

REGISTERED NUMBER: 02571285 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024
FOR
LLOYD'S MARKET ASSOCIATION**

LLOYD'S MARKET ASSOCIATION
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for the year ended 31 December 2024

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LLOYD'S MARKET ASSOCIATION

COMPANY INFORMATION
for the year ended 31 December 2024

DIRECTORS:

A L Brooks
S M Cameron
S G McGovern
P J Davenport
H R T Brennan
C G L M Fresneau
L Harfitt
K J M Markham
H J L Withinshaw
S Sawhney
A J P Powell
J Warren
E A Woolliston
A Ramage
A G Beatty
C Constable
J Fowle
R T Milner
D Dale
J A Owen
S J Stanford
V Syal
B J Greenwood
J M Newman
E L Woolley

SECRETARY:

C E Traxler

REGISTERED OFFICE:

Suite 426
One Lime Street
London
EC3M 7DQ

REGISTERED NUMBER:

02571285 (England and Wales)

AUDITORS:

Kreston Reeves LLP
Second Floor
168 Shoreditch High Street
London
E1 6RA

BANKERS:

National Westminster Bank Plc
1st Floor
65 Piccadilly
London
W1A 2PP

LLOYD'S MARKET ASSOCIATION
STRATEGIC REPORT
for the year ended 31 December 2024

The directors present their strategic report for the year ended 31 December 2024.

KEY PERFORMANCE INDICATORS

As an association with the primary purpose of representing and advocating for our members on a wide range of issues affecting the market, much of what we deliver is not easily captured in quantifiable measures.

The product metrics which we monitor as a measure of our success relate to the model wordings published and the learning delivered by the LMA Academy.

Metric	2024	2023
Number of model policy clause wordings issued	120	99
LMA Academy events	65	61
LMA Academy event attendees	1,325	1,256
LMA Academy total learning hours	12,871	10,787

As an association which is not required to pay dividends to members, our objective is to retain a modest surplus each year and maintain net assets no less than a third of our annual administrative costs. This approach has ensured that the membership subscription fee reduced from 2023 to 2024.

Metric	2024	2023
Operating result before Interest Receivable	£165,950	£390,383
Net Assets	£5,614,610	£5,311,918
Membership Subscription Fee (per £1m of premium capacity)	£210	£220

To monitor the less quantifiable aspects of our effectiveness, a Committee Effectiveness Survey is conducted each year. For 2024, 94.7% of respondents 'agree' or 'strongly agree' that our committees are achieving their objectives (2023: 96.1%).

LLOYD'S MARKET ASSOCIATION

STRATEGIC REPORT for the year ended 31 December 2024

BUSINESS REVIEW

In January 2024, the Lloyd's Market Association ("LMA") announced six key priorities for the year ahead.

1. Engage, challenge and where appropriate partner with Lloyd's on the delivery of Blue Print Two (BP2)

This comprised three components. First, our aim was to promote and support managing agent readiness for Phase 1 of BP2, the cutover to cloud applications and infrastructure. As delays in application build and testing emerged during the year, we supported managing agents by negotiating a reset of timelines and project governance for this vital step towards digitising the marketplace.

Second, through the Data Council, our ambition was to drive the adoption of agreed industry messaging standards across open market business, treaty reinsurance, delegated authority and claims. A Treaty Reinsurance Core Data Record (CDR) was published for consultation and the Claims CDR is on track for a 2nd quarter 2025 consultation.

Third, we set out to develop a computable binding authority contract for delegated business, aligned to the work of the Data Council. This was ready for market use on a controlled basis by 1st quarter 2025. 2024 also saw substantial progress with revising binding authority wordings to be suitable for use in a computable contract.

2. Support the Lloyd's market's technical expertise

This objective had two components. First, we continued to deliver model policy wordings clauses reflecting the market's technical expertise, particularly in net zero transition, cyber, binding authorities and international coverages. During 2024, we delivered 120 model clause wordings.

Second, we said we would create thought leadership content on emerging risks from underwriting and regulatory viewpoints. During 2024, we delivered three key market-leading reports: The Growth of Enhanced Underwriting in the Lloyd's Market; Underwriting the Transition - Implications of Net Zero Transition for Underwriters; and Capital insights - Understanding Investor Experiences at Lloyd's. In addition, we launched an Environmental and Climate Litigation Committee with external legal expertise which is now producing periodic insights for the market.

3. Support and influence significant change programmes that are of high priority for managing agents

We said we would support Lloyd's on the simplification of market data collection and reporting. We helped Lloyd's redesign their collection of loss reserving data and this was successfully implemented by the end of 2024, achieving a significant reduction in market effort. Good progress was made in eliminating bespoke financial reporting for the market, with a parallel-run used at 2024 year end to reduce risk through the transition to simplified reporting.

Projects with Lloyd's on evolving the capital planning cycle, supporting their commercial strategy and developing a three-year delegated authority strategy were started in 2024 and will continue into 2025.

4. Influence regulatory policy

We set out to create and implement a regulatory engagement strategy, focused on Lloyd's (both UK and Europe), FCA, PRA, EIOPA and HM Government. This was developed and received board approval in November 2024. The strategy was in implementation phase by January 2025.

We increased our promotion of the interests of the market to regulators through 28 responses to consultations in which we sought to leverage the new regulatory competitiveness objective. Throughout the year, we made progress with the FCA towards a definition of consumer business, which ensures regulation can be applied proportionately in the London market.

5. Develop training programmes to increase the market's technical expertise and broaden its talent pool

In 2024, we enhanced our LMA Academy strategy to expand the technical training provided by the LMA to the Lloyd's marketplace. We continue to offer technical training via the LMA Academy at different points in the career life cycle, including early talent, experienced hires new to the Lloyd's market and offerings at the advanced level for existing practitioners.

In 2024, we held 65 LMA Academy events, involving 1,325 delegates. 14 new programmes were launched, including a syndicate accounting programme for those new to the Lloyd's market, and foundation programmes in Cyber, Terrorism and Python. We also introduced two new online job simulations designed to showcase career opportunities in claims. Developed in partnership with Forage, these immersive simulations offer students a hands-on learning experience.

6. Increase market and employee engagement with the LMA

2024 was an important year for engagement with our members and our staff.

LLOYD'S MARKET ASSOCIATION

STRATEGIC REPORT for the year ended 31 December 2024

In the second half of 2024, we embarked on a significant website and CRM system upgrade with implementation on track for June 2025. Second, we implemented a systematic committee effectiveness review process, including objectives, annual reviews, competition law and LMA charter compliance, and secretary and chair training. This has all received positive feedback through our annual committee effectiveness surveys.

And finally, we launched our employee value proposition, designed to attract the best talent to our organisation, highlighting the advantages and rewards of being part of the LMA. We had strong results in the Lloyd's culture survey which placed us in the first quartile compared to other firms in the Lloyd's market, our first two legal trainees qualified as solicitors, and Sheila Cameron (Chief Executive) and Rob Myers (Operations Director) won industry awards reflecting our commitment to making the market a better place.

FUTURE DEVELOPMENTS

In January the LMA laid out its 2025 priorities. These reflect our commitment to build on Lloyd's reputation as the beating heart of global (re)insurance. There are four key areas.

1. A simplified and digitised market

This has always been the end goal of Blueprint Two and the LMA will continue to focus on its safe delivery for the market in 2025. The LMA will continue to work in partnership with the London Market Group's Data Council to drive data standards and lead the global commercial and specialty marketplace through the expansion of core data record standards into all methods of placement. Digitisation efforts will also focus on wordings, notably on computable binding authority contracts.

2. Regulatory advocacy

The LMA has begun the launch of a new programme of regulatory engagement, formally engaging on behalf of its members with bodies in the UK but also Europe and the US. In particular, the LMA will follow through on its work with the FCA to differentiate commercial and specialty business from being classified for regulatory purposes with all other types of insurance. Our work with Lloyd's will focus on a delegated underwriting strategy, their proposed capability frameworks and ongoing embedding of the Lloyd's Principles for Business Oversight framework.

3. Outcomes from Technical Expertise Reports

Building on the technical expertise reports issued in 2024 around enhanced underwriting, capital oversight and underwriting the transition, the LMA will lobby for the outcomes recommended. The LMA will also continue to issue technical thought leadership reports throughout the year, with the aim of further enhancing the Lloyd's market's reputation as the global technical leader in commercial and specialty insurance.

4. Culture

Culture will continue to be a major priority for the LMA, as it has been for several years. 2025 will have a particular focus on increasing the profile of female leadership across the market. The LMA will continue the expansion of its industry-leading technical training programmes through the LMA Academy, with early talent being a key area of focus.

LLOYD'S MARKET ASSOCIATION

STRATEGIC REPORT for the year ended 31 December 2024

RISKS AND UNCERTAINTIES

The LMA is an association with members who operate in a highly regulated financial services sector. We therefore consider it important to identify the risks and uncertainties which affect how we work with our members and to manage them effectively. The most significant risks identified through our risk management framework, and how we manage them, are described below.

Risk

The LMA's reputation is damaged by failure of the market to deliver major change programmes.

The LMA is found to be in breach of competition law through the market's use of model policy clause wordings which the LMA has produced and published, or its committees.

Mitigating Controls

The LMA is engaged in the governance of market-wide change programmes such as Blueprint Two (BP2). However, due to the number of stakeholders involved in such programmes, there is an inherent limit to our control over the effectiveness of governance bodies.

LMA wordings are classified as model wordings and as such they are not mandatory and may be used or amended by our members. We do not copyright the clauses. The LMA's drafting, review and publication process has been reviewed by external counsel as compliant with competition law. The LMA has published guidance on competition law which is referred to at each committee meeting. Mandatory training on competition law is held for all new starters and annual training for all employees. Annual training for the Board and committees.

ON BEHALF OF THE BOARD:


.....
S Cameron - Director

Date: 17/6/25
.....

LLOYD'S MARKET ASSOCIATION

REPORT OF THE DIRECTORS for the year ended 31 December 2024

The directors present their report with the audited financial statements of the company for the year ended 31 December 2024.

PRINCIPAL ACTIVITY

The Lloyd's Market Association (LMA) is a company limited by guarantee whose members include all underwriting agents operating in the insurance market of Lloyd's. Through the LMA, the interests of Lloyd's underwriters, managing agents and members' agents are represented wherever decisions need to be made that affect the market.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

A full business review of activities in 2024, plus a summary of the future developments and priorities for 2025 have been set out within the strategic report on page 2.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2024 to 31 December 2024:

R S Anarfi
A L Brooks
S M Cameron
S G McGovern
P J Davenport
H R T Brennan
C G L M Fresneau
L Harfitt
E A Wolliston
K J M Markham
A J P Powell
A Ramage
K Roy
S Sawhney
J Warren
H J L Withinshaw

Other changes in directors holding office are as follows:

R T Milner - resigned 22 January 2024 and reappointed 11 June 2024
M C Graham - resigned 11 June 2024
M B Rodden - resigned 11 June 2024
J Fowle - appointed 11 June 2024
A G Beatty - appointed 11 June 2024
C Constable - appointed 11 June 2024
R Callan - resigned 11 June 2024
C J Smelt - resigned 2 July 2024
D Hoare - resigned 2 July 2024
S J Stanford - appointed 30 September 2024
D Dale - appointed 30 September 2024
M Gregory - resigned 10 October 2024
A M W Shaw - resigned 10 October 2024
J A Owen - appointed 10 October 2024
V Syal - appointed 10 October 2024
R S Anarfi - resigned 11 February 2025
B J Greenwood - appointed 11 February 2025
C J R Rash - resigned 5 March 2025
E L Woolley - appointed 27 March 2025
J M Newman - appointed 2 April 2025
K Roy - resigned 2 April 2025

LLOYD'S MARKET ASSOCIATION

REPORT OF THE DIRECTORS for the year ended 31 December 2024

GOVERNANCE

The Finance, Operations and Remuneration Committee of the Board reviews the services, activities, and costs of the LMA regularly to ensure that its services and activities meet the needs of members and are delivered in a cost effective manner.

GOING CONCERN

No material uncertainties that may cast significant doubt about the ability of the Company to continue as a going concern have been identified by the directors. The financial statements have been prepared on a going concern basis.

CHARITABLE DONATIONS AND EXPENDITURE

Donations of £4,706 (2023: £2,045) were made to charities during the year.

THIRD PARTY INDEMNITY PROVISION

As permitted by the articles of association, the directors had the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of the approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITORS

The auditors, Kreston Reeves LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


A L Brooks - Director

Date: 17/6/2025

LLOYD'S MARKET ASSOCIATION

STATEMENT OF DIRECTORS' RESPONSIBILITIES for the year ended 31 December 2024

The directors are responsible for preparing the Directors' Report 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 they have elected to prepare the financial statements in accordance with applicable law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice).

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 of the company and of the 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 estimates that are reasonable and prudent; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LLOYD'S MARKET ASSOCIATION

Opinion

We have audited the financial statements of Lloyd's Market Association (the 'Company') for the year ended 31 December 2024, which comprise the Statement of income and retained earnings, the Balance Sheet, the cashflow statement and the related notes, 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 2024 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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

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 Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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 course of 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 this gives rise to 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.

Opinion 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LLOYD'S MARKET ASSOCIATION

Matters on which we are required to report by exception

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 Strategic Report and Director's Report.

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;

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 8, 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.

Auditors' 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 Auditors' 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. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the company and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and taxation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management; and
- Assessment of identified fraud risk factors; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Performing analytical procedures with automated data analytics tools to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Reading minutes of meetings of those charged with governance; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LLOYD'S MARKET ASSOCIATION**

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude 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 Auditors' Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 Auditors' 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.



Michael Cook BA (Hons) FCA (Senior Statutory Auditor)
for and on behalf of Kreston Reeves LLP
Second Floor
168 Shoreditch High Street
London
E1 6RA

Date: 18 June 2025
Date:

LLOYD'S MARKET ASSOCIATION

**STATEMENT OF INCOME AND
RETAINED EARNINGS
for the year ended 31 December 2024**

	Notes	2024 £	2023 £
TURNOVER	3	11,435,452	11,019,608
Administrative expenses		<u>(12,357,066)</u>	<u>(11,565,318)</u>
		(921,614)	(545,710)
Other operating income		<u>1,087,564</u>	<u>936,093</u>
		165,950	390,383
Interest receivable and similar income	6	<u>255,941</u>	<u>222,830</u>
PROFIT BEFORE TAXATION	7	421,891	613,213
Tax on profit	9	<u>(119,199)</u>	<u>(166,554)</u>
PROFIT FOR THE FINANCIAL YEAR		302,692	446,659
Retained earnings at beginning of year		<u>5,311,918</u>	<u>4,865,259</u>
RETAINED EARNINGS AT END OF YEAR		<u>5,614,610</u>	<u>5,311,918</u>

The notes form part of these financial statements

LLOYD'S MARKET ASSOCIATION (REGISTERED NUMBER: 02571285)

BALANCE SHEET
31 December 2024

	Notes	2024 £	2023 £
FIXED ASSETS			
Intangible assets	10	433	1,733
Tangible assets	11	<u>181,248</u>	<u>193,586</u>
		<u>181,681</u>	<u>195,319</u>
CURRENT ASSETS			
Debtors	12	648,875	901,346
Cash and Cash Equivalents	13	<u>8,745,631</u>	<u>8,667,174</u>
		9,394,506	9,568,520
CREDITORS			
Amounts falling due within one year	14	<u>(3,936,490)</u>	<u>(4,404,334)</u>
NET CURRENT ASSETS		<u>5,458,016</u>	<u>5,164,186</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,639,697	5,359,505
PROVISIONS FOR LIABILITIES	16	<u>(25,087)</u>	<u>(47,587)</u>
NET ASSETS		<u>5,614,610</u>	<u>5,311,918</u>
RESERVES			
Retained earnings	17	<u>5,614,610</u>	<u>5,311,918</u>
		<u>5,614,610</u>	<u>5,311,918</u>

The financial statements were approved by the Board of Directors and authorised for issue on 17 JUNE 2025 and were signed on its behalf by:



A L Brooks - Director

The notes form part of these financial statements

LLOYD'S MARKET ASSOCIATION

**CASH FLOW STATEMENT
for the year ended 31 December 2024**

	Notes	2024 £	2023 £
Cash flows from operating activities			
Cash generated from operations	1	11,090	96,828
Tax paid		<u>(119,199)</u>	<u>(166,553)</u>
Net cash from operating activities		<u>(108,109)</u>	<u>(69,725)</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(71,680)	(107,074)
Sale of tangible fixed assets		4,006	-
Finance costs		(1,701)	(1,943)
Interest received		<u>255,941</u>	<u>222,830</u>
Net cash from investing activities		<u>186,566</u>	<u>113,813</u>
 Increase in cash and cash equivalents		 <u>78,457</u>	 <u>44,088</u>
Cash and Cash Equivalents at beginning of year	2	<u>8,667,174</u>	<u>8,623,086</u>
 Cash and Cash Equivalents at end of year	2	 <u><u>8,745,631</u></u>	 <u><u>8,667,174</u></u>

The notes form part of these financial statements

LLOYD'S MARKET ASSOCIATION
NOTES TO THE CASH FLOW STATEMENT
for the year ended 31 December 2024

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2024	2023
	£	£
Profit before taxation	421,891	613,213
Depreciation charges	77,461	54,311
Loss on disposal of fixed assets	2,551	1,352
Finance costs	1,701	1,943
Amortisation	1,300	1,290
Finance income	(255,941)	(222,830)
	248,963	449,279
Decrease/(increase) in trade and other debtors	252,471	(658,806)
(Decrease)/increase in trade and other creditors	(490,344)	306,355
Cash generated from operations	<u>11,090</u>	<u>96,828</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2024

	31/12/24	1/1/24
	£	£
Cash and Cash Equivalents	<u>8,745,631</u>	<u>8,667,174</u>

Year ended 31 December 2023

	31/12/23	1/1/23
	£	£
Cash and Cash Equivalents	<u>8,667,174</u>	<u>8,623,086</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/24	Cash flow	At 31/12/24
	£	£	£
Net cash			
Cash and Cash Equivalents	<u>8,667,174</u>	<u>78,457</u>	<u>8,745,631</u>

LLOYD'S MARKET ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2024

1. STATUTORY INFORMATION

Lloyd's Market Association is a limited company, limited by guarantee, registered in England and Wales. The company's registered office address is Suite 426, One Lime Street, London, EC3M 7DQ and its registered number is 02571285.

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" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The presentation currency of the financial statements is Pound Sterling (£) and figures are rounded to the nearest £1.

Going concern

At 31 December 2024, the company had net current assets of £5,458,016 (2023: £5,164,186) and net assets of £5,614,610 (2023: £5,311,918). The directors have reviewed the future cash flows of the association and are confident all liabilities will be met as they fall due so the going concern basis is appropriate.

Critical accounting judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the directors opinion, there are no critical accounting adjustments.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as disclosed in the accounting policies and notes to the financial statements:

Depreciation Charge

The annual depreciation charge for each class of tangible fixed asset is based on an estimate of the useful economic life of the respective assets. This is reviewed periodically by the directors to ensure that they reflect both the external and internal factors.

Turnover

Subscription income from members is credited to the profit and loss account on an accruals basis. Proceeds from the provision of training and other information services are also included in turnover. These are credited to the profit and loss account on an accruals basis.

Tangible fixed assets

All tangible fixed assets are recorded at cost less depreciation and accumulated impairment losses. Depreciation is provided on all tangible fixed assets on cost or revalued amounts in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Computer equipment	3 years
Office equipment	3 years
Furniture and fittings	7 years

An assessment is made at each reporting period for any indicators of impairment and an impairment review is carried out where an indication of impairment has been identified.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2024

2. ACCOUNTING POLICIES - continued

Financial instruments

(i) Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest rate method.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Taxation

The tax expense for the year comprises current and deferred tax.

Tax is recognised in the profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or direct in equity respectively.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Both current and deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The applicable Corporation Tax rate was 19% to 1 April 2023 and 25% thereafter.

Other interest receivable and similar income

Interest income is recognised in the profit and loss account in the period it is received.

Interest payable

Interest expenses are recognised in the profit and loss account in the period in which they are incurred.

Operating and finance leases

Where the company has substantially all the risks and rewards of ownership of an asset subject to a lease, the lease is treated as a finance lease. All other leases are treated as operating leases.

Assets held under finance leases are capitalised at their fair value on the inception of the leases and depreciated over their estimated useful lives. Future instalments payable under finance leases, net of finance charges, are included in creditors - with the corresponding asset values recorded in tangible fixed assets and depreciated over the shorter of their estimated useful lives or their lease terms. Payments are apportioned between the finance element which is charged to the profit and loss account and the capital element which reduces the outstanding obligation for future instalments.

Operating lease rentals payable and receivable are charged to the profit and loss account on a straight line basis over the lease term.

Pensions and other post-retirement benefits

Beginning 1 October 1998, the company established a new money purchase pension scheme for directors and staff on a defined contribution basis. The profit and loss account charge from this commencement date reflects the defined contribution scales and these are charged to the profit and loss account in the period in which contributions are paid. The scheme's funds are independent of the company's finances.

LLOYD'S MARKET ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2024**

2. ACCOUNTING POLICIES - continued

Cash and cash equivalents

Cash and cash equivalents are represented by cash in hand, deposits held at call with financial institutions, and other short-term highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Other income

LMA Academy income is accounted for as it falls due.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

	2024	2023
	£	£
Subscription income	10,949,237	10,633,551
Other income	486,215	386,057
	<u>11,435,452</u>	<u>11,019,608</u>

Turnover is solely in respect of continuing activities undertaken in the United Kingdom and is stated net of value added tax. Other income includes £nil (2023: £nil) of monies collected by LPSO Limited over and above the budget agreed by the Associations' Administrative Committee to meet the cost of enhancements to the Core Market Services.

4. EMPLOYEES AND DIRECTORS

	2024	2023
	£	£
Wages and salaries	7,132,007	6,127,049
Social security costs	878,433	750,393
Other pension costs	827,112	633,153
	<u>8,837,552</u>	<u>7,510,595</u>

The average number of employees during the year was as follows:

	2024	2023
Technical Staff	40	35
Management	7	7
Business Support Staff	9	8
	<u>56</u>	<u>50</u>

5. DIRECTORS' EMOLUMENTS

	2024	2023
	£	£
Director's emoluments	<u>1,735,748</u>	<u>1,392,334</u>

Four of the directors in 2024 (2023: Four) listed on page 1 were full time salaried executives of the company. Director's emoluments include cash allowances in lieu of company pension contributions.

The Highest paid director during the year earned remuneration of £719,652 (2023: £659,571).

During the year remuneration, including cash allowances in lieu of pension contributions, of £953,553 (2023: £839,960) was paid to three (2023: Three) key management personnel who were not directors of the company.

LLOYD'S MARKET ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2024**

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2024	2023
	£	£
Deposit account interest	<u>255,941</u>	<u>222,830</u>

7. PROFIT BEFORE TAXATION

The profit is stated after charging:

	2024	2023
	£	£
Hire of plant and machinery	11,325	11,197
Other operating leases	438,549	330,963
Depreciation - owned assets	77,461	54,311
Loss on disposal of fixed assets	2,551	1,352
Computer software amortisation	1,300	1,290
Foreign exchange differences	-	115
Other services relating to taxation not provided by auditors	5,500	5,500
Other Property Costs	<u>286,003</u>	<u>236,114</u>

8. AUDITORS' REMUNERATION

	2024	2023
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	<u>11,500</u>	<u>10,480</u>

9. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2024	2023
	£	£
Current tax:		
UK corporation tax	141,699	152,492
Deferred tax	<u>(22,500)</u>	<u>14,062</u>
Tax on profit	<u>119,199</u>	<u>166,554</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2024	2023
	£	£
Profit before tax	<u>421,891</u>	<u>613,213</u>
Profit multiplied by the standard rate of corporation tax in the UK of 25% (2023 - 23.520%)	105,473	144,228
Effects of:		
Expenses not deductible for tax purposes	13,726	21,798
Adjustments to tax charge in respect of previous periods	-	(285)
Difference between CT and DT rate	-	835
Superdeduction	<u>-</u>	<u>(22)</u>
Total tax charge	<u>119,199</u>	<u>166,554</u>

LLOYD'S MARKET ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2024

10. INTANGIBLE FIXED ASSETS

	Computer software £
COST	
At 1 January 2024 and 31 December 2024	<u>137,474</u>
AMORTISATION	
At 1 January 2024	135,741
Amortisation for year	<u>1,300</u>
At 31 December 2024	<u>137,041</u>
NET BOOK VALUE	
At 31 December 2024	<u>433</u>
At 31 December 2023	<u>1,733</u>

11. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2024	239,942	423,945	663,887
Additions	22,517	49,163	71,680
Disposals	<u>-</u>	<u>(44,228)</u>	<u>(44,228)</u>
At 31 December 2024	<u>262,459</u>	<u>428,880</u>	<u>691,339</u>
DEPRECIATION			
At 1 January 2024	151,743	318,558	470,301
Charge for year	16,501	60,960	77,461
Eliminated on disposal	<u>-</u>	<u>(37,671)</u>	<u>(37,671)</u>
At 31 December 2024	<u>168,244</u>	<u>341,847</u>	<u>510,091</u>
NET BOOK VALUE			
At 31 December 2024	<u>94,215</u>	<u>87,033</u>	<u>181,248</u>
At 31 December 2023	<u>88,199</u>	<u>105,387</u>	<u>193,586</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £	2023 £
Trade debtors	90,377	196,593
VAT	133,527	186,294
Prepayments	<u>424,971</u>	<u>518,459</u>
	<u>648,875</u>	<u>901,346</u>

13. CASH AND CASH EQUIVALENTS

	2024 £	2023 £
Cash Manager Account	<u>8,745,631</u>	<u>8,667,174</u>

LLOYD'S MARKET ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2024**

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade creditors	266,899	407,522
Tax	139,055	150,086
Social security and other taxes	237,540	220,420
Net wages control account	-	690
Other creditors	1,717,319	2,226,160
Accruals and deferred income	1,575,677	1,399,456
	<u>3,936,490</u>	<u>4,404,334</u>

In 2018, the DXC Enhancement and Service Credit Funds were set up. During the year £nil (2023: £3,500,000) was received from DXC to pay for further initiatives as directed by market governance committees. The balance of £1,648,545 (2023: 1,809,445) is included in other creditors.

Included within Other Creditors is a deferred income amount of £nil (2023: £413,395) which was received from the activities of the LMA Academy and the LMA Training and Education Trust and was used to fund planned expenditure in 2024 for the purposes of education, training or professional development of staff employed by LMA members.

15. LEASING AGREEMENTS

Commitments under non-cancellable operating leases are as follows:

	Land and buildings	
	2024	2023
	£	£
Within one year	438,549	438,549
Between one and five years	1,169,464	1,608,013
	<u>1,608,013</u>	<u>2,046,562</u>

Commencing 1 November 2023, the company entered into a new 5 year lease agreement for office space at One Lime Street, London.

16. PROVISIONS FOR LIABILITIES

	2024	2023
	£	£
Deferred tax	<u>25,087</u>	<u>47,587</u>
		Deferred tax
		£
Balance at 1 January 2024		47,587
Provided during year		<u>(22,500)</u>
Balance at 31 December 2024		<u>25,087</u>

17. RESERVES

	Retained earnings
	£
At 1 January 2024	5,311,918
Profit for the year	<u>302,692</u>
At 31 December 2024	<u>5,614,610</u>

LLOYD'S MARKET ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 31 December 2024

18. PENSION COMMITMENTS

Defined Contribution Pension Scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £827,112 (2023: £633,153).

Contributions totalling £74,389 (2023: £2,323) were payable to the scheme at the end of the year and are included in creditors.

19. RELATED PARTY TRANSACTIONS

There have been no related party transactions during the year..

20. POST BALANCE SHEET EVENTS

There have been no post balance sheet events which have occurred that need to be disclosed in the financial statements.

21. INVESTMENTS

Placing Platform Limited

The company is a subscriber to Placing Platform Limited (PPL), a company limited by guarantee, which was incorporated on 7 January 2013. PPL is a shared venture with the London and International Insurance Brokers Association and the International Underwriters' Association. 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. The liability of the company is limited to £1 in the event of PPL being wound up.

London Market Operations and Strategic Sourcing Limited

The company is a subscriber to London Market Operation and Strategic Sourcing Limited (LMOSS), a company limited by guarantee, which was incorporated on 7 March 2018. LMOSS is a shared venture with the International Underwriters' Association and the Corporation of Lloyd's. Its purpose is to create a centralised capability to manage the sourcing life-cycle of a number of Market Services supplied by third party technology and business process service firms. The liability of the company is limited to £1 in the event of LMOSS being wound up.

22. CONTINGENT LIABILITY

Indemnity to LPSO Limited and Ins-sure Services Limited

The allocation of budget to meet enhancements to the Core Market Services is managed by the LMA Operations Committee. Requests for enhancements are actioned through the cross-market Associations Transformation Committee (ATC). For the Lloyd's Managing Agency community, their contribution to the budget is met by a charge collected through the LPSO agreement, which is held by Velonetic in ESCROW until funds to meet approved requests are to be paid. The charge is set out in the annual prices review note sent by Velonetic to Lloyd's Managing Agents. As sufficient funds were available to meet foreseeable requests, the collection of an enhancements charge has been suspended since 1st July 2021.

When funds are transferred from the Enhancement Fund, the company provides indemnity to LPSO Limited and Ins-sure Services Limited in respect of their passing control of these funds to the company.

23. GUARANTEE

The company is limited by the guarantees of all its members.