

**REGISTERED NUMBER: 07378522 (England and Wales)**

**Financial Statements**  
**for the Year Ended 31 August 2018**  
**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  
(Company Limited by Guarantee)**

**Contents of the Financial Statements  
for the Year Ended 31 August 2018**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Chairman's Report</b>	<b>2</b>
<b>Balance Sheet</b>	<b>4</b>
<b>Notes to the Financial Statements</b>	<b>5</b>

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

**Company Information  
for the Year Ended 31 August 2018**

**DIRECTORS:**

Ms C Bell  
M V Birrell  
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

**REGISTERED OFFICE:**

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

**REGISTERED NUMBER:**

07378522 (England and Wales)

**AUDITORS:**

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

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

**Chairman's Report  
for the Year Ended 31 August 2018**

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

- Helping MGAA 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 with MGAA members;
- Providing value added services to MGAA members.

**Key achievements in the past year:**

- The Association continues to grow with 138 full members as at 31/08/2018, writing in excess of £ 5.5 billion of UK domestic risks;
- Hosted our fourth annual conference in July 2018, with over 600 attendees;
- Further implementation of the various action points as identified in our 5-year business plan;
- Setting up a specific Brexit Working Group to help our members understand the implications on their business;
- Continuing to build strong and lasting relationships with our annual sponsors who are helping us deliver on our 5 year business plan;
- The Association continues to lobby and work closely with our colleagues at the FCA to address issues which affect the membership and, wherever possible, try to influence the future direction of UK regulation of the insurance intermediary space;
- Continue to work with HM Revenue & Customs and Treasury on taxation issues that affect the MGA sector.

**For the Year ending 31st August 2018**

We have 138 full members, underwriting some £5.5 billion of Gross Written Premium. Members are supported by 60 supplier and 42 market practitioner associate members. (Figures are given as at 31/08/2018)

**Structure, Governance and Management**

The board consists of the following members:

**Full members**

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

Representing the two largest MGAs by premium volume:

Karen Beales (to 31/08/2018)	UK General
Jonathan Skinner	Pen Underwriting

**Other members**

Keith Stern	Corporation of Lloyd's*
Bill O'Malley	Arch Insurance Company (Europe) Limited**
Peter Staddon	Managing General Agents Association***

\* Keith Stern represents Associate Supplier members

\*\* Bill O'Malley represents Associate Market Practitioner members

\*\*\* Peter Staddon represents the managing executive on the board of the Association.

Elections will be held in February 2020 for three directors who will retire in rotation, and will be elected to represent the full members. The representatives of Associate Supplier and Associate Market Practitioner members will also be up for re-election at this juncture.

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

**Chairman's Report  
for the Year Ended 31 August 2018**

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

- |   |                           |
|---|---------------------------|
| - Membership and Benefits (M&B)           | Chair: Catherine Bell     |
| - Conduct and Ethics (C&E)                | Chair: Charles Earle      |
| - Legal, Regulatory and Compliance (LR&C) | Chair: Mark Birrell       |
| - Executive and Finance (E&F)             | Chair: Charles Manchester |
| - Conference and Sponsorship (C&S)        | 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 Communications 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.

**Summary and Overview**

The overall 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 Manchester**

Chairman, Managing General Agents' Association

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

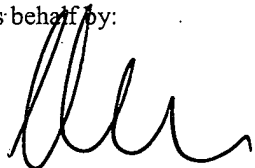
**Balance Sheet**  
**31 August 2018**

	Notes	2018 £	2017 £
<b>CURRENT ASSETS</b>			
Debtors	4	354,495	30,275
Cash at bank and in hand		608,400	572,868
		<u>962,895</u>	<u>603,143</u>
<b>CREDITORS</b>			
Amounts falling due within one year	5	499,115	205,488
<b>NET CURRENT ASSETS</b>		<u>463,780</u>	<u>397,655</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>463,780</u>	<u>397,655</u>
<b>RESERVES</b>			
Income and expenditure account		463,780	397,655
		<u>463,780</u>	<u>397,655</u>

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

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 5/8/2019 and were signed on its behalf by:



.....  
C L C Manchester - Director

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

**Notes to the Financial Statements  
for the Year Ended 31 August 2018**

**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 3 (2017 - 2).

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

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2018**

**4. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018	2017
	£	£
Trade debtors	333,194	8,884
Managing director's loan	574	564
VAT	-	320
Deferred tax asset	2,208	-
Prepayments	18,519	20,507
	<u>354,495</u>	<u>30,275</u>

Debtors have increased due to a timing difference relating to renewal membership invoices. Therefore, all membership renewals have been included within this year's accounts, in line with UK accounting principles. The increase in debtors has been offset by an increase in deferred income; therefore the net effect in the financial statements this year is £nil.

**5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018	2017
	£	£
Trade creditors	2,672	-
Corporation tax	-	7,131
VAT	9,450	-
Deferred income	462,803	170,025
Accrued expenses	24,190	28,332
	<u>499,115</u>	<u>205,488</u>

Deferred income relates to the amount of prepaid membership and registration fees received.

Deferred income has increased due to a timing difference relating to renewal membership invoices. Therefore, all membership renewals have been included within this year's accounts, in line with UK accounting principles. The increase in deferred income has been offset by an increase in debtors owing; therefore the net effect in the financial statements this year is £nil.

**6. LEASING AGREEMENTS**

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

	2018	2017
	£	£
Within one year	46,667	39,166
Between one and five years	124,167	170,834
	<u>170,834</u>	<u>210,000</u>

The operating lease payments recognised as expenses in the year were: £41,667 (2017 - £44,000).

**7. DEFERRED TAX**

	£
Deferred tax on losses	(2,208)
Balance at 31 August 2018	<u>(2,208)</u>



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

**Notes to the Financial Statements - continued  
for the Year Ended 31 August 2018**

**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 £2,286 (2017: £2,256) 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 £574 (2017: £564) and will be paid off in full by the end of November 2018.

**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:

	31.8.18	31.8.17
Full members	138	129
Supplier members	60	51
Insurer members	42	40
	<hr/>	<hr/>
Total members	240	220
	<hr/>	<hr/>

**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.