

PROBITAS HOLDINGS (UK) LIMITED

**ANNUAL REPORT
AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 2024**

Registered number 09670315

CONTENTS

	PAGE
Company Information	3
Strategic Report	4-6
Directors' Report	7-8
Statement of Directors' Responsibilities	8
Independent Auditor's Report	9-11
Statement of Comprehensive Income	12
Statement of Changes in Equity.....	13
Statement of Financial Position	14
Notes to the Financial Statements	15-20

PROBITAS HOLDINGS (UK) LIMITED
09670315

COMPANY INFORMATION

Directors

A M Bathia – Chief Executive Officer (resigned 9 July 2024)
F M O'Halloran – Director (resigned 9 July 2024)
J-L R Gourgeon- Non-Executive Director (resigned 9 July 2024)
F Al-Hesni – Non-Executive Director (resigned 31 March 2024)
N O R Pieries – Non-Executive Director (resigned 9 July 2024)
N C Bacon – Managing Director (resigned 9 July 2024)
K J Dayal – Director (appointed 9 July 2024)
S F Pond – Director (appointed 9 July 2024)
J P Storah – Director (appointed 9 July 2024)
M S D Washington – Director (appointed 9 July 2024)

Secretary

F Jaiyeola

Registered Office

88 Leadenhall Street
London
EC3A 3BP
United Kingdom

Registered Number

09670315

Auditor

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

PROBITAS HOLDINGS (UK) LIMITED
09670315

STRATEGIC REPORT

The strategic report of Probitas Holdings (UK) Limited ("PHUK" or the "Company") is set out below which accompanies the audited financial statements for the year ended 31 December 2024.

Principal Activities

Probitas Holdings (UK) Limited (PHL) is a limited company registered in England and Wales. The Company's 100% owns the following companies:

- Lloyd's corporate member, Probitas Corporate Capital Limited,
- Syndicate 1492 and Special Purpose Arrangement Syndicate (SPA) 2024's managing agent, Probitas Managing Agency,
- Service company for the Syndicate 1492 and Probitas Managing Agency (PMA), Probitas 1492 Services Limited,
- Service Company for Syndicate 1942, Probitas 1492 (Pacific) Pty Ltd,
- Service Company for Syndicate 1942, Probitas 1492 (Canada) Inc.
- and their respective subsidiaries

Result and dividends

The Company made a profit after tax for the year of US\$797,958 (2023: loss US\$509,794) as set out on page 12 of the financial statements. No dividends were paid or declared during the period.

Future Developments

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

Stakeholder Engagement

PHUK's ultimate shareholders contribute to the long-term strategy of the ultimate parent by providing financial security and support.

Principal Risks & Uncertainties

PHUK's principal risks are shown below.

Strategic Risk

Strategic risk is defined as the risk of loss to PHUK 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 new business opportunities for both Syndicate 1492 and Syndicate 2024.

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.

PHUK 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 PHL does not anticipate direct material impact to the Syndicate business or the business of any subsidiary. The Syndicate has 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. PHUK has seen evidence of market dislocations as companies move to protect ESG strategies by refusing to offer terms on certain risks, or portfolios.

PHUK implemented a new ESG policy in March 2023 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

Section 172 (1) of the companies Act 2006 requires the Board of Directors to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard for the interests of stakeholders including, customers, employees, suppliers, and the wider community in which the Company operates.

Employees:

Whilst the Company does not employ any staff, Employees are an important stakeholder of the Probitas Group, which seeks to attract and retain high calibre Employees, who are fully aligned with the values and objectives of the organisation. This is considered important to meet the aims of the Group. The Group engages with staff in a variety of ways, both formal and informal, including Employee surveys, working groups, appraisal processes, mentoring schemes and staff meetings. The Group has remuneration policies premised on the need to avoid incentivising undesirable risk taking, and the maintenance of employee policies and procedures supporting the Group's objective of providing a working environment that is flexible and responsive to the needs of the Group and its employees. The Group also maintains policies and procedures in relation to employee welfare and training and development.

Community:

The Probitas Group considers that contributing to and engaging with our communities is the right thing to do and will help drive the long-term viability of the business. The Probitas Group is committed to expanding its positive contribution to the community and environment as demonstrated by the establishment of the CSR (Corporate Social Responsibility) working group in 2023, along with the Probitas Global Challenge scheme, which results in the Probitas Group making charitable donations to Employee-nominated charities.

Customers & Suppliers:

The Company as part of the Probitas Group, works hard to deliver better outcomes for our Customers. The company seeks to maintain 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 Probitas Management Agency Limited (PMA)'s Code of Business Conduct and Ethics.

The Probitas Group values its business relationships with suppliers, customers and others and the relevant board retains ultimate responsibility for ensuring the existence of approved policies and strategies that set out the standards by which such relationships shall be established, managed and administered, for example the Conduct Risk Policy, Risk Strategy and Outsourcing Policy and related procedures.

The Board retains responsibility for assessing 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 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 to 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.



M. Washington
Director
09 July 2025

DIRECTORS' REPORT

The Directors present their Annual Report and financial statements for the year ended 31 December 2024.

Principal Activities

The Company's principal activity is that of a holding company of the following companies:

- Lloyd's corporate member, Probitas Corporate Capital Limited,
- Syndicate 1492 and Special Purpose Arrangement Syndicate (SPA) 2024's managing agent, Probitas Managing Agency,
- Service company for the Syndicate 1492 and Probitas Managing Agency (PMA), Probitas 1492 Services Limited,
- Service Company for Syndicate 1942, Probitas 1492 (Pacific) Pty Ltd,
- Service Company for Syndicate 1942, Probitas 1492 (Canada) Inc.
- and their respective subsidiaries

Result

The Company made a profit after tax for the year of US\$797,958 (2023: loss US\$509,794) as set out on page 12 of the financial statements. No dividends were paid or declared during the period (2023: £nil).

Directors

The names of the Directors as at 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. At the same time the Probitas Group was restructured and the Company became the parent company of:

- Probitas 1492 Services Limited and its subsidiaries
- Probitas 1492 (Canada) Inc.
- Probitas 1492 (Pacific) Pty Ltd

No other significant changes or events have been identified.

Employees and Environmental Matters

All staff are employed by the Probitas group's services company, Probitas 1492 Services Limited. Further information on the Group's employment policies can be found in the accounts of Probitas 1492 Services Limited. Probitas is committed to managing and reducing its environmental impact in a cost effective and responsible way.

The Company is a low energy user and therefore exempt from any reporting requirements under the Streamlined Energy and Carbon Reporting (SECR) regulations.

Future Developments

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

Energy and Carbon Reporting

Reporting required in accordance with The Companies (Directors' report) and Limited Liability Partnerships (Energy and Carbon Report) Regulation 2018 can be found at a consolidated group level in the Aviva plc annual report and accounts

DIRECTORS' REPORT (CONTINUED)

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report, the Strategic 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). 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;
- 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; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, if 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 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

Following the acquisition of the Probitas Group by Aviva plc, and the subsequent restructuring of the Probitas entities, the Company now has 5 subsidiaries and net assets of over \$112 million. All PHL's subsidiaries are a going concern in their own right. As a result, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence until at least August 2026. A letter of support has been provided by Aviva Plc to support this statement. Accordingly, they continue to adopt the Going Concern basis in preparing the Annual Report.

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.

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



M. Washington
Director
09 July 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROBITAS HOLDINGS (UK) LIMITED

Opinion

We have audited the financial statements of Probitas Holding (UK) Limited which comprise the Income Statement, the Statement of Changes in Equity, the Statement of Financial Position and the related notes 1 to 14, 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 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 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 HOLDINGS (UK) 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROBITAS HOLDINGS (UK) LIMITED (CONTINUED)

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:

E7631414D1E54B1...

Heidi Burton (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
09 July 2025

PROBITAS HOLDINGS (UK) LIMITED
09670315

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

		Year Ended 31 Dec 2024	Year Ended 31 Dec 2023
	Notes	\$000	\$000
Investment Income		8	0
FX gain / (loss)		9	(16)
Administrative expenses		(191)	(101)
Other charges	3	(297)	(563)
Operating Loss		(471)	(680)
Dividend Income	4	1,151	0
Profit / (loss) on ordinary activities before taxation		680	(680)
Tax credit on profit on ordinary activities	13	118	170
Profit / (loss) account for the financial year		798	(510)

There are no recognised gains and losses other than those included in the Statement of Comprehensive Income for the year and previous period, 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 the notes on pages 15 to 20 form an integral part of these accounts.

PROBITAS HOLDINGS (UK) LIMITED
09670315

STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2024

		Called Up Share Capital	Share Premium Account	Profit & (Loss) Account	Shareholders' Equity
	Notes	\$000	\$000	\$000	\$000
As at 1 January 2024		17,000		(3,174)	13,826
Profit for the period				798	798
Ordinary Shares Issued	9	74,917			74,917
Share Premium			22,877		22,877
At 31 December 2024		91,917	22,877	(2,376)	112,418

		Called Up Share Capital	Share Premium Account	Profit & (Loss) Account	Shareholders' Equity
	Notes	\$000	\$000	\$000	\$000
As at 1 January 2023		17,000		(2,664)	14,336
(Loss) for the period				(510)	(510)
At 31 December 2023		17,000	0	(3,174)	13,826

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.

Share Premium represents the difference between the nominal value of the shares and the consideration received for them.

The profit and loss account represents cumulative profits and losses of the company.

The accounting policies and the notes on pages 15 to 20 form an integral part of these accounts.

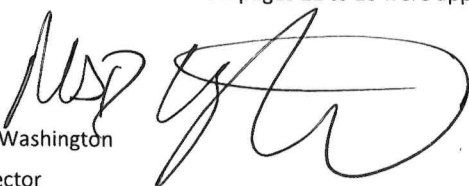
PROBITAS HOLDINGS (UK) LIMITED
09670315

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

		As at 31 Dec 2024	As at 31 Dec 2023
	Notes	Total \$000	Total \$000
Fixed Assets			
Investment in subsidiary undertakings	10	113,970	27,690
Deferred tax	13	376	258
Current Assets			
Trade and other debtors	7	596	96
Cash at bank and at hand		9	4
Creditors: Amounts falling due within one year			
Creditors	8	2,533	14,222
Net Current Liabilities (Total)		(1,928)	(14,122)
Total Assets less Current Liabilities (Total)		112,418	13,826
Net Assets (Total)		112,418	13,826
Capital and Reserves			
Profit and (loss) account		(2,376)	(3,174)
Share Premium	9	22,877	0
Called up share capital	9	91,917	17,000
Total Equity (Total)		112,418	13,826

The accounting policies and the notes on pages 15 to 20 form an integral part of these accounts.

The financial statements on pages 12 to 20 were approved by the Board of Directors on 09 July 2025 and were signed on its behalf by


M. Washington
Director

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

Note 1 Basis of Preparation

Probitas Holdings (UK) Limited is a private company, limited by shares and incorporated in the United Kingdom. The company was incorporated on the 3 July 2015 and registered in England as disclosed on page 3. The registered address of the Company is 88 Leadenhall Street, London, England, EC3A 3BP.

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and applicable legislation as set out in the Companies Act 2006, under the provision of the Large and Medium-sized Companies (Accounts and Reports). The financial statements have been prepared in US Dollars, which is the Company's functional and presentational currency. All amounts are rounded US\$000s unless otherwise stated.

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

Following the acquisition of the Probitas Group by Aviva plc, and the subsequent restructuring of the Probitas entities, the Company now has 5 subsidiaries and net assets of over \$112 million. All PHL's subsidiaries are a going concern in their own right. As a result, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence until at least August 2026. A letter of support has been provided by Aviva Plc to support this statement. Accordingly, they continue to adopt the Going Concern basis in preparing the Annual Report.

Note 2 Significant Accounting Policies

Cash and cash equivalents

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

Financial liabilities

The financial liabilities include trade and other payables, borrowings and derivative financial instruments, where applicable. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

Foreign currencies

The functional and reporting currencies are US dollars. Transactions denominated in currencies other than the functional currency are initially recorded in the functional currency at the exchange rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the exchange rate ruling on the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction and are not subsequently restated. Non-monetary items denominated in a foreign currency, measured at fair value are translated into the functional currency using the exchange rate ruling at the date when the fair value was determined.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised direct in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

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 evaluate 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 is subject to the reform of the international tax system proposed by The Organisation for Economic Co-operation and Development (OECD) which introduces a global minimum effective rate of corporation tax of 15% and took effect in the current period. No current tax charge is included in respect of these provisions. No amount is recorded in 2023 as the tax had not been introduced in this period.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax balances are not discounted. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Income and expenses

Interest receivable, expenses and interest payable recognised in the Statement of Comprehensive Income on an accruals basis.

Dividends received

Dividends received from group companies are recognised in the profit and loss account in the period in which they are paid and received. Dividends paid are recognised in the period in which they are approved by the Board.

Investment income

All investment income is interest on cash and cash equivalents.

Investments in subsidiary undertakings

Investments in subsidiary undertakings is 100% ownership of Probitas Corporate Capital Limited, Probitas Managing Agency Limited, Probitas 1492 Services Limited, Probitas 1492 (Pacific) Pty Ltd, Probitas 1492 (Canada) Inc. and their respective subsidiaries and is stated at cost less amounts written off to the profit and loss account for a permanent diminution in value following an impairment review undertaken by management.

Related party transactions

Related party transactions for the company have been included in the note 11 to the financial statements.

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.

Critical judgements in applying the Company's accounting policies: There were no critical accounting judgements.

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

PROBITAS HOLDINGS (UK) LIMITED
09670315

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 Other charges

	Year ended 31 Dec 2024	Year ended 31 Dec 2023
	\$000	\$000
Intercompany interest expense	297	563
Total	297	563

Note 4 Dividend Income

In the year the Company received a dividend from its wholly owned subsidiary Probitas Corporate Capital Limited of \$1,151,121 (2023: nil).

Note 5 Staff numbers and costs

All staff are employed by Probitas 1492 Services Limited. None of the employees of the group, received any remuneration in respect of services rendered to the Company.

Note 6 Directors' remuneration

None of the Directors received any remuneration for their services to the Company during the year ended 31 December 2024 (2023: nil).

Note 7 Debtors

	Year ended 31 Dec 2024	Year ended 31 Dec 2023
	\$000	\$000
Amount owed by subsidiary undertakings	195	96
Amounts due from AdA Underwriters Limited	372	-
Other Debtors	29	-
Total	596	96

Note 8 Creditors

	Year ended 31 Dec 2024	Year ended 31 Dec 2023
	\$000	\$000
Amounts owed by subsidiary undertakings	2,424	2,193
Amount owed by parent company	-	12,003
Other Creditors	109	26
Total	2,533	14,222

All amounts are due within 1 year

PROBITAS HOLDINGS (UK) LIMITED
09670315

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 9 Called up share capital

	Year ended 31 Dec 2024	Year ended 31 Dec 2023
	\$000	\$000
Allotted, called up and fully paid	91,917	17,000
Balance as at 31 December	91,917	17,000

The Company issued and allotted 8,785,274 ordinary shares for nominal value \$11,210,434 on 10th July 2024 and 50,000,000 ordinary shares for nominal value \$63,680,000 on 9th December 2024. A share premium reserve of \$22,876,896 was generated as a result of the share issue on the 9th July 2024. The increase in share capital was approved by Probitas Holdings (UK) Limited.

Note 10 Investment in Subsidiary

	Ownership %	Year ended 31 Dec 2024	Ownership %	Year ended 31 Dec 2023
		\$000		\$000
Investment in Probitas Corporate Capital Limited	100.0	87,780	100	24,100
Investment in Probitas Managing Agency Limited	100.0	3,590	100	3,590
<i>Purchases made during the year:</i>				
Investment in Probitas 1492 Services Limited	100.0	22,565	-	-
Investment in Probitas 1492 (Pacific) Pty Ltd	100.0	17	-	-
Investment in Probitas 1492 (Canada) Inc.	100.0	18	-	-
Balance as at 31 December		113,970		27,690

A review for impairment has been undertaken and it was concluded no impairment had taken place.

The registered address for the above wholly-owned subsidiaries is 88 Leadenhall Street, London, EC3A 3BP, United Kingdom.

Note 11 Related party transactions

Transactions with related parties

As at 31 December 2024, the Company has an intercompany receivable from AdA Underwriters Limited of \$371,899 (2023: nil).

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

Note 12 Auditors' remuneration

	Year ended 31 Dec 2024	Year ended 31 Dec 2023
	\$000	\$000
Fees payable to the company's auditor for the audit of the company accounts	65	25
Total auditors' remuneration	65	25

Of the total \$65,162, \$39,187 relates to the audit fee in respect of newly appointed auditor Ernst & Young LLP and the remainder relates to Deloitte plc.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 13 Taxation

The total tax charge for the year is as follows:

	Year ended 31 Dec 2024	Year ended 31 Dec 2023
	\$000	\$000
Current taxation:	-	-
UK corporation tax on profit/(loss) for the period	-	-
Total current tax	-	-
Deferred Taxation	118	170
Tax on profit/ (loss)	118	170

Factors affecting the tax charge for the current period

The tax assessed on the profit on ordinary activities for the year is the same as the standard rate of corporation tax in the UK of 25% (2023: 23.5%). The differences are reconciled below:

A reconciliation is provided below:

	Year ended 31 Dec 2024	Year ended 31 Dec 2023
	\$000	\$000
(Loss) before tax	(471)	(680)
Profit/(loss) on ordinary activities multiplied but the standard rate of corporation tax in the UK of 25% (2023: 23.5%)	118	170
Impact of tax rates on:		
Losses brought forward	-	-
Unrecognised benefit of tax losses carried forward	-	-
Group relief surrendered	-	-
Tax charged for the period	118	170

	2024	2023
Deferred Tax Asset b/f	258	88
Profit /(Loss) on ordinary activities before tax	(471)	(680)
Profit on ordinary activities multiplied but the standard rate of corporation tax in the UK of 25% (2023: 23.5%)	118	170
Impact of tax rates on:		
Losses brought forward	-	-
Group relief surrendered	-	-
Deferred Tax Asset c/f	376	258

The entire tax charge recognised is deferred tax and the total deferred tax asset is \$377,128.

Deferred tax assets and liabilities included within the accounts have been calculated using relevant rates and with reference to this change of rate and the applicable period when the deferred tax assets/liabilities are expected to unwind. The deferred tax asset is expected to be utilised within 5 years.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 14 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 PHL is a member, that produces consolidated group accounts. Whilst Aviva plc is the ultimate parent of the Company, the immediate parent is Aviva Insurance Limited (AIL).

Note 15 Post-Balance Sheet Events

No significant changes or events have been identified.