

REGISTERED NUMBER: 07378522 (England and Wales)

Financial Statements
for the Year Ended 31 August 2019
for
Managing General Agents' Association
(Company Limited by Guarantee)

Butler & Co
Chartered Accountants and Registered Auditors
Bennett House
The Dean
Alresford
Hampshire
SO24 9BH

**Managing General Agents' Association (Registered number: 07378522)
(Company Limited by Guarantee)**

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for the Year Ended 31 August 2019**

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**Managing General Agents' Association
(Company Limited by Guarantee)**

**Company Information
for the Year Ended 31 August 2019**

DIRECTORS:

Ms C Bell
C H D Earle
C L C Manchester
W O'Malley
J D L Skinner
P J Staddon
K E Stern
J Turner
M A Del Carlo
C T Collings

REGISTERED OFFICE:

8th Floor
Number One Minster Court
Mincing Lane
London
EC3R 7AA

REGISTERED NUMBER:

07378522 (England and Wales)

SENIOR STATUTORY AUDITOR:

Julie M Butler FCA

AUDITORS:

Butler & Co
Chartered Accountants and Registered Auditors
Bennett House
The Dean
Alresford
Hampshire
SO24 9BH

**Managing General Agents' Association (Registered number: 07378522)
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**Chairman's Report
for the Year Ended 31 August 2019**

The MGAA continues to work with members and other trade bodies to promote the improvement of the MGA sector's professionalism, stability and competitiveness. This includes:

- Helping members to work more effectively;
- Helping brokers and insurers understand the role that a good MGA can play and enhancing the sector's image, so that brokers and insurers can be confident that it will be beneficial for them to trade MGAA with members;
- Providing value added services to MGAA members.

Key achievements in the past year:

- The Association continues to grow with 147 full members as at 31/08/2019 writing in excess of £6.0 billion of gross premium from the UK;
- Hosted our fifth annual conference in July 2019, with over 700 attendees;
- In June 2019 the board revisited our 5-year business plan and has commenced action to implement the various action points identified;
- Continuing to work with other industry bodies in relation to Brexit and the implications that affect the UK insurance MGA market;
- Continuing to build strong and lasting relationships with our annual sponsors who are helping us deliver on our business plan;
- The Association continues to lobby and work closely with our colleagues at the FCA to address issues that affect the membership and, wherever appropriate, try to influence the future direction of FCA regulation;
- Continuing to work with HM Revenue & Customs and the Treasury on taxation issues that affect the MGA sector;
- Set up and delivered the MGA Assess online training tool
- Worked with the Chartered Insurance Institute to build and deliver a new chartered title for MGAs, The Chartered Insurance Underwriting Agent.

For the Year ending 31st August 2019

We have 147 full members, underwriting some £6.0 billion of Gross Written Premium. Members are supported by 73 supplier and 39 market practitioner associate members (figures given as at 31/08/2019)

Structure, Governance and Management

The board consists of the following members:

Full members

Catherine Bell ^	inet3
Marco Del Carlo	Tempo Underwriting (elected in February 2018)
Charles Earle ^	Independent
Jeff Turner	Miramar Underwriting Ltd (re-elected in February 2018)
Mark Birrell	Castel Underwriting Agencies Limited (re-elected in February 2018)
Charles Manchester ^	Manchester Underwriting Management Limited

^ Term of office finishes in February 2020 and may stand for re-election.

Representing the two largest MGAs by premium volume:

Chris Collings	Markerstudy
Jonathan Skinner	Pen Underwriting

Representing the Associate Members:

Keith Stern	Corporation of Lloyd's*
Bill O'Malley	Arch Insurance (UK) Limited **

* Keith Stern represents the Associate Supplier members.

** Bill O'Malley represents Associate Market Practitioner members

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**Chairman's Report
for the Year Ended 31 August 2019**

The Association's five standing committees, reporting to the board, are:-

Membership and Benefits (MBC)	Chair Catherine Bell
Conduct and Ethics (C&E)	Chair Charles Earle
Legal, Regulatory and Compliance (LRC)	Chair Mark Birrell
Executive and Finance (E&F)	Chair Charles Manchester
Conference and Sponsorship (C&SC)	Chair Jonathan Skinner

The Executive and Advisors

Peter J. Staddon, Managing Director continues to lead the executive team, working with the board to assist members of the MGAA.

David Coupe of EC3 Legal acts as legal advisor to the Board and members.

Alex Wise of Full Circle is actively working to improve public relations for the MGA sector.

Norman Hughes of Compliance Management Services provides the Association with support on all regulatory matters.

The IUA provides secretariat services and I would like to express our thanks to Dave Matcham for his ongoing support.

The financial surplus has increased. The awareness of our sector and the reputation of the Association continues to improve.

We aim to continue to consolidate our financial position and focus on ensuring that we provide our membership with the highest standards of service and representation.

Charles L C Manchester

Chairman, Managing General Agents' Association

**Managing General Agents' Association (Registered number: 07378522)
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**Balance Sheet
31 August 2019**

	Notes	2019 £	2018 £
CURRENT ASSETS			
Debtors	4	40,426	354,495
Cash at bank and in hand		<u>511,416</u>	<u>608,400</u>
		551,842	962,895
CREDITORS			
Amounts falling due within one year	5	<u>72,947</u>	<u>499,115</u>
NET CURRENT ASSETS		<u>478,895</u>	<u>463,780</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>478,895</u>	<u>463,780</u>
RESERVES			
Income and expenditure account		<u>478,895</u>	<u>463,780</u>
		<u>478,895</u>	<u>463,780</u>

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 16 February 2020 and were signed on its behalf by:

C L C Manchester - Director

**Managing General Agents' Association (Registered number: 07378522)
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**Notes to the Financial Statements
for the Year Ended 31 August 2019**

1. STATUTORY INFORMATION

Managing General Agents' Association is a private company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

Income represents net invoiced membership fees, excluding value added tax; and sponsorship income, net of value added tax.

Pension costs

Pension costs consist of contributions made by the company to directors' and employee's personal pension plans.

Membership and registration fees

Membership consists of full membership and associate membership, associate members not being entitled to vote at meetings of the Members (unless a winding up resolution is being passed). The applicant must pay an annually renewable fee and in the first year of associate membership a one-off joining fee.

Membership fees are recognised in the Income and Expenditure Account as income according to the period in which they relate. Any amounts received prior to the period to which they relate are included as deferred income under creditors.

Sponsorship income

Managing General Agents' Association (MGAA) receive substantial amounts of sponsorship income from a select number of insurers, in order to support the MGAA annual conference as well as provide financial assistance in the implementation of MGAA's five year plan.

Sponsorship income is recognised in the Income and Expenditure Account within the accounting period it is received in, due to the income relating to current year funding. If there were any amounts received prior to the period to which they relate, the income would be deferred within creditors.

Directors' salaries

Mr P Staddon, the Managing Director, is the only Board member currently receiving a salary, due to his full time position as head of the Executive charged with day-to-day operations of the Association.

The remaining Board members do not receive salaries, as per previous years, and continue to provide their services free gratis.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 2 (2018 - 3) .

**Managing General Agents' Association (Registered number: 07378522)
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**Notes to the Financial Statements - continued
for the Year Ended 31 August 2019**

4. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade debtors	14,737	333,194
Managing director's loan	1,020	574
Tax	2,277	-
Deferred tax asset	-	2,208
Prepayments	22,392	18,519
	<u>40,426</u>	<u>354,495</u>

Trade Debtors have fallen this year due to a timing difference whereby annual membership renewals are now issued after the year end and therefore are not included in the year end figures presented.

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade creditors	31,500	2,672
Corporation tax	959	-
Social security and other taxes	3,525	-
VAT	2,427	9,450
Deferred income	10,663	462,803
Accrued expenses	23,873	24,190
	<u>72,947</u>	<u>499,115</u>

Deferred income relates to the amount of prepaid membership and registration fees received. This has fallen this year due to a timing difference whereby annual membership renewals are now issued after the year end and therefore are not included in the year end figures presented.

6. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2019	2018
	£	£
Within one year	51,667	46,667
Between one and five years	72,500	124,167
	<u>124,167</u>	<u>170,834</u>

The operating lease payments recognised as expenses in the year were: £46,666 (2018 - £41,667).

7. DEFERRED TAX

	£
Balance at 1 September 2018	(2,208)
Utilised during year	<u>2,208</u>
Balance at 31 August 2019	<u>-</u>

Managing General Agents' Association (Registered number: 07378522)
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Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

8. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Julie M Butler FCA (Senior Statutory Auditor)
for and on behalf of Butler & Co

9. RELATED PARTY DISCLOSURES

Mr P Staddon
Managing director

During the period under review, Mr P Staddon was advanced a total of £2,448 (2018: £2,286) for the purchase of a season ticket. This is being repaid in equal monthly installments. At the balance sheet date, the amount owed by Mr Staddon was £1,020 (2018: £574) and will be paid off in full by the end of January 2020.

10. ULTIMATE CONTROLLING PARTY

The ultimate control of the company lies with the Board of Directors.

11. MEMBERSHIP

The company has the following membership numbers:

	31.8.19	31.8.18
Full members	147	138
Supplier members	73	60
Insurer members	39	42
Total members	<u>259</u>	<u>240</u>

12. LIMITED BY GUARANTEE

The company is limited by guarantee and has no issued share capital. In the event of the company being wound up every member undertakes to contribute to the assets of the company such sum as may be required not exceeding £1.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.