

Consolidated statement of comprehensive income

for the year ended 31 December 2023

		Group	
		2023	2022
	Notes	£m	£m
Technical account – long-term business			
Gross premiums written	3 (a)	1,481	1,176
Outwards reinsurance premiums	3 (c)	(458)	320
Earned premiums, net of reinsurance		1,023	1,496
Investment income	4	6,227	1,455
Unrealised gains on investments	4	2,443	–
Other income	5	626	640
Total income		10,319	3,591
Claims paid			
Gross claims paid	6	(3,095)	(2,863)
Reinsurers' share	6	606	540
Change in provision for claims			
Gross amount	6	23	(62)
Reinsurers' share	6	(30)	29
Claims incurred, net of reinsurance		(2,496)	(2,356)
Change in long-term business provision, net of reinsurance			
Gross amount		22	9,469
Reinsurers' share		36	(1,346)
		58	8,123
Change in technical provision for linked liabilities, net of reinsurance		(6,383)	5,758
Change in technical provisions, net of reinsurance		(6,325)	13,881
Change in non-participating value of in-force business		302	141
Net operating expenses	7	(737)	(581)
Investment expenses and charges	10	(346)	(301)
Unrealised losses on investments	4	–	(14,475)
Other charges	11	(250)	(289)
Total operating expenses		(1,333)	(15,646)
Profit/(loss) before tax and before transfer to/(deduction from) the fund for future appropriations		467	(389)
Tax attributable to long-term business	12	(85)	227
Transfer to/(deduction from) the fund for future appropriations	25	382	(162)
Balance on technical account – long-term business		–	–
Other comprehensive income, net of tax:			
Remeasurement of defined benefit pension schemes	23 (b)	(22)	(106)
Foreign exchange rate movements on translation of Group entities		(5)	10
Deduction from the fund for future appropriations	25	(27)	(96)
Other comprehensive income for the year, net of tax		–	–
Total comprehensive income for the year		–	–

The Company has taken advantage of the exemption under section 408 of the Companies Act 2006 not to include a Company statement of comprehensive income. As a mutual company, all earnings are retained for the benefit of participating policyholders and are carried forward within the fund for future appropriations. Accordingly, the total comprehensive income for the year is always £nil after the transfer to or deduction from the fund for future appropriations.

Consolidated statement of comprehensive income

for the year ended 31 December 2022

		Group	
		2022	2021
	Notes	£m	£m
Technical account – long-term business			
Gross premiums written	3 (a)	1,176	1,156
Outwards reinsurance premiums		320	(82)
Earned premiums, net of reinsurance		1,496	1,074
Investment income	4	1,455	4,196
Unrealised gains on investments	4	–	4,875
Other income	5	640	659
Total income		3,591	10,804
Claims paid			
Gross claims paid	6	(2,863)	(2,806)
Reinsurers' share	6	540	531
Change in provision for claims			
Gross amount	6	(62)	(64)
Reinsurers' share	6	29	21
Claims incurred, net of reinsurance		(2,356)	(2,318)
Change in long-term business provision, net of reinsurance			
Gross amount	26 (a)	9,469	1,327
Reinsurers' share	26 (a)	(1,346)	(599)
		8,123	728
Change in technical provision for linked liabilities, net of reinsurance		5,758	(7,953)
Change in technical provisions, net of reinsurance		13,881	(7,225)
Change in non-participating value of in-force business		141	104
Net operating expenses	7	(581)	(623)
Investment expenses and charges	10	(301)	(275)
Unrealised losses on investments	4	(14,475)	–
Other charges	11	(289)	(275)
Total operating expenses		(15,646)	(1,173)
(Loss)/profit before tax and before (deduction from)/transfer to the fund for future appropriations		(389)	192
Tax attributable to long-term business	12	227	(113)
(Deduction from)/transfer to the fund for future appropriations	25	(162)	79
Balance on technical account - long term business		–	–
Other comprehensive income, net of tax:			
Remeasurement of defined benefit pension schemes	23 (b)	(106)	267
Foreign exchange rate movements on translation of Group entities		10	(10)
(Deduction from)/transfer to the fund for future appropriations	25	(96)	257
Other comprehensive income for the year, net of tax		–	–
Total comprehensive income for the year		–	–

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Consolidated statement of comprehensive income

for the year ended 31 December 2021

		Group	
		2021	2020
	Notes	£m	£m
Technical account – long-term business			
Gross premiums written	3 (a)	1,156	1,018
Outwards reinsurance premiums		(82)	(541)
Earned premiums, net of reinsurance		1,074	477
Investment income	4	4,196	5,447
Unrealised gains on investments	4	4,875	—
Other income	5	659	548
Total income		10,804	6,472
Claims paid			
Gross claims paid	6	(2,806)	(2,657)
Reinsurers' share	6	531	505
Change in provision for claims			
Gross amount	6	(64)	77
Reinsurers' share	6	21	(6)
Claims incurred, net of reinsurance		(2,318)	(2,081)
Change in long-term business provision, net of reinsurance			
Gross amount	27 (a)	1,327	(1,522)
Reinsurers' share	27 (a)	(599)	243
		728	(1,279)
Change in technical provision for linked liabilities, net of reinsurance		(7,953)	(1,426)
Change in technical provisions, net of reinsurance		(7,225)	(2,705)
Change in non-participating value of in-force business		104	140
Net operating expenses	7	(623)	(619)
Investment expenses and charges	10	(275)	(222)
Unrealised losses on investments	4	—	(597)
Other charges	11	(275)	(257)
Total operating expenses		(1,173)	(1,695)
Profit before tax and before transfer to the fund for future appropriations		192	131
Tax attributable to long-term business	12	(113)	(51)
Transfer to the fund for future appropriations	26	79	80
Balance on technical account - long term business		—	—
Other comprehensive income, net of tax:			
Remeasurement of defined benefit pension schemes	24 (b)	267	(71)
Foreign exchange rate movements on translation of Group entities		(10)	(36)
Transfer to/(deduction from) the fund for future appropriations	26	257	(107)
Other comprehensive income for the year, net of tax		—	—
Total comprehensive income for the year		—	—

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Consolidated statement of comprehensive income

For the year ended 31 December 2020

	Notes	Group	
		2020 £m	2019 £m
Technical account – long-term business			
Gross premiums written	3 (a)	1,018	1,009
Outwards reinsurance premiums		(541)	(333)
Earned premiums, net of reinsurance		477	676
Investment income	4	5,447	5,184
Unrealised gains on investments	4	–	6,012
Other income	5	548	505
Total income		6,472	12,377
Claims paid			
Gross claims paid	6	(2,657)	(2,984)
Reinsurers' share	6	505	524
Change in provision for claims			
Gross amount	6	77	(2)
Reinsurers' share	6	(6)	(13)
Claims incurred, net of reinsurance		(2,081)	(2,475)
Change in long-term business provision, net of reinsurance			
Gross amount	27 (a)	(1,522)	(2,291)
Reinsurers' share	27 (a)	243	(57)
		(1,279)	(2,348)
Change in technical provision for linked liabilities, net of reinsurance		(1,426)	(6,434)
Change in technical provisions, net of reinsurance	28	(2,705)	(8,782)
Change in non-participating value of in-force business		140	388
Net operating expenses			
Net operating expenses	7	(619)	(756)
Investment expenses and charges	10	(222)	(179)
Unrealised losses on investments	4	(597)	–
Other charges	11	(257)	(159)
Total operating expenses		(1,695)	(1,094)
Profit before tax and before transfer to the fund for future appropriations		131	414
Tax attributable to long-term business	12	(51)	(171)
Transfer to the fund for future appropriations	26	80	243
Balance on technical account – long-term business		–	–
Other comprehensive income, net of tax:			
Remeasurement of defined benefit pension schemes	24 (b)	(71)	(36)
Foreign exchange rate movements on translation of group entities		(36)	(4)
Deduction from the fund for future appropriations	26	(107)	(40)
Other comprehensive income for the year, net of tax		–	–
Total comprehensive income for the year		–	–

As a mutual company, all earnings are retained for the benefit of participating policyholders and are carried forward within the fund for future appropriations. Accordingly, the total comprehensive income for the year is always £nil after the transfer to or deduction from the fund for future appropriations.