

MARKET BULLETIN

From	Head, Market Reporting
Date	9 February 2006
Reference	Y3743
Subject	2005 SYNDICATE REPORT AND ACCOUNTS
Subject areas	
Attachments	Annex 1 & 2
Action points	Managing agents and auditors to note the deadlines relating to the 2005 syndicate report and accounts and personal account data
Deadlines	Monday 13 March 2006 – managing agents to submit DD and ND files to MSU Friday 17 March 2006 – auditor’s report together with the statement of managing agent’s responsibilities must be submitted to MSU Thursday 23 March 2006 - filing of syndicate annual accounts and syndicate underwriting year accounts with Lloyd’s Friday 31 March 2006 - dispatch of syndicate annual accounts and syndicate underwriting year accounts to members’ agents / members

This bulletin sets out the annual deadlines and filing requirements relating to the submission of syndicate annual accounts and syndicate underwriting year accounts prepared under the Insurance Accounts Directive (Lloyd’s Syndicate and Aggregate Accounts) Regulations 2004 (“the Lloyd’s Syndicate Accounts Regulations”) and under the Syndicate Accounting Byelaw (No 8 of 2005)(“the byelaw”).

Despatch date for syndicate annual accounts and syndicate underwriting year accounts

Managing agents must prepare syndicate annual accounts for all syndicates that they manage at 31 December 2005 (regulation 3 of the Lloyd’s Syndicate Accounts Regulations). Furthermore, they must also prepare syndicate underwriting year accounts for all syndicates that they manage at 31 December 2005 and which either had an underwriting year closing at that date (regulation 4 of the Lloyd’s Syndicate Accounts Regulations) or remaining open despite being at the 36 month stage of development or older (paragraph 4(1) of the byelaw). Syndicate underwriting year accounts are not required for syndicates that only have years of account at the 12 or 24 month stage or where the members of the relevant year(s) of account of the syndicate agree unanimously

in writing that no syndicate underwriting year accounts shall be prepared (regulation 4(1) of the Lloyd's Syndicate Accounts Regulations and paragraph 4(1) of the byelaw).

Two copies of the syndicate annual accounts and syndicate underwriting year accounts must be sent by 23 March 2006 to:

Paul Tucknott
Market Reporting
Gallery 5
Lloyd's 1986 Building

Managing agents must dispatch their syndicate annual accounts and syndicate underwriting year accounts to each underwriting member and members' agent by no later than 31 March 2006.

The 23 March deadline for submission to Lloyd's is in advance of the 31 March deadline for submission to members' agents/members but is necessary to enable Lloyd's to complete its work on the aggregate accounts.

In order to facilitate the dissemination of reporting data to interested parties, including the FSA, managing agents are also asked to submit their accounts in a PDF electronic file format via the MSU Market Returns website. These files should be submitted with the file convention format 'xxxxa.pdf' for the annual accounts and 'xxxXu.pdf' underwriting year accounts, where xxxx is the syndicate number. Where the annual accounts and underwriting year accounts are included in one document a single file should be submitted with the file convention format 'xxxXc.pdf' for combined accounts. All these files must also be submitted by 23 March 2006.

Managing agents are reminded that they must send a copy of the syndicate annual accounts and syndicate underwriting year accounts prepared in respect of a closed year of account to the FSA by no later than 30 June 2006 (regulation 5(2) of the Lloyd's Syndicate Accounts Regulations). Lloyd's will send a copy of the accounts to the FSA on behalf of managing agents to meet this requirement. Run-off accounts do not need to be sent to the FSA.

Managing agents are also required to complete and submit, by 23 March to Market Reporting the form attached at Annex 1 which verifies that the electronic PDF file version of the 31 December 2005 syndicate annual report and accounts submitted via the MSU Market Returns website is identical to the hardcopy submitted to Market Reporting. The verification must be completed in respect of every syndicate for which the managing agent prepares accounts and must be signed by either the Compliance Officer or a director of the managing agent. The form must be submitted in hard copy to the address indicated at the bottom of the form.

Consistency of syndicate annual accounts with annual return

Lloyd's aggregate accounts will be prepared from a cumulation of the syndicate annual accounts, based on the information extracted from the accounts and submitted electronically via the annual returns provided by managing agents. Managing agents are therefore required to submit to Market Reporting by 23 March, a confirmation, signed by the finance director and another director, that the results and related information in the syndicate annual accounts is consistent with that in the 2005 calendar year annual return

and the 2004 comparative annual return. This must also be reported on by the auditor of the syndicate annual accounts. The required content of this report is attached at Annex 2.

On the comparative figures to be included in the accounts, and therefore also the annual return, any restatement compared to the figures actually reported at 31 December should only relate to adjustments needed to bring the figures on to a UK GAAP basis. No adjustments should be made to the 2004 figures as a result of knowledge acquired after the original 31 December 2004 annual accounting return was signed and submitted in February/March 2005. If an agent does believe that an adjustment is required to the comparative figures for a reason other than the move to UK GAAP, then you must contact Market Reporting in advance to agree the approach to be adopted.

Submission to Lloyd's of audited personal account data (Distribution Data (DD) files)

As noted in market bulletin Y3739 dated 6 February entitled "2003 account distribution and cash calls", Monday 13 March 2006 is the prescribed date by which managing agents must submit their DD files to MSU. The auditor's report together with the statement of managing agent's responsibilities must be submitted to MSU by Friday 17 March 2006.

Any queries relating to this market bulletin should be addressed to Paul Tucknott (ext 6169) of Market Reporting (paul.a.tucknott@lloyds.com). This bulletin has been sent to all underwriting agents, direct corporate members, recognised accountants and market associations.

John Parry

**SYNDICATE ANNUAL ACCOUNTS AND SYNDICATE UNDERWRITING YEAR
ACCOUNTS
31 DECEMBER 2005**

Syndicate No.

Managing Agent:

In respect of the above syndicate:

I confirm that the 31 December 2005 syndicate annual accounts and syndicate underwriting year accounts submitted to Lloyd's in electronic PDF file format, via the Lloyd's Market Returns Website, is/are identical to the hardcopy signed version of the syndicate annual accounts and syndicate underwriting year accounts submitted to Lloyd's Market Reporting Department on or before 23 March 2006.

Signed.....

Director / Compliance Officer

Name

(Block capitals)

Date

This form is to be signed and dated by a Director or compliance officer and returned to Paul Tucknott, Market Reporting, 1986 Building/G5, 1 Lime Street, London, EC3M 7HA, by Thursday 23 March 2006.

**SYNDICATE ANNUAL ACCOUNTS AND LLOYD'S ANNUAL RETURN
31 DECEMBER 2005**

Syndicate No: _____

Managing Agent: _____

Statement by the managing agent to the Council of Lloyd's

In accordance with Market Bulletin Y dated February 2006 entitled "2005 Syndicate annual report and accounts", we confirm that:

- (a) the result for the financial year reported in the profit and loss account of the syndicate annual accounts agrees with line 26 of AR1 (2005 Calendar year information) of the Annual Return and the result for the prior year as reported in the syndicate report and accounts agrees with line 26 of AR1 (2004 Comparative information) of the Annual Return: and
- (b) the other information in the profit and loss account, the balance sheet and cash flow statement and the notes to the syndicate annual accounts approved by the directors on is consistent with that reported in the 2005 Calendar year information Annual Return approved by the directors on and the 2004 Comparative information Annual Return approved by the directors on

Signed _____ Finance Director*

Name _____ (BLOCK CAPITALS)

Signed _____ Director*

Name _____ (BLOCK CAPITALS)

On behalf of _____ Managing Agent

Date _____

* The signatories must be different

Date

Report of the independent auditors to the Council of Lloyd's

We have reviewed the above statement by the managing agent.

This report is made solely to the Council of Lloyd's in accordance with Market Bulletin Y dated February 2006 entitled "2005 Syndicate annual report and accounts". Our work has been undertaken so that we might state to the addressee of this report those matters which we are required to state in this report in accordance with Market Bulletin Y and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the addressees of this report, for our work, for this report, or for the opinions we have formed.

Our opinion dated..... on the syndicate annual accounts was/was not qualified.

[Either] There are no additional matters referred to in that opinion which have not been referred to in our opinion dated on the 2005 Calendar year information Annual Return and our opinion dated on the 2004 Comparative information Annual Return.

[or] There are additional matters referred to in that opinion which have not been referred to in our opinion dated on the 2005 Calendar year information Annual Return and our opinion dated on the 2004 Comparative information Annual Return, which are attached.

OPINION

In our opinion:

- a) the above statement has been properly prepared by the managing agent; and
- b) it was not unreasonable for the managing agent giving the statement to have made the statements therein.

Registered Auditor

London

Date