

**PROBITAS 1492 SERVICES
LIMITED**

**ANNUAL REPORT
AND
FINANCIAL STATEMENTS**

**FOR THE YEAR
ENDED
31 DECEMBER 2024**

09670473

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COMPANY INFORMATION

Directors

G J Potter – Director (appointed 31 July 2025)
F Al-Hesni – Non-Executive Director (resigned 31 March 2024)
N C Bacon – Executive Director (resigned 31 July 2025)
A M Bathia – Chief Executive Officer (resigned 31 July 2025)
S P Burns – Independent Non-Executive Chairman (resigned 31 December 2024)
N Buurman – Executive Director
J M Foley – Executive Director
J-L R Gourgeon – Non-Executive Director (resigned 9 July 2024)
N O R Pieries – Non-Executive Director (resigned 9 July 2024)

Secretary

F Jaiyeola

Registered Office

88 Leadenhall
Street London
EC3A 3BP
United Kingdom

Registered Number

09670473

Auditor

Ernst & Young LLP (25 Churchill Place, Canary Wharf, London E14 5EY)

STRATEGIC REPORT

The directors present their Strategic Report on Probitas Services 1492 Limited ('PSL') that accompanies the audit financial statements for the year ended 31 December 2024.

Principal Activity

The principal activity of PSL is to provide a varied range of services to Probitas Managing Agency Limited ('PMA'), a Lloyd's managing agent, in respect of its management of Syndicate 1492. PSL also facilitates the administration of business written directly by Syndicate 1492. The administration involves the management of premium receivables and claims payable.

PSL's income derives from the following sources:

- Expenses rechargeable to Syndicate 1492;
- 2% administration fee charged on some rechargeable expenses; and
- An entitlement to profit commission.

REVIEW OF THE BUSINESS

PSL's key financial performance indicators for the year were as follows:

	2024	2023
	£	£
Turnover	36,070,397	25,951,602
Administrative expenses	(35,676,872)	(25,845,029)
Share based payments charge	(12,461,023)	(1,376,315)
Loss on ordinary activities before tax	(12,067,498)	(1,269,742)

PSL recharges most of its expenditure. The additional 2% management fee charged on these recharged expenses serves to cover PSL's own retained costs. The loss on ordinary activities before tax for both the current and prior years is attributable to the recognition of a charge in respect of a group share-based payment scheme. See note 8 for full details of the scheme and associated charges.

FUTURE DEVELOPMENTS

The PSL directors look forward to continuing to build on the unique Probitas culture and capability, including our commitment to diversity and inclusion.

STAKEHOLDER ENGAGEMENT

PSL's shareholders contributes to the long-term strategy of the ultimate parent by providing financial security and support. Their support enables Syndicate 1492's business to grow and focus on disciplined underwriting and to continue to enhance PSL's capabilities in support of brokers and clients.

PRINCIPAL RISKS & UNCERTAINTIES

PSL's principal risks are shown below.

GROUP RISK

Group risk is defined as the risk of loss to PSL arising from its membership of the Probitas Group.

Group risk is mitigated through the monitoring of Probitas Group's financial strength and business strategy developments.

STRATEGIC RISK

Strategic risk is defined as the risk of loss to PSL arising from key business and strategic decisions improper implementation of decisions or lack of responsiveness to industry changes.

Strategic risk is mitigated through the development of Syndicate 1492's new business opportunities.

CREDIT RISK

Credit risk is the risk of financial loss if another party fails to honour its financial obligations, including failing to meet them in a timely manner.

In this instance credit risk arises in respect of any debtor balances comprising amounts due from Syndicate 1492 and other Group undertakings.

PSL monitors the value of all debtor balances on an ongoing basis as well as their collectability. It is considered that the current level of debt is acceptable.

STRATEGIC REPORT (continued)

GEO-POLITICAL CLIMATE

The current geo-political climate is marked by heightened tensions and shifting alliances, driven by ongoing conflicts, economic instability and global power competition. This will also lead to major challenges in international cooperation around issues like climate change, trade wars and energy security.

Whilst recognising the potential for future impacts of these geo-political uncertainties; from a business perspective, the Board of PSL does not anticipate direct material impact to the Syndicates' business. The Syndicates have minimal exposure to classes such as Political Violence, War and Aviation.

ENVIRONMENT, SOCIAL & GOVERNANCE (ESG) RISK

Environmental, Social, and Governance (ESG) matters continue to represent a key emerging risk that is driving change in the insurance markets that Probitas Syndicate 1492 operates in, as well as Probitas own corporate strategy.

The impact of climate change is becoming more apparent directly in the risks and claims that the business takes on and is exposed to. This in turn impacts the results of catastrophe and capital modelling and exposure monitoring, consequently influencing the price and availability of outwards reinsurance which ultimately makes the business model viable. It is therefore of paramount importance that the business continues to monitor and manage these exposures appropriately and effectively.

Changes in the legal and regulatory environment relating to corporate social responsibility and corporate governance agendas represent further systemic threats. The business recognises the importance of staying abreast of the latest developments in managing its exposure to the changing landscape of its financial risks with respect to matters relating to poor corporate behaviors in these areas.

The consideration of ESG risks are an important part of the underwriting process of every risk that Probitas underwrites both in terms of risk pricing, and risk acceptance.

Alongside the direct relevance to insurance carriers of the changing nature of the insurance exposure to climate and other ESG risks, the business recognises the need to establish its position on climate transition in relation to its own operations in order to move towards Task Force on Climate-related Financial Disclosures (TCFD) reporting created by the Financial Stability Board. This will drive change within the organisation to meet agreed targets relating to managing that transition. Of particular relevance is the management of the investment portfolio, where opportunities for diversification are likely to decrease.

Reputational risk, particularly around environmental and social issues, is becoming an important consideration in the underwriting of certain risks. PMA has seen evidence of market dislocations as companies move to protect ESG strategies by refusing to offer terms on certain risks, or portfolios.

PMA implemented a new ESG policy in March 2022 in order to manage its position in relation to ESG risks and the development of improved portfolio reporting around ESG related matters. This policy aims to ensure that the Company carries out its business:

- In a socially responsible manner;
- With due regard to its impact on the environment; and,
- In a manner that is consistent with the UN Declaration of Human Rights and the Modern Slavery Act 2015.

In so doing, we ensure that our business makes a positive contribution to society at large.

STRATEGIC REPORT (continued)

SECTION 172(1) OF THE COMPANIES ACT 2006

The Board have acted in the way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its shareholder and in doing so had regard among other matters to:

- The likely consequences of any decision in the long term, including the approval of business plans and strategies which are also the subject of quantitative and qualitative assessment of risk relevant to such plans and strategies, for example, as part of their own risk and solvency assessment (ORSA).
- The interests of the company's employees including the approval of remuneration policies premised on the need to avoid incentivising undesirable risk taking and the maintenance of employee policies and procedures supporting the Company's objective of providing a working environment that is flexible and responsive to the needs of the Company and its employees. The Company also maintains policies and procedures in relation to employee welfare and training and development.
- The need to foster the Company's business relationships with suppliers, customers and others including the approval of policies and strategies that set out the standards by which such relationships shall be established, managed and administered, for example the Company's Conduct Risk Policy, Risk Strategy and Outsourcing Policy and related procedures.
- The impact of the Company's operations on the community and the environment including charitable involvement and volunteer work and managing our offices and operations to reduce the Company's carbon footprint. PMA makes charitable donations to the charities chosen by Probitas employees.
- The desirability of the company maintaining a reputation for high standards of business conduct including the setting of standards of appropriate and ethical behavior for the conduct of business situations applicable to the Board, officers and employees, for example PMA's Code of Business Conduct and Ethics.
- The need to act fairly between shareholders of the Company, of which there is a sole shareholder with which the Board enjoys effective and transparent communication.

The Strategic report has been approved for issue by the board of Directors.



J Foley
Director
30 September 2025

DIRECTORS' REPORT

The Directors present their Annual Report together with the audited financial statements of Probitas 1492 Services Limited ("the Company") for the year ended 31 December 2024.

Review of the business

A Review of the Company's activities and significant changes within the year are included in the Strategic Report.

Future Developments

In 2025, the Company will continue to support the premium growth and development of Syndicate 1492 which includes enhancing its service offering to its clients.

Results and Dividends

The Company's result after tax for the year ended 31 December 2024 was a loss of £9,050,623 (2023: loss of £1,296,385).

The Directors do not recommend the payment of a dividend for the year ended 31 December 2024 (2023: nil).

Directors

The names of the Directors of the Company who served during the year and to the date of this report are listed on page 3.

Significant Changes and Events

On 10 July 2024, Aviva plc purchased the Probitas Group and became the ultimate controlling parent of the Company. Probitas Holdings (UK) Limited owns 100% of the share capital of the Company.

No other significant changes or events have been identified.

Indemnification of Directors

The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for directors and officers of the Company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted or alleged to have been done or omitted, by them as officers or employees of the Company.

During the period and up to the date of these financial statements, appropriate Directors' and officers' liability insurance cover is in place in respect of all of the Company's Directors.

Statement of Directors' Responsibilities

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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 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 accounting estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

DIRECTORS' REPORT (CONTINUED)

The Directors are responsible for keeping proper 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 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.

Going Concern

The financial statements of the Company have been prepared on a going concern basis. As a wholly owned subsidiary of Aviva plc, the Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the strategic report contained in the Aviva plc Annual Report and Accounts. In addition the risk report included in the Group's risk management objectives and the Group's objective, policies and processes for managing capital.

In assessing the Company's going concern position as at 31 December 2024, the Directors have considered a number of factors, including the current statement of financial position, the Company's strategic and financial plan, taking into account possible changes in trading performance and funding retention. The assessment concluded that, the Company has sufficient capital and liquidity for the next twelve months from when the financial statements are authorised for issue.

As a result of the assessment, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and therefore believe that the company is well placed to manage its business risk successfully. Accordingly, they continue to adopt the going concern basis in preparing the Company's financial statements.

Statement of Disclosure of Information to Auditors

Each person who is a Director at the date of the approval of this Report confirms that:

so far as they are each aware, there is no relevant audit information of which the auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Independent Auditor

Ernst & Young LLP has been appointed for the first time as auditor, agreed by the board on 31 November 2024, for financial periods incepting on or after January 2024. Ernst & Young LLP has signified its willingness to continue in office as the independent auditor to the Company and it is the intention to reappoint Ernst & Young LLP for a further year.

Other Disclosures

The section 172 report and outline of how the company manages financial risk are both disclosed in the Strategic Report.

Due to its size, the Company is not required to make any energy and carbon disclosures.

The Director's report has been approved for issue by the board of Directors.



J Foley
Director
30 September 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROBITAS 1492 SERVICES LIMITED

Opinion

We have audited the financial statements of Probitas 1492 Services Limited which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position and the related notes 1 to 18, 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 FRS 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 company's affairs as at 31 December 2024 and of its loss 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

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 twelve months from 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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 this 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 the 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 strategic report and the 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 have been prepared in accordance with applicable legal requirements.

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 or directors' report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROBITAS 1492 SERVICES LIMITED (CONTINUED)

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 7, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are the relevant laws and regulations related to elements of company law and tax legislation, and the financial reporting framework.
- We understood how the Company is complying with those frameworks by making enquiries of management, internal audit and those responsible for legal and compliance matters. We also reviewed correspondence between the Company and the regulatory bodies, reviewed minutes of the Board and its committees and gained an understanding of the Company's approach to governance.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the controls that the company has established to address risks identified by the entity, or that otherwise seek to prevent, deter or detect fraud. Additionally, as part of our journal entry testing, we assessed manual journals to determine if they represent a risk of fraud due to management override of controls.

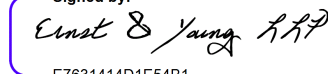
Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved making enquiry of those charged with governance and senior management for their awareness of any noncompliance of laws or regulations; inquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees; inquiring about the company's methods of enforcing and monitoring compliance with such policies.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://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.

Signed by:



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Heidi Burton (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

30 September 2025

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Notes	2024 £	2023 £
Turnover	3	36,070,397	25,951,602
Administrative expenses	4	(35,676,872)	(25,845,029)
Share based payments charge	9	(12,461,023)	(1,376,315)
Loss on ordinary activities before taxation	5	(12,067,498)	(1,269,742)
Tax on profit on ordinary activities	6	3,016,875	(26,643)
Loss account for the financial year		(9,050,623)	(1,296,385)

There are no recognised gains and losses other than those included in the Statement of Comprehensive Income for the year and previous year, and accordingly no separate Statement of Other Comprehensive Income is given.

The company's operating activities all relate to continuing operations.

The accounting policies and notes on pages 14 to 21 form an integral part of these financial statements.

STATEMENT OF CHANGES IN
EQUITY
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2024

		Called Up Share Capital	Capital Contribution	Profit & (Loss) Account	Shareholders' Equity
	Notes	£	£	£	£
As at 1 January 2024		1,000	4,640,180	(4,056,653)	584,527
(Loss) for the period				(9,050,623)	(9,050,623)
Share options issued	9		9,846,755		9,846,755
At 31 December 2024		1,000	14,486,935	(13,107,276)	1,380,659

		Called Up Share Capital	Capital Contribution	Profit & (Loss) Account	Shareholders' Equity
		£	£	£	£
As at 1 January 2023		1,000	3,263,865	(2,760,269)	504,596
(Loss) for the period		-	-	(1,296,385)	(1,296,385)
Share options issued	9	-	1,376,315	-	1,376,315
At 31 December 2023		1,000	4,640,180	(4,056,654)	584,526

Called-up share capital represents the nominal value of ordinary shares that have been issued. Each share is entitled to one vote in any circumstance. Each share is entitled pari passu to dividend payments or any other distribution. Each share is not redeemable.

Capital contribution reserve represents movements in share- based payments.

The accounting policies and notes on pages 16 to 20 form an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

		As at 31 Dec 2024 £	As at 31 Dec 2023 £
	Notes		
Fixed Assets			
Investment in subsidiary	10	1,991	1,991
Current Assets			
Trade and other debtors	11	17,590,918	14,062,938
Prepayments		336,479	215,344
Cash at bank and at hand		9,888,778	643,656
Current Tax			(84,991)
	2,278,317		
Creditors: Amounts falling due within one year			
Accrued expenses		15,552,144	10,383,231
Other creditors	12	13,817,247	3,871,180
Net Current Assets / (Liabilities) (Total)		725,101	582,537
Non- Current Asset			
Deferred Tax Asset	6	653,567	-
Total assets less current liabilities (Total)		1,380,659	584,527
Capital and Reserves			
Loss account		(13,107,276)	(4,056,654)
Capital Contribution	9	14,486,935	4,640,180
Share capital	14	1,000	1,000
Total Equity (total)		1,380,659	584,526

The accounting policies and notes on pages 14 to 21 form an integral part of these financial statements.

The financial statements on pages 11 to 21 were approved by the Board of Directors on 30 September 2025 and were signed on its behalf by



J Foley
Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

Statement of compliance

PSL is a limited liability company incorporated in the United Kingdom. The Company was incorporated on 3 July 2015 and registered in England. The registered address of the Company is 88 Leadenhall Street, London, England, EC3A 3BP. The financial statements have been prepared and approved by the Directors in accordance with the Companies Act 2006 and applicable accounting standards in the UK and Republic of Ireland, Financial Reporting Standard 102 (FRS 102) and in accordance with the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations.

Note 1 Basis of Preparation

The financial statements have been prepared in £ Sterling, deemed the functional and presentational currency. All amounts are rounded to nearest £ Sterling.

The Financial Reporting Council issued amendments to FRS 102 in March 2024. These changes are effective for the periods beginning on or after 1 January 2026. The Company is assessing the impact of these changes and will implement any changes as required.

Exemptions for qualifying entities under FRS 102

In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in the group's consolidated financial statements, includes the Company's cash flows,
- from disclosing share based payment arrangements concerning its own equity instruments. The group's share based payment arrangements and relevant disclosures are presented in the group's consolidated financial statements,
- from disclosing the Company key management personnel compensation, as required by FRS 102, and
- from disclosing transactions entered into between two or more members of a group.

The Company is exempt by virtue of S400 of the Companies Act 2006 from the requirement to prepare consolidated Financial Statements on the grounds that the consolidated Financial Statements of its ultimate parent, Aviva plc, include the Company in the consolidation. These Financial Statements present information about the Company as an individual undertaking and not about its Group.

Going concern

The financial statements of the Company have been prepared on a going concern basis. As a wholly owned subsidiary of Aviva plc, the Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the strategic report contained in the Aviva plc Annual Report and Accounts. In addition the risk report included in the Group's risk management objectives and the Group's objective, policies and processes for managing capital.

In assessing the Company's going concern position as at 31 December 2024, the Directors have considered a number of factors, including the current statement of financial position, the Company's strategic and financial plan, taking into account possible changes in trading performance and funding retention. The assessment concluded that, the Company has sufficient capital and liquidity for the next twelve months from when the financial statements are authorised for issue.

As a result of the assessment, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and therefore believe that the company is well placed to manage its business risk successfully. Accordingly, they continue to adopt the going concern basis in preparing the Company's financial statements.

Note 2 Principal Accounting Policies

a) Turnover

Fees, including profit commissions are accounted for on the following bases:

- i) Fees are earned on services provided by the Company to Syndicate 1492 and Probitas Managing Agency Limited, of which some are recoverable under the service contract on a cost plus 2% basis. Fees are recognised in the period to which they relate when they can be measured with reasonable certainty. It is management's assessment that the Company is acting as a principal in the provision of these services, as opposed to an agent. Therefore, turnover in respect of these fees is presented gross.
- ii) Profit commission is recognised to the extent that it is highly probable that it will not be subject to significant reversal. In such circumstances, profit commission will be accrued.
- iii) Expenses recharged to Syndicate 1492 and Probitas Managing Agency Limited are recognised as income, in the same period as the expense is recognised.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 2 continued

b) Leases

At inception the Company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

c) Cash at bank and at hand

Cash and cash equivalents includes cash in hand and deposits held at call with banks.

d) Trade and other debtors

Receivables are recognised at cost. A provision for doubtful debts is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivable. Any increase or decrease in the provision for doubtful debts is recognised in the Income Statement.

e) Trade and other creditors

Creditors are recognised as and when a benefit has been given to the company which requires future reimbursement.

f) Investment in subsidiary

Investments in subsidiary undertakings is stated at cost less amounts written off to the profit and loss account for a permanent diminution in value. Investments in subsidiaries are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the profit and loss account. The carrying value has been considered separately for each subsidiary.

g) Taxation

Taxation expense for the period comprises current tax recognised in the reporting period. Tax is recognised in the Income Statement. Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The Company has applied the amendment to FRS 102 in relation to International Tax Reform - Pillar Two Model Rules from 01 January 2023, as issued by the FRC. It introduced a mandatory temporary exemption from recognising and disclosing deferred taxes arising from the Pillar Two and requires targeted disclosure. Whilst the Company is in the scope of the Pillar Two rules, it has no impact on the Company.

h) Share Based payments

Equity-settled share-based payments to employees and others providing services are measured at fair value of the equity instruments of the ultimate parent entity, Aviva plc at the grant date. The fair value excludes the effect of non market-based vesting conditions.

The fair value determined at the grant date of the equity-settled payments is expensed on a straight-line basis over the vesting period, based on estimate of equity instruments that will eventually vest. A payable to fellow group companies is recognised in the Company in relation to this expense. At each period end, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in the statement of comprehensive income.

i) Judgements and key sources of estimation uncertainty

The company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognised prospectively by including it in comprehensive income in the period of change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

The key accounting judgements and sources of estimation uncertainty set out below therefore relate to those made in respect of the Company only.

Recoverability of receivables

The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to the valuation of accounts receivable. No provision for doubtful debts is deemed necessary based on management's best estimate. No critical accounting judgements have been made.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 Turnover

Turnover for the year comprised the following:

	2024	2023
	£	£
Expenses recharged to the managed Syndicate	19,144,669	14,489,526
Profit commission from the managed Syndicate	14,568,371	11,154,576
Margin on recharged expenses	382,893	289,791
Other Income	1,974,463	17,709
Total	36,070,397	25,951,602

Note 4 Administrative Expenses

Administrative expenses for the year comprised the following:

	2024	2023
	£	£
Staff Costs (see note 8)	33,693,903	24,013,766
IT costs	41,171	61,208
Contractor and recruitment costs	370,972	393,801
Other miscellaneous expenses	1,570,826	1,376,253
Total	35,676,872	25,845,029

Note 5 Loss on ordinary activities before tax

Loss before tax is stated after charging:		15
		16
		17
		18
		19
	2024	2023
	£	£
		21
		22
		23
<u>Fees payable to the Company's auditors for the following:</u>		24
Audit of the Company's annual accounts	50,691	20,200
		26

Of the total £50,691, £30,000 relates to the audit fee in respect of newly appointed auditor Ernst & Young LLP and the remainder relates to Deloitte LLP.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 6 Tax on loss on ordinary activities

	2024	2023
	£	£
UK corporation tax on loss for the period	(2,363,308)	26,643
Total current tax	(2,363,308)	26,643
UK corporation tax on accrued share based payments	(653,567)	-
Total deferred tax	(653,567)	-
Total tax charged to the Income Statement	(3,016,875)	26,643

The tax assessed on the loss on ordinary activities for the year is the same as the standard rate of corporation tax in the UK of 25%.
The differences are reconciled below:

Loss on ordinary activities before tax	(12,067,498)	(1,269,741)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25%	(3,016,875)	(317,435)
Share based payment charge multiplied by the standard rate of corporation tax in the UK of 25%	-	344,079
Total tax expense	(3,016,875)	26,644

Deferred Tax Asset

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

Deferred Tax Asset b/f	-	-
UK corporation tax on accrued Share Based Payments	653,567	-
Impact of tax rates on:		
Losses brought forward	-	-
Group relief surrendered	-	-
Deferred Tax Asset c/f	653,567	-

Note 7 Remuneration of directors

	2024	2023
	£	£
Aggregate emoluments	8,058,269	5,662,178
Aggregate pension costs	48,004	46,476
Highest paid director:		
Emoluments	4,209,327	2,922,009

The pension scheme is a defined contribution scheme and contributions into the pension scheme were for one director.

All remuneration was recharged to the syndicates as part of expenses recharge process.

Note 8 Staff costs

The aggregate staff costs were:

	2024	2023
	£	£
Wages and salaries	13,575,202	10,246,396
Social Security	1,818,068	1,362,175
Pension costs	1,513,635	859,509
Costs of share options scheme	12,461,023	1,376,315
Other staff-related costs	16,786,998	11,545,686
Total staff costs	46,154,926	25,390,081

See note 9 for the detail of the share options scheme.

The average number of persons employed by the Company, including directors, during the period, analysed by category, was as follows:

	2024	2023
Average number of staff	118	100

There are no key management personnel other than the Directors, whose remuneration is shown in Note 6 above.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 9 Share Based Payments

PHBL Scheme

Options over shares in Probitas Holdings (Bermuda) Limited (PBL) sold and funded into an Employee Benefits Trust by two founding shareholders, A Bathia and F O'Halloran, were granted to directors and employees of Probitas Services Limited by the PBL Employee Benefit Trust (EBT) committee.

The options were to vest on an exit event, which occurred on 10 July 2024 when Aviva plc purchased the Probitas Group and became the ultimate controlling parent of the Company. Following this event there were no share options outstanding at the balance sheet date 31 December 2024 (2023: 337,318).

The trust remains open in order to settle the proceeds in line with the agreed payment schedule.

Aviva Scheme

In 2024 some employees of PSL were eligible to participate in the Aviva share scheme. Equity-settled share-based payments to employees and others providing services are measured at fair value of the equity instruments of the ultimate parent entity, Aviva plc at the grant date. The fair value excludes the effect of non market-based vesting conditions.

The fair value determined at the grant date of the equity-settled payments is expensed on a straight-line basis over the vesting period, based on estimate of equity instruments that will eventually vest. A payable to fellow group companies is recognised in the Company in relation to this expense. At each period end, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in the statement of comprehensive income.

Details of these schemes are set out in the Aviva plc consolidated financial statements.

The share based payments remuneration expense for the year was £12,461,023 (2023: £1,376,315).

The breakdown of the expense is shown below:

	2024	2023
PHBL Scheme	9,846,755	1,376,315
Aviva Scheme	2,614,268	-
Total Share Based payments	12,461,023	1,376,315

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 10 Investment in subsidiary

	Year ended 2024	Year ended 2023
	£	£
Probitas 1492 Services Mexico SA de CV	1,991	1,991
Total	1,991	1,991

The holding and principal activity of the subsidiary undertaking, which is registered in Mexico, are as follows:

Name of Company	Class of Shares	% of Shares Held	Principal activity
Probitas 1492 Services Mexico SA de CV	Ord MXP49,999	100%	Insurance services

The registered office is Av. Insurgentes Sur 1898, Piso 14, oficina 1418, Col. Florida, Álvaro Obregón, Ciudad de Mexico C.P.01020, Mexico.

Note 11 Trade and other debtors

	Year ended 31 Dec 2024	Year ended 31 Dec 2023
	£	£
<u>Amounts due within one year</u>		
Amounts owed by fellow subsidiary undertakings	26,183	26,183
Amounts owed by managed syndicates	12,826,863	11,226,447
Other debtors	76,308	56,453
<u>Amounts due after one year</u>		
Amounts owed by managed syndicates	4,661,563	2,753,855
Total	17,590,917	14,062,938

Note 12 Other creditors

	Year ended 31 Dec 2024	Year ended 31 Dec 2023
	£	£
Amounts owed to parent company	132,358	101,155
Amounts owed to fellow subsidiary undertakings	4,323,337	3,114,679
Amounts owed to managed syndicates	8,615,873	-
Other Creditors	745,679	655,346
Total	13,817,247	3,871,180

Note 13 Accrued Expenses

The Accrued expenses figure consists of accrued employee entitlements of £16,915,302 and accrued expenses of £42,561 (2023: £10,354,096 and £29,135 respectively).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 14 Share capital

	Year ended 31 Dec 2024	Year ended 31 Dec 2023
	£	£
Authorised, allotted, called up and fully paid		
1,000 ordinary shares at £1 each	1,000	1,000

Note 15 Leases

The total rental under operating leases, charged as an expense to the income statement are disclosed below:

	Year ended 31 Dec 2024	Year ended 31 Dec 2023
	£	£
Land and buildings	453,701	176,697
	453,701	176,967

Note 16 Related party transactions

The Company has taken the exemption from disclosing transactions entered into between related parties within the Group and 'wholly owned syndicates' provided that any subsidiary which is a party to the transaction is wholly owned by such member.

Note 17 Ultimate parent company

The Company is a subsidiary undertaking of Aviva Plc, a company incorporated in England and Wales. Copies of its financial statements can be obtained from 80 Fenchurch Street, London, United Kingdom, EC3M 4AE. Aviva Plc is the largest and smallest group, of which PSL is a member, that produces consolidated group accounts.

Note 18 Post Balance Sheet Events

No significant changes or events have been identified.

