INTERNATIONAL UNDERWRITING ASSOCIATION OF LONDON LIMITED

Financial Statements

31st December 2022

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COMPANIES HOUSE

Registered in England Number 01244052

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Registered Office
1 Minster Court, Mincing Lane
London EC3R 7AA

International Underwriting Association of London Limited ("the Association")
(A company limited by guarantee and having no share capital)

Members of the Board and Officers

Members of the Board

P Hobbs	(Chairman)	Liberty Mutual Insurance Europe SE
D Matcham		International Underwriting Association of London Limited
G Godwin		AIG Europe Limited
J Cadman		Lancashire Insurance Company (UK) Limited
K Sambhi		Swiss Re International SE (UK)
C Gray		Royal & Sun Alliance Insurance PLC
N Cote		Allianz Global Corporate & Speciality SE
L Rose		TransRe London Limited
S Williams		Arch Insurance (UK) Ltd
S Wilson		Markel International Insurance Company Limited
C McDonald		HDI Global SE
R Barrie		Global Aerospace Underwriting Managers Limited
M Gordon		Aviva Insurance Limited
F Streidl		Zurich Insurance
T Butt		Convex Insurance UK Ltd
T Maloney		Great Lakes Insurance SE
R Wilson		Chubb Global Markets
R Macgregor		Axis Managing Agency Ltd

Report of the Board of Directors

The Board submit their report and the financial statements for the year ended 31 December 2022.

Principal activities
The principal activities of the Association are to represent and promote the interests of its members to governments, regulators and other interested parties worldwide; to promote London as a major centre for international wholesale insurance and reinsurance business; to initiate and facilitate research for its members into technical matters concerning such business.

Business review
There was a loss for the year after taxation of £387,000 (2021: £1,115,000 loss) resulting in a retained surplus of £14,000,000 (2021: £14,387,000) to carry forward at 31 December 2022.

Going Concern
The company has prepared the financial statements for the year ended 31st December 2022 on a going concern basis, which assumes continuity of current business activities and the realisation of assets and settlement of liabilities in the ordinary course of business and is confident that the company has sufficient resources to continue in operational existence for at least 12 months from the date of signing.

The company has formulated various long term cash flow forecasts. In the worst-case scenario, the company would still have a minimum cash balance of £11.3m, which far exceeds the required minimum capital management, which is 1.5 times the value of annual operating expenses. At 31st December 2022 the company had closing cash reserves of £14.3m which was 3 times the value of 2022 operating expenses.

Therefore, the Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis after considering all the financial forecasts and information available.

Members of the Board

The members of the Board are set out on page 2; they all served throughout the year and up to the date of signing the financial statements except as follows:

R Barrie	Appointed	23 March 2022	Global Aerospace Underwriting Managers Ltd
N Cote	Appointed	06 June 2022	Allianz Global Corporate & Speciality SE
M Gordon	Appointed	14 September 2022	Aviva Insurance Limited
F Streidl	Appointed	08 February 2023	Zurich Insurance
T Butt	Appointed	14 April 2023	Convex Insurance UK Ltd
T Maloney	Appointed	14 April 2023	Great Lakes Insurance SE
R Wilson	Appointed	01 August 2023	Chubb Global Markets
R Macgregor	Appointed	01 August 2023	Axis Managing Agency Ltd

Other Board members who served during the period were:

A Alonso	Resigned	06 June 2022	Allianz Global Corporate & Speciality SE
N Major	Resigned	24 August 2022	Aviva PLC
T Hennessey	Resigned	14 December 2022	Axis Speciality Europe SE
R Kuchinski	Resigned	31 December 2022	Zurich Insurance
P Woods	Resigned	3 March 2023	Great Lakes Insurance SE
M Newman	Resigned	30 May 2023	SCOR UK Company Limited
A Osbourne	Resigned	27 June 2023	Chubb European Group SE

There is an insurance policy in place to indemnify the directors and officers against third party claims.

Auditors

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

Small company provisions

In producing this report, the directors have taken advantage of the small companies exemptions provided by part 15 of the Companies Act 2006 in not preparing a strategic report.

On behalf of the board

Philip Hobbs

P Hobbs (*Chairman*)

Date: 26/9/2023

Directors' responsibilities statement

The directors are responsible for preparing the Report of the Board of Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements and directors remuneration report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board

Philip Hobbs

P Hobbs *(Chairman)* Date: 26/9/2023

Independent auditor's report to the members of International Underwriting Association of London Limited

Opinion

We have audited the financial statements of International Underwriting Association of London Limited (the 'company') for the year ended 31 December 2022, which comprise Statement of Income and Retained Earnings, Statement of Financial Position, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as higher inflation, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the financial statements, other than pages 10 to 25 and our auditor's report thereon. The directors are responsible for the other information contained within the Report of the Board of Directors. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and the sector in which it operates. We determined that the following laws and regulations were most significant: the Companies Act 2006, The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102), and current UK corporation tax legislation
- We understood how the company is complying with these legal and regulatory frameworks by making inquiries of management and those charged with governance. We enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of board minutes and papers provided to the Finance and Executive Committee, and through our legal and professional expenses review.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur and the risk of material override of controls. Audit procedures performed by the engagement team included:
  - Identifying and assessing the design effectiveness of certain controls management has in place to prevent and detect fraud
  - Challenging assumptions and judgments made by management in its significant accounting policies
  - Identifying and testing journal entries
  - Identifying and testing related party transactions
  - Inspecting the board and Finance and Executive Committee minutes
  - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it:
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - Understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation

  - Knowledge of the industry in which the company operates, and
  - Understanding of the legal and regulatory requirements specific to the entity including the provisions of the applicable legislation.
- The team communications in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in revenue recognition through manipulation of subscription and other income.
- We did not identify any matters relating to non-compliance with laws and regulation and fraud.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - The company's operations, including the nature of its revenue sources, to understand the classes of transactions, accounts balances, expected financial statement disclosures and business risks that may result in risks of material misstatement, and
  - The company's control environment, including
    - Management's knowledge of relevant laws and regulations and how the company is complying with those laws and regulations
    - The adequacy of procedures for authorisation of transactions and review of management accounts, and
    - Procedures to ensure that possible breaches of laws and regulations are appropriately resolved

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Stephen Dean BA(Hons) FCA DChA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
Date: 26/9/2023

Statement of Income and Retained Earnings
for the year ended 31st December 2022

	Note	2022 £000s	2021 £000s
Turnover	2	**3,755**	3,500
Operating Expenses	3	**(4,280)**	(4,865)
Operating Surplus / (Deficit)		**(525)**	(1,365)
Interest Receivable	8	**49**	2
Dividends Receivable		**0**	0
Surplus / (Deficit) on ordinary activities before taxation		**(476)**	(1,363)
Taxation (Payable) / Recoverable	9	**89**	249
Surplus / (Deficit) for the financial year		**(387)**	(1,115)
Retained surplus at 1 January		**14,386**	15,501
Retained surplus at 31 December	17	**14,000**	14,386

There were no recognised gains or losses other than the surplus for the year.

All activities are classed as continuing.

The notes on pages 13 to 25 form part of these financial statements.

Statement of Financial Position
at 31st December 2022

	Note	**2022** £000s	2021 £000s
Fixed Assets			
Tangible assets	10	**67**	95
Intangible assets	10	**0**	6
Investment in associated undertaking	11	**2,250**	2,250
		2,317	2,351
Current Assets			
Debtors due within one year	12	**495**	692
Cash at bank and in hand		**14,294**	17,251
		14,789	17,943
Creditors: amounts falling due within one year	13	**(991)**	(3,509)
Net Current Assets		**13,798**	14,434
Total assets less current liabilities		**16,115**	16,785
Provisions for liabilities	14	**(45)**	(328)
Net assets		**16,070**	16,457
Reserves			
Capital Reserve	17	**2,071**	2,071
Retained Surplus	1 / 17	**14,000**	14,386
		16,070	16,457

The financial statements have been prepared in accordance with the special provisions relating to the small companies regime of the Companies Act 2006.

The notes on pages 13 to 25 form part of these financial statements.

Approved by the Board of Directors on 26/9/2023 and signed on its behalf by:

Philip Hobbs

P Hobbs *(Chairman)*

D Matcham

Registered in England 01244052

Statement of Cash Flows

for the year ended 31st December 2022

	2022	2021
	£000s	**£000s**
Cash flows from operating activities		
Operating surplus / (deficit)	**(525)**	(1,366)
Adjustments for:		
Depreciation of tangible assets	**33**	54
Decrease / (Increase) in debtors and prepayments	**36**	37
(Decrease) / Increase in creditors, accruals and provisions	**(2,800)**	2,371
Cash provided by / (used in) operations	**(3,255)**	1,097
Income from sale of tax losses	**249**	742
Net cash generated from operating activities	**(3,006)**	1,839
Cash flows from investing activities		
Purchase of tangible fixed assets	**0**	0
Interest received	**49**	2
Net cash from investing activities	**49**	2
Cash flows from financing activities and net cash used in financing activities		
Dividend from associate	**0**	0
Net increase / (decrease) in cash and cash equivalents	**(2,957)**	1,841
Cash and cash equivalents at the beginning of the year	**17,251**	15,410
Cash and cash equivalents at the end of the year	**14,294**	17,251

The company has no net debt.

The notes on pages 13 to 25 form part of these financial statements.

Notes to the Accounts
Accounting Policies

Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The financial statements are presented in Sterling (£).

Turnover

Turnover consists of subscriptions made to members of the Association within the United Kingdom. Turnover is recognised as soon as subscriptions become earned, over the course of the subscription year, beginning 1 January each year.

Investments

Dividends receivable from associates are recognised once they are declared.

In the financial statements, investments in associated undertakings are stated at cost. Any impairment in carrying value is recognised in the income and expenditure account.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation and are depreciated over their estimated useful lives of three to five years. Property Improvements are depreciated over ten years. All assets are depreciated on a straight-line basis.

Intangible fixed assets and amortisation

Intangible fixed assets are stated at cost less amortisation and are amortised over their estimated useful lives of three years. All assets are amortised on a straight-line basis.

Leased assets

Operating lease rentals are charged against revenue on a straight-line basis.

Tax Payable

Tax recoverable is the amount of corporation tax recoverable in respect of the taxable losses for the year or prior years. Tax is calculated based on tax rates and laws that have been enacted by the period end.

Deferred taxation

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Notes to the Accounts
Accounting Policies

Pensions

The Association participates in a contractual defined benefit pension scheme as part of the London Processing Centre Limited Retirement and Death Benefit Scheme which is a trustee-administered fund with its assets held independently. The Association is unable to identify its share of the scheme's Assets and Liabilities. This pension fund was merged into the DXC pension plan on March 26th 2021. Contributions to the scheme are charged to the income and expenditure account, but as of October 2022 no further contributions are required. Please refer to note 7 for more details. The company also makes contributions to other defined contribution schemes on behalf of qualifying employees.

Provisions for Liabilities

A provision is recognised when the Association has a legal or constructive obligation as a result of a past event or guarantee, and it is probable that an outflow of economic benefits will be required to settle the obligation. See note 14.

Foreign Currency

In preparing the financial statements, transactions in foreign currencies are recognised at the spot rate at the dates of the transactions, or at an average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences are recognised as profit or loss in the period in which they arise.

Going concern

The company has prepared the financial statements for the year ended 31st December 2022 on a going concern basis, which assumes continuity of current business activities and the realisation of assets and settlement of liabilities in the ordinary course of business and is confident that the company has sufficient resources to continue in operational existence for at least 12 months from the date of signing.

The company has formulated various long term cash flow forecasts. In the worst-case scenario, the company would still have a minimum cash balance of £11.3m, which far exceeds the required minimum capital management, which is 1.5 times the value of annual operating expenses. At 31st December 2022 the company had closing cash reserves of £14.3m which was 3 times the value of 2022 operating expenses.

Therefore, the Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis after considering all the financial forecasts and information available.

Notes to the Accounts

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made include:

Judgement has been applied in respect of the carrying value of the investment in the associated company at 31 December 2022, which is treated as an investment. This has been considered for appropriateness based on market information and management have determined that no reduction for any impairment is considered necessary.

The asset in respect of consortium relief recoverable requires a degree of judgment in relation to recoverability. This has been substantiated by management through confirmation from the claimant company.

The provision for dilapidations has been based on estimates received from reputable estate agents and has a low probability of being materially inaccurate.

Judgement has also been applied in reference to the Volume Discount cash and FRS102. Following extensive legal advice, the Directors have judged that the IUA is acting in the capacity as agent and whilst the IUA has some degree of control in overseeing how the Volume Discounts are spent, no future economic benefits are expected to flow to the IUA when they are spent. Therefore, the cash value of the Volume Discounts and related liabilities have been netted against one another and removed from the Balance Sheet as permitted by FRS102.

Notes to the Accounts

1 Share capital and member's liabilities

The Association is a company limited by guarantee and does not have a share capital. In the event of a winding up, each ordinary member is liable to contribute an amount not exceeding £1 to the assets of the Association for the payment of its debts and liabilities. At 31 December 2022 there were 71 ordinary members (*2021: 72*).

2 Turnover

	2022	2021
	£000s	£000s
Charges to members:		
Subscriptions	**3,574**	3,322
Other Turnover	**181**	178
	3,755	3,500

3 Operating Expenses

	2022	2021
	£000s	£000s
Staff costs (note 5)	**2,691**	2,877
Accommodation costs	**362**	450
Legal & professional fees	**247**	152
Other costs	**540**	444
Market Reform Group costs	**358**	828
Information Technology costs	**76**	114
Charitable Donations	**5**	0
	4,280	4,865

4 Operating Surplus / (Deficit)

	2022	2021
The operating surplus / (deficit) is stated after charging:	**£000s**	£000s
Depreciation of fixed assets - owned	33	54
Operating lease rentals		
Land and buildings	266	310
Other	10	10
Fees payable to the company's auditor:		
For the audit of the company's annual accounts	33	29
Fees payable to the company's auditor and its associates for other services:		
Tax compliance services	5	4

Notes to the Accounts

5 Staff numbers and costs

The average number of persons employed during the year was as follows:

	2022	2021
Insurance Services	**23**	23
Finance, Human Resources and Administration	**1**	1
	24	24

	2022	2021
The aggregate staff costs were:	**£000s**	£000s
Salaries	**2,202**	2,231
Social security costs	**303**	280
Pension costs	**243**	256
LPC Pension deficit credit	**(184)**	0
Other staff costs	**127**	111
	2,691	2,878

6 Directors' emoluments

	2022	2021
	£000s	£000s
Of the directors who served during the year, one (2021: one) was in receipt of remuneration which was as follows:		
Total emoluments	**487**	466
Total emoluments of the highest paid director	**487**	466

The number of directors to whom benefits are accruing under a defined benefits scheme is one (2021: one).

Notes to the Accounts

7 Pension scheme

The London Processing Centre Limited Retirement & Death Benefits Scheme ("the Scheme") is a defined benefit pension scheme. However, because of the non-associated multi-employer nature of the Plan, the Company is unable to identify its share of the underlying assets and liabilities of the Plan on a consistent and reasonable basis and therefore, as permitted by FRS 102, it accounts for the Plan as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the Company's contributions payable to the Plan in respect of the accounting period.

Employees of the Association will continue to accrue benefits from the LPC Scheme, even though this scheme resides in the associate - Ins-sure Holdings Limited. Full disclosure of the scheme is provided in the accounts of Ins-sure Holdings Limited. The latest actuarial valuation of the Plan was performed as of 30 June 2021 and conducted under the scheme funding regime introduced by the Pensions Act 2004. An actuarial report was also prepared at 30 June 2021 by a qualified independent actuary. As part of the report issued in September 2022, it was agreed that no further contributions need to be made to the scheme because the deficit on funding has been cleared but the recovery payments made to date.

The LPC Scheme was closed on 28 February 2015 and at that date the company's remaining share of the deficit contributions to be paid was £257,000. Following the revaluation the company's remaining share of the deficit at 31st December 2022 was £nil (2021: £258,266). The LPC Scheme was transferred into the DXC pension plan on 26th March 2021. This was purely administrational and had no effect on the IUA.

The company also makes contributions to other defined contribution schemes on behalf of qualifying employees. The cost in the year for these schemes amounted to £208,696 (2021: £209,413).

8 Net interest receivable

	2022	2021
	£000s	£000s
Bank interest receivable	**49**	2

Notes to the Accounts

9 Taxation

	2022	2021
	£000s	£000s
Current tax		
Losses surrendered to associated company in the year	**(89)**	(249)
Total current tax	**(457)**	(249)

Factors affecting tax charge for the year	**2022**	2021
	£000s	£000s
Profit/(loss) on ordinary activities before tax	**(476)**	(1,364)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 19.00%	**(90)**	(259)
Effects of:		
Fixed asset differences	**2**	0
Expenses not deductible for tax purposes	**1**	1
DT not recognised	**232**	237
Adjustment to opening/closing deferred tax to average rate of 19.00%	**(235)**	(228)
Other differences	**1**	0
Total tax charge for the year	**(89)**	(249)

Factors that may affect future tax charges

The company has tax losses of £3,796,155 (2021: £3,843,332) that are available indefinitely for offset against its future taxable trade profits. A deferred tax asset has not been recognised in respect of these losses as future suitable taxable profits cannot be foreseen with sufficient certainty. The Association is expected to surrender £466,717 of losses by way of consortium relief for 2022. The tax value of these losses is reflected above.

Notes to the Accounts

10 Assets

	Premises £000s	Tangible Assets Office Furniture £000s	IT Equipment £000s	Intangible Assets IT Software £000s	Total £000s
Cost					
1st January 2022	243	77	36	132	487
Additions	0	0	0	0	0
Disposals	0	0	0	(1)	(1)
31st December 2022	**243**	**77**	**36**	**131**	**486**
Depreciation/Amortisation					
1st January 2022	152	76	33	125	386
Charge for year	24	0	3	6	33
Disposals	0	0	0	(1)	(1)
31st December 2022	**176**	**76**	**36**	**131**	**419**
Net Book Value 31st December 2022	**67**	**1**	**0**	**0**	**68**
Net Book Value 31st December 2021	91	1	3	6	101

11 Investments

The Association held shares as follows:

	Country of incorporation	Class of share held	Percentage of shares held	Number of shares held
Associated undertaking				
Ins-sure Holdings Limited	England and Wales	Ordinary 0.1p 'C' shares	25	1,000,000

The issued share capital of Ins-sure Holdings Limited is £4,000. There are three separate classes of shares, 'A', 'B' and 'C' shares, each carrying different rights with respect to dividends. The Association holds all of the 'C' shares.

The companies within the Ins-sure Holdings Limited group provide premium and claims accounting and settlement, policy production and ancillary insurance services to insurance entities including the members of the Association and also to Lloyd's Market Association.

The financial statements for Ins-sure Holdings Limited cover the 12-month period to 31 March 2023. The summarised financial information as at 31 December 2022 is as follows:

As at 31 December 2022 the total of the equity shareholders' funds was £78,656,715 (2021: £71,238,388). The total recognised gains for the year were £8,657,579 (2021: £16,657,918).

Notes to the Accounts

11 Investments (continued)

Placing Platform Limited (PPL)

The Association is a subscriber to Placing Platform Limited, a company limited by guarantee, which was incorporated on 7th January 2013. The Company is a shared venture with the London and International Insurance Brokers Association, Lloyd's Market Association and Corporation of Lloyd's (who became a shareholder in June 2020). Its purpose is to advance an initiative to introduce a platform for use by brokers and insurers to support and streamline the contract formation (placing) process. In the event of the company being wound up, the liability of the Association is limited to £1.

London Market Operations & Strategic Sourcing Limited (LIMOSS)

The Association is a subscriber to London Market Operations & Strategic Sourcing, a company limited by guarantee, which was incorporated on 7th March 2018. The company is a shared venture with the Lloyd's Market Association and the Corporation of Lloyd's. Its purpose is to improve the efficiency of MRC processing, and implement standardisation of data capture across the market. In the event of the company being wound up, the liability of the Association is limited to £1.

The Institute of London Underwriters

The Association has 25% of the voting rights of The Institute of London Underwriters, a company limited by guarantee, which was incorporated on 5th June 1884. The Company acts as a trustee and governing entity for the existing parental guarantees lodged by ex-ILU members to cover any shortfall in agreed claims payments.

12 Debtors due within one year

	2022	2021
	£000s	£000s
Trade debtors	**40**	16
Other debtors	**21**	66
Consortium relief recoverable	**89**	249
VAT recoverable	**21**	26
Prepayments and accrued income	**325**	335
	495	692

13 Creditors due within one year

	2022	2021
	£000s	£000s
Trade creditors	**182**	103
Other creditors	**37**	2,410
Taxation and social security	**73**	71
Accruals and deferred income	**700**	925
	991	3,509

Notes to the Accounts

14 Provisions for liabilities

	Dilapidations	Pension Deficit	2022 Total	2021 Total
	£000s	**£000s**	**£000s**	£000s
As at 1st January	(45)	(283)	(328)	(427)
Movement in the period	0	184	184	0
Utilised in the period	0	99	99	99
As at 31st December	**(45)**	**0**	**(45)**	(328)

Leasehold property

A provision has been made for dilapidation costs in respect of a property under lease to the Association. The lease commenced on 1 September 2015 and is expected to run until 31 August 2025.

15 Related party transactions

(a) Directors of the Company

Directors, other than the Chief Executive Officer, must be employed by a member company and their appointment is by election at a general meeting of the members. Directors are officials, usually at very senior levels, of their own companies. A list of Directors who served during the year and the companies for whom they worked is included on pages 2 and 3. In the ordinary course of operations the Association will provide services to the member companies by whom Directors are employed. The aggregate charges made to the member companies of all the Directors who served in each respective year were as follows:

	2022	2021
	£000s	£000s
Subscriptions	**1,400**	1,360

Subscriptions are standard charges set annually based on the expenditure budgets approved by the Board. All charges due at 31st December 2022 have been paid and no amounts have been written off during the year.

(b) Key Management

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the IUA. The total key management personnel compensation is £1,291,482 (2021: £1,237,253).

Notes to the Accounts

15 Related party transactions (continued)

(c) Ins-sure Holdings

The Company owns 25% of the equity of Ins-sure Holdings Limited. During the period, companies within the Ins-sure Holdings Limited group cross charged, and received charges from, the Association. The details of these are set out below.

	2022 £000s	2021 £000s
IT - development services	**(164)**	(169)
Director's fees receivable	**(40)**	(40)
Dividends received	**0**	0
	(204)	(209)

As at 31 December 2022, £5,100 remains unpaid (2021 - £nil) with £nil due to be paid to the company (2021 - £nil).

During the year tax losses of £88,676 (2021 - £248,885) were surrendered to companies within the Ins-Sure Holdings Limited group. As at the year end £88,676 (2021 - £248,885) remains unpaid.

As at 31 December 2022, the company held £5,209,022 (£2021 - £2,396,309) of cash received from XIS, on behalf of customers, in relation to Volume Discounts accrued.

(d) Placing Platform Limited

The Company owns 25% of Placing Platform Limited (PPL). There were no transactions in the year (2021 - £nil).

(e) The Institute of London Underwriters

The Company holds 25% of the voting rights of The Institute of London Underwriters (ILU). During the period, the IUA charged the ILU the following costs:

	2022 £000s	2021 £000s
Service Charges	**82**	79
Phone Recharges	**0**	1
	82	80

As at 31 December 2022, £nil remains unpaid. (2021: £216).

Notes to the Accounts

15 Related party transactions (continued)

(f) London Market Strategic Operations and Strategic Sourcing

The company owns 33% of London Market Strategic Operations and Strategic Sourcing (LIMOSS). During the period, LIMOSS charged the IUA the following costs:

	2022 £000s	2021 £000s
Development Charges	111	120
	111	120

16 Financial commitments

(a) Capital commitments

Commitments in respect of capital expenditure contracted but not provided for in the accounts amounted to £nil. (2021: £nil).

(b) Operating leases

	2022 Land and buildings £000s	**2022 Other £000s**	2021 Land and buildings £000s	2021 Other £000s
The future minimum payments due under non-cancellable operating leases expiring:				
Within one year	346	10	310	10
Between two and five years	576	6	939	16
	922	**16**	1,249	26

On 1 September 2015 the Association entered into a lease agreement, together with ACORD Corporation, to rent offices on the 8th floor of 1 Minster Court, Mincing Lane, London EC3R 7AA for a period of 10 years. The Association has taken 49% of the available space and ACORD Corporation having the remaining 51% with costs being apportioned accordingly. The Association is committed to incurring rental costs of £1,797,000 over the period of the lease.

(c) ILU Guarantees Legal Costs

Under the terms of the merger agreement between the London Insurance and Reinsurance Market Association and the Institute of London Underwriters (ILU), the Association assumed responsibility for all administrative costs otherwise not recovered by the ILU associated with the administration of the parental guarantees provided by the ex members of ILU. The probability of this guarantee being called upon is extremely low.

Notes to the Accounts

17 Accumulated Reserves

	2022 £000s	2021 £000s
Balance as at 1st January	**14,386**	15,501
Total recognised (losses)/gains for the year	**(387)**	(1,115)
Balance as at 31st December	**14,000**	14,386
Capital Reserve	**2,071**	2,071
	16,070	16,457

The capital reserve arose as a result of the exchange of business and other non-monetary assets for IUA's interest in its associate, Ins-sure Holdings Limited.

18 Deferred tax

	2022	2021
Unprovided deferred tax asset:	**£000s**	£000s
Taxes losses brought forward	**948**	710
Adjustment to brought forward	**(7)**	1
Tax losses arising in the period	**89**	249
Adjustment for change in the corporation tax rate		
Tax losses surrendered in the period	**(89)**	(249)
Fixed asset timing differences	**8**	(13)
Short term timing differences	**(4)**	
Remeasurement of DT for changes in tax rates	**250**	250
DT assets not recognised	**945**	948

19 Funds held on behalf of customers

DXC collects funds on behalf of users of the Bureau throughout the year. If volumes exceed those specified in the Master Services Agreement then the Association receives Volume Discounts in its capacity as Customer Representative on behalf of users. At 31st December 2022 the IUA held £5.2m of cash, on behalf of customers, in a separate ring fenced bank account.

Following extensive legal advice, the Directors have judged that the IUA is acting in the capacity as agent and whilst the IUA has some degree of control in overseeing how the Volume Discounts are spent, no future economic benefits are expected to flow to the IUA when they are spent. Therefore, the cash value of the Volume Discounts and related liabilities have been netted against one another and removed from the Balance Sheet as permitted by FRS102.