

SCHEDULE 3

PROVISIONS APPLYING TO AGGREGATE ACCOUNTS

PART 1

GENERAL PROVISIONS AND ANNUAL REPORT

Disclosure required in notes to accounts: off-balance sheet arrangements

- 1.—(1) If for any financial year—
- (a) a syndicate has noted in its annual accounts that it is or has been party to an arrangement that is not reflected in its balance sheet; and
 - (b) at the balance sheet date the risks or benefits arising from that arrangement are material,
- the information required by this paragraph must be given in notes to the aggregate accounts.
- (2) The information required is—
- (a) the nature and business purpose of the arrangement; and
 - (b) the financial impact of the arrangement on the syndicate.
- (3) The information need only be given to the extent necessary for enabling the financial position of the Lloyd's market to be assessed.

Annual report: general requirements

- 2.—(1) The annual report on a financial year required by regulation 20 must state—
- (a) the names of the persons who at any time during the financial year were members of the Council of Lloyd's; and
 - (b) the principal activities of the Lloyd's market in the course of the year and any significant change to those activities in the year.
- (2) The annual report must contain—
- (a) particulars of any important events affecting the Lloyd's market which have occurred since the end of the financial year;
 - (b) an indication of likely future developments in the business of the Lloyd's market; and
 - (c) an indication of the activities (if any) of the members of Lloyd's in the field of research and development.

Annual report: business review

- 3.—(1) The annual report must contain a business review.
- (2) The business review must contain—
- (a) a fair review of the business of the Lloyd's market; and
 - (b) a description of the principal risks and uncertainties facing the Lloyd's market.
- (3) The review required is a balanced and comprehensive analysis of—
- (a) the development and performance of the insurance business carried on by the members of Lloyd's during the financial year; and
 - (b) the position of the insurance business of the members of Lloyd's at the end of that year,
- consistent with the size and complexity of the Lloyd's market.

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

(4) The review 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, including information relating to environmental matters and employee matters.

(5) In sub-paragraph (4), “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 effectively.

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

(7) Nothing in this paragraph requires the disclosure of information about impending developments or matters in the course of negotiation if the disclosure would, in the opinion of the Council of Lloyd's, be seriously prejudicial to the interests of the members of Lloyd's.

Statement as to disclosure of information to auditors

4.—(1) The annual report must contain a statement to the effect that, in the case of each of the persons who are members of the Council of Lloyd's at the time the report is approved—

- (a) so far as the Council member is aware, there is no relevant audit information of which the auditor of the aggregate accounts is unaware; and
- (b) the Council member has taken all the steps that he or she ought to have taken as a member of the Council to become aware of any relevant audit information and to establish that the auditor of the aggregate accounts is aware of that information.

(2) In sub-paragraph (1) “relevant audit information” means information needed by the auditor of the aggregate accounts in connection with preparing the auditor's report.

(3) For the purposes of sub-paragraph (1) the Council member is regarded as having taken all the steps that he or she ought to have taken as a member of the Council in order to do the things mentioned in sub-paragraph (1)(b) if he or she has—

- (a) made such enquiries of fellow Council members and of the auditors of the aggregate accounts for that purpose; and
- (b) taken such other steps (if any) for that purpose,

as were required by his or her duty as a member of the Council of Lloyd's to exercise due care, skill and diligence.

(4) Where the annual report containing the statement required by this paragraph is approved but the statement is false, every member of the Council who—

- (a) knew that the statement was false, or was reckless as to whether it was false; and
- (b) failed to take reasonable steps to prevent the report from being approved,

commits an offence.

(5) A person guilty of an offence under sub-paragraph (4) is liable—

- (a) on conviction on indictment, to imprisonment for a term not exceeding two years or to a fine, or both;
- (b) on summary conviction to imprisonment for a term not exceeding three months or to a fine not exceeding the statutory maximum, or both.

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Changes and effects yet to be applied to :

- Regulations power to modify conferred by [2023 c. 29 s. 3Sch. 1 Pt. 2](#)
- Regulations revoked by [2023 c. 29 Sch. 1 Pt. 2](#)