

Syndicate Accounts

Frequently Asked Questions

Period: Q4 2024 Reporting

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1. Version Control

Version	Period	Section	Question	Date	Comments
1.0	Q4 2024	All	-	22/01/25	First Version
1.1	Q4 2024	A. Syndicate Accounts Instructions B. Illustrative Syndicate Accounts C. iXBRL Tagging	A3 B8, B9 C6	18/02/25	-

2. Introduction

The purpose of this Frequently Asked Questions ('FAQ') document is to provide supplementary information and/or clarification in respect of the [Syndicate Accounts Instructions V2.0](#) (the "Instructions") issued in December 2024.

These FAQs will be updated as required during the reporting period and published on the Lloyd's website ([Syndicate Accounts & Financial Reporting>Specifications](#)), with all changes clearly logged in the Version Control section of this document. Once issued, these FAQs are a formal addendum to the [Syndicate Accounts Instructions V2.0](#) and must be complied with.

The answers to all FAQ's included in this version will be used to update the Syndicate Account Instructions issued ahead of the next reporting period.

For further clarification on the content of this document please email Central Finance at Lloyds-MRD-ReturnQueries@lloyds.com.

3. Frequently Asked Questions

A. Syndicate Accounts Instructions

	Question (reference)	Answer
A1	<p>Do staff numbers need to be reported in thousands?</p> <p><i>Syndicate Accounts Instructions V2.0 - Section 1.4.2</i></p>	<p>Section 1.4.2 of the Instructions states that “...all values reported in the <i>Syndicate Accounts</i> must be reported in thousands ('000).”</p> <p>This was intended to refer to all monetary values, so the number of employees in Note 8 does not need to be reported in thousands - it should be reported as whole numbers.</p> <p>For the avoidance of doubt, other disclosures which should not be reported in thousands include:</p> <ul style="list-style-type: none"> • Average discount rates in Note 20 which should be reported as a percentage; • Average mean term of liabilities in Note 20 which should be reported in years; and • Exchange rates in Note 30.
A2	<p>Is a disclosure required for Funds in Syndicate (FIS)?</p> <p><i>Syndicate Accounts Instructions V2.0 – Section 1.3.5</i></p> <p><i>Illustrative Syndicate Accounts V2.1 – Note 11</i></p>	<p>As stated in Section 1.3.5 of the Instructions “<i>Within the mandatory disclosures there are a small number of disclosures that are prescribed by Lloyd’s rather than accounting standards</i>”.</p> <p>Funds in Syndicate (FIS) is an example of a disclosure prescribed by Lloyd’s and Note 11 in the Illustrative Syndicate Accounts includes a mandatory disclosure in relation to Funds in Syndicate (FIS), however it should also have been included in the table in Section 1.3.5 of the Instructions.</p> <p>The Context / Guidance in relation to FIS is as follows:</p> <p><i>Funds in Syndicate (FIS) refers to capital held by aligned members within syndicate premium trust funds rather than centrally at Lloyd’s. When aggregating the Syndicate Accounts for the PFFS, the balance of FIS reported in this note is used to reconcile and disclose the movement in members’ balances. This disclosure only applies to syndicates with FIS.</i></p>

	Question (<i>reference</i>)	Answer
A3	<p>Does the introduction of the 'Reinsurers' share of deferred acquisition costs' (RI DAC) line on the balance sheet in the Syndicate Accounts result in an inconsistency between the QMA002 and the Syndicate Accounts?</p> <p><i>Illustrative Syndicate Accounts V2.1 – Balance Sheet</i></p> <p><i>Syndicate Accounts Managing Agents Declaration Template V1.0</i></p> <p><i>Syndicate Accounts Auditor Declaration V1.0</i></p>	<p>The introduction of the RI DAC line on the balance sheet was intended to standardise the treatment and reporting of RI DAC across the market. However, this change has created an unintended inconsistency with the QMA002 which is impacting the managing agent and auditor declarations.</p> <p>To address this inconsistency, for year-end 2024 syndicates should not report RI DAC as a separate line on the balance sheet and should not tag RI DAC as a balance sheet concept.</p> <p>For future reporting, to prevent restatements, the RI DAC line on the Balance Sheet in the Illustrative Syndicate Accounts, and the respective concept in the taxonomy, will be removed. Note: there will be no change to Note 15, where RI DAC will still be reported.</p> <p>Validations will also be updated to reflect this change for future reporting, however for year-end 2024 Managing Agents will see a warning validation in CoreFiling, stating that the balance sheet concept for RI DAC has not been tagged, which should be ignored.</p>

B. Illustrative Syndicate Accounts

	Question (reference)	Answer
B1	<p>Should the average mean term of liabilities be reported as a percentage (%)?</p> <p><i>Illustrative Syndicate Accounts V2.1 – Note 20</i></p>	<p>An incorrect percentage (%) number format was applied to the data included in the Illustrative Syndicate Accounts V2.1 for the 'average mean term of liabilities' in Note 20. The percentage sign should be removed so that the disclosure is correctly shown in years.</p> <p>Refer also to A1.</p>
B2	<p>Should the start of period exchange rate in the current year be the same as the end of period exchange rate in the prior year?</p> <p><i>Illustrative Syndicate Accounts V2.1 – Note 30</i></p>	<p>Incorrect exchange rates were reported for the 20x2 'start of period rate' in Note 30 of the Illustrative Syndicate Accounts V2.1. The correct exchange rates are below. The start of period exchange rate in the current year should be the same as the end of period exchange rate in the prior year.</p> <p>Start of period rate (20x2): Sterling 1.0; Euro 1.11; US dollar 1.27; Canadian dollar 1.74.</p>
B3	<p>Does the Basis of Preparation note need to include a reference to the Syndicate Accounts Instructions?</p> <p><i>Illustrative Syndicate Accounts V2.1 – Note 1</i></p>	<p>The Syndicate Accounts Instructions V2.0 provide specific guidance relating to the preparation of the Syndicate Accounts, in addition to the Insurance Accounts Directive and UK GAAP, therefore, it is required that this will be included in the Basis of Preparation note.</p> <p>The wording of the disclosure is at the discretion of Managing Agents, however an illustrative disclosure is shown below:</p> <p><i>The financial statements have been prepared in accordance with the Insurance Accounts Directive (Lloyd's Syndicate and Aggregate Accounts) Regulations 2008, applicable Accounting Standards in the United Kingdom and the Republic of Ireland, including Financial Reporting Standard 102 (FRS 102), Financial Reporting Standard 103 (FRS 103) in relation to insurance contracts, and the Lloyd's Syndicate Accounts Instructions Version [X.X] as modified by the Frequently Asked Questions Version [X.X] issued by Lloyd's.</i></p>
B4	<p>Should investment return be disclosed from assets and liabilities on a gross basis?</p> <p><i>Illustrative Syndicate Accounts V2.1 – Note 9</i></p>	<p>Yes, investment return should be disclosed from assets and liabilities on a gross basis, and the table in Note 9 has rows to disclose investment return on assets and liabilities separately. To make this clearer all references to "financial instruments" in Note 9 should be changed to "financial assets" in the Illustrative Syndicate Accounts.</p>

	Question (reference)	Answer
B5	<p>Is a disclosure required for the movement in level 3 assets?</p> <p><i>Illustrative Syndicate Accounts V2.1 – Appendix Note 11</i></p> <p><i>Syndicate Accounts Instructions V2.0 – Section 1.3.4</i></p>	<p>There is no mandatory disclosure for the movement in level 3 assets. The reference to this disclosure in the Appendix was from an earlier version of the Illustrative Syndicate Accounts and can be ignored.</p> <p>Managing Agents may choose to add this as an additional disclosure (as stated in section 1.3.4 of the Instructions).</p>
B6	<p>Is it a requirement that the tables included in each set of Syndicate Accounts look exactly the same as the Illustrative Syndicate Accounts?</p> <p><i>Syndicate Accounts Instructions V2.0 – Section 1.2.2 and 1.3.2</i></p>	<p>Section 1.2.2 of the Instructions states that “<i>Managing agents may choose to populate the Illustrative Syndicate Accounts as a template for their Syndicate Accounts, but it is not a requirement to do so. The look, feel and format is at the discretion of the managing agents to apply their own branding etc</i>”.</p> <p>Section 1.3.2 of the Instructions States that “<i>...The tables within the Illustrative Syndicate Accounts represent the mandatory disclosures for annual reporting</i>”.</p> <p>Provided the mandatory disclosures represented in the tables are included in the Syndicate Accounts, there is no requirement for the tables to look the same as the Illustrative Syndicate Accounts. This may mean rows/columns within the tables are reordered, multiple tables are merged together, the data is included within text rather than a table, etc</p>
B7	<p>Should both the other ‘Other Debtors’ and ‘Other Creditors’ notes be reported at Interim?</p> <p><i>Syndicate Accounts Instructions V2.0 – Appendix Note 14, 23</i></p>	<p>Yes, both ‘Note 14 – Other Debtors’, and ‘Note 23 – Other Creditors’ should be reported at Interim. In the <i>Appendix</i> to the Illustrative Syndicate Accounts, a ‘Yes’ indicator should be added in the ‘Collect at Interim’ column for Note 14 – Other debtors.</p>
B8	<p>In note 5, should direct gross premiums written be reported by location of risk or where the contract was concluded?</p> <p><i>Illustrative Syndicate Accounts V2.1 – Note 5</i></p>	<p>Note 5 includes a table showing gross premiums written for direct insurance by “underwriting location of risk”.</p> <p>This disclosure is intended to meet the requirements of Schedule 3 para 87(1) of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008, which requires reporting direct gross written premiums by location of where the contracts were concluded.</p>

	Question (reference)	Answer
B9	<p>Is there standard wording available to explain any required restatements within the Syndicate Accounts?</p> <p><i>Syndicate Accounts Instructions V2.0 – Section 1.6.1</i></p>	<p>Section 1.6.1 of the Instructions states that “<i>Restatement of balances in the Syndicate Accounts should be disclosed in line with accounting standards. There are no additional reporting requirements prescribed by Lloyd’s.</i>”</p> <p>However, as many syndicates may have similar restatements in the first year of implementation, an illustrative disclosure is shown below. The wording of this disclosure is at the discretion of Managing Agents and is subject to discussion and agreement with their auditors.</p> <p>2. Basis of Preparation (continued)</p> <p>Restatement of comparative information</p> <p><i>During 2024, Lloyd's introduced changes to the syndicate accounts process to rationalise and standardise financial reporting across the market. As a result, certain comparative information has been restated to ensure consistency with current year presentation and compliance with the Lloyd's Syndicate Accounts Instructions. The changes comprise:</i></p> <p><i>a) Reclassification changes</i> <i>Certain financial statement line items have been reclassified whilst the underlying amounts remain unchanged. The principal change is [eg. the reclassification of overseas deposits, previously shown as a separate balance sheet item, to form part of other assets. The comparative balances in the affected notes [x,x,x] have also been represented to align with the current period presentation].</i></p> <p><i>b) Aggregation changes</i> <i>To align with Lloyd's reporting requirements whilst maintaining FRS 102 compliance, certain items have been aggregated or disaggregated within the financial statements and related notes. This includes [eg. the presentation of realised and unrealised gains and losses on investments, which are now shown on a disaggregated basis in the Non-technical account of the Statement of profit or loss and other comprehensive income].</i></p> <p><i>c) Correction of error</i> <i>During the review of financial statement presentation, it was identified that [insert standard disclosure as required by FRS 102, including the amount of the correction for each financial statement line item affected].</i></p> <p><i>The reclassification and aggregation changes have been applied retrospectively and had no impact on previously reported profit or (loss), total comprehensive income/(loss), total assets, total liabilities, or total capital and reserves. The error correction [insert summary of overall impact].</i></p>

C. iXBRL Tagging

	Question (reference)	Answer
C1	<p>What type of audit opinion is required for the iXBRL tagging?</p> <p><i>Syndicate Accounts Instructions V2.0 - Section 5.1.4</i></p>	<p>Section 5.1.4 of the Instructions states that “An audit opinion will be required to confirm that the tagging reflects the signed Syndicate Accounts for each submission (interim and annual).” At the time of publishing the instructions discussions were ongoing with the audit firms as to the type of audit. It is now confirmed that a reasonable assurance opinion rather than an audit opinion is required and that this will be a separate opinion to the audit opinion on the Syndicate Accounts.</p> <p>Specifically, this will be a reasonable assurance report in accordance with International Standard on Assurance Engagements (ISAE) 3000.</p>
C2	<p>How is the tagging opinion submitted to Lloyd’s?</p> <p><i>Syndicate Accounts Instructions V2.0 - Sections 5.1.4 and 8</i></p>	<p>As the reasonable assurance report (also refer to C1) is not a public opinion, it will not be included in the Syndicate Accounts, rather the Managing Agent will need to send it to Lloyd’s directly.</p> <p>The reasonable assurance report is required to be submitted to Lloyd’s using SecureShare, alongside the Declarations (refer to Section 8 of the Instructions). The site name on SecureShare is “Syndicate Reports and Accounts”.</p> <p>The file uploaded to SecureShare must be the signed version of the reasonable assurance report in pdf format using the following naming convention: ‘RARxxxx.pdf’, where “xxxx” is the syndicate number.</p> <p>Recognising that the logistics of signing this opinion will be worked through for the first time for the 2024 year-end, Lloyd’s will allow submission of this opinion up to one business day later than the Syndicate Accounts submission – ie. by 5pm on Friday 7th March 2025.</p> <p>For the avoidance of doubt, the Auditor’s Declaration (Section 8.1 of the Instructions) is still required to be submitted on the same date as the Syndicate Accounts.</p>
C3	<p>Does the Statement of Managing Agent’s Responsibilities need to include a reference to the iXBRL tagging?</p> <p><i>Syndicate Accounts Instructions V2.0 – Section 3.4.1</i></p>	<p>The Illustrative Syndicate accounts do not include any suggested wording for the Statement of Managing Agent’s Responsibilities. However, in the Instructions it is clearly stated in Section 3.4.1 that “<i>It is the responsibility of the managing agent to ensure the completeness and accuracy of the syndicate accounts and tagged data.</i>” Therefore, it is required that this will be included in Statement of Managing Agent’s Responsibilities.</p> <p>Further, it is noted that this disclosure is required by the audit firms to facilitate their reasonable assurance report on the tagging (refer also to C1).</p> <p>The wording of the disclosure is at the discretion of Managing Agents, however an illustrative disclosure is shown below:</p> <p><i>The Directors of the Managing Agent are responsible for:</i></p> <ul style="list-style-type: none"> • <i>the preparation and review of the iXBRL tagging that has been applied to the Syndicate Accounts in accordance with the instructions issued by Lloyd’s, including designing, implementing and maintaining systems, processes and internal controls to result in tagging that is free from material non-compliance with the instructions issued by Lloyd’s, whether due to fraud or error.</i>

	Question (reference)	Answer
C4	<p>Can additional lines be added to the disclosures in the Illustrative Syndicate Accounts and do these need to be tagged?</p> <p><i>Syndicate Accounts Instructions V2.0 – Sections 1.3.4; 2.2.3; and 2.3.6</i></p>	<p>Managing Agents wishing to present a more granular level of detail in their disclosures than prescribed in the Illustrative Syndicate Accounts may do so (as stated in Section 1.3.4 of the Instructions).</p> <p>Further, “<i>where a managing agent has added additional disclosures in the Syndicate Accounts above the mandatory requirements, there is no tagging required for these values</i>” (as stated in Section 2.3.6 of the Instructions).</p> <p>However, if adding additional lines results in a mandatory disclosure being split into more than one line, the subtotal / total of the additional lines will need to be tagged with the relevant concept aligned to the table in the Illustrative Syndicate Accounts.</p> <p>It is noted that, each line in the Illustrative Syndicate Accounts is mirrored as a concept in the Lloyd’s XBRL taxonomy (as stated in Section 2.2.3 of the Instructions) and, in line with standard XBRL validation rules, multiple numbers cannot be tagged with the same concept/dimension as this will cause validation error.</p>
C5	<p>Can the 2024 annual syndicate accounts be submitted with more than just the primary statements and mandatory items tagged?</p> <p><i>Syndicate Accounts Instructions V2.0 – Section 2.3.4</i></p>	<p>Section 2.3.4 of the Instructions states that for 2024 annual syndicate accounts, only primary statements and mandatory items in Section 2.3.2 and 2.3.3 should be tagged. This phased approach was implemented to support the market through the transition.</p> <p>However, if a managing agent feels prepared to move faster than the phased implementation, the full syndicate accounts may be tagged providing the following requirements are met:</p> <ul style="list-style-type: none"> • The managing agent notifies Lloyd’s and receives a response from Lloyd’s with confirmation it will be accepted. Notification should be sent to Lloyds-MRD-ReturnQueries@lloyds.com; • The reasonable assurance report (refer to C1) applies to all tagging, not only the limited disclosures noted in section 2.3.4 of the Instructions; and • The managing agent is confident that by accelerating the tagging requirements the timeliness and quality of all other year-end 2024 deliverables (including the QMA, ASR, etc) will not be adversely impacted.

	Question (reference)	Answer
C6	<p>How should we apply the following mandatory tags:</p> <ul style="list-style-type: none"> • Life Syndicate (true/false) • Schedule 3 Data (true/false) <p><i>Syndicate Accounts Instructions V2.0 – Section 2.3.2</i></p> <p><i>Syndicate Accounts Instructions V2.0 - Section 5.1.4 (as modified by FAQ C1)</i></p>	<p>The Instructions outline the requirement for auditors to “confirm that the tagging reflects the signed Syndicate Accounts for each submission”. In most instances this is straightforward as the tagging is applied directly to a disclosure in the signed Syndicate Accounts – eg. the mandatory tag ‘Syndicate Number’ would be applied to the four digit syndicate number disclosed. In this way the human readable (pdf) and machine readable (ixbrl) versions are aligned.</p> <p>However, there are two mandatory tags listed in section 2.3.2 of the Instructions where there will not necessarily be a single word / disclosure that explicitly aligns to the tagged concept, as these mandatory tags require the selection of a format of either true or false:</p> <ul style="list-style-type: none"> • Life Syndicate (true/false) • Schedule 3 Data (true/false) <p>For the avoidance of doubt – it is not necessary to include the words ‘true’ / ‘false’ in the signed Syndicate Accounts to align with the tagging; rather it is expected that the correct format for the tag will be chosen based on the overall content of the Syndicate Accounts. Therefore:</p> <p>Life Syndicate (true/false): If the Strategic Report in the Syndicate Accounts identifies the syndicate activities as writing life insurance only, then TRUE should be selected; otherwise, FALSE should be selected.</p> <p>Schedule 3 Data (true/false): Given the fact that the tagging is contained within the Syndicate Accounts, the selection should be FALSE. ie:</p> <ul style="list-style-type: none"> - Syndicate Accounts should be tagged as FALSE - Schedule 3 submissions should be tagged as TRUE