale.

(2) If aggregate accounts which are approved under regulation 19 do not comply with the requirements of these Regulations, every member of the Council of Lloyd's who—

- (a) knew that they did not comply, or was reckless as to whether they complied, and
- (b) failed to take reasonable steps to secure compliance with those requirements or, as the case may be, to prevent the accounts from being approved,

is guilty of an offence and liable on conviction on indictment to a fine, and on summary conviction to a fine not exceeding the statutory maximum.

(3) In the case of failure to comply with the requirement in regulation 20 to prepare an annual report, every person who was a member of the Council of Lloyd's immediately before the end of the period referred to in regulation 27(1) is guilty of an offence and liable on conviction on indictment to a fine, and on summary conviction to a fine not exceeding the statutory maximum.

(4) If an annual report which is approved under regulation 21 does not comply with the requirements of these Regulations, every member of the Council of Lloyd's who—

- (a) knew it did not comply, or was reckless as to whether it complied; and
- (b) failed to take reasonable steps to secure compliance with those requirements or, as the case may be, to prevent the report from being approved,

is guilty of an offence and liable on conviction on indictment to a fine, and on summary conviction to a fine not exceeding the statutory maximum.

(5) If a copy of the auditor's report is sent to the Authority or published without the statement required by regulation 24, every person who was a member of the Council of Lloyd's at the time when the failure took place is guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale.

(6) In the event of failure to deliver a copy of the aggregate accounts and the report of the Council of Lloyd's to the Authority under regulation 27, every person who was a member of the Council of Lloyd's at the time when the failure took place is guilty of an offence and liable on conviction on indictment to a fine, and on summary conviction to a fine not exceeding the statutory maximum.

(7) It is a defence for a person charged with an offence under this regulation to show that he or she took all reasonable steps for securing that the requirements in question would be complied with.