PROBITAS MANAGING AGENCY LIMITED

ANNUAL REPORT
AND
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2024

Registered number 12242600

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COMPANY INFORMATION

Directors

Directors who served at Probitas Managing Agency Limited ('PMA' or the Company) during the year or up until the period the Annual Report and Financial Statements were signed are as follows:

N C Bacon – Managing Director
M J Bale – Chief Operations Officer
A M Bathia - Chief Executive Officer
D P Brignell - Chief Risk Officer (resigned 9th July 2024)
S P Burns – Independent Non-Executive Chairman (resigned 31st December 2024)
A L Dodson – Chief Underwriting Officer
M E L Goddard - Independent Non-Executive Director (Chair from 1st Jan 2025 – 25th March 2025)
J-L R Gourgeon - Non-Executive Director (resigned 9th July 2024)
N O R Pieries - Non-Executive Director (resigned 9th July 2024)
B Matthews - Chief Financial Officer
H J Weaver - Independent Non-Executive Director
D G Marock – Non Executive Director and Chair (appointed 1st January 2025) and Chair (from 25th March 2025)
S F Pond – Director (appointed 17th September 2024)
M S D Washington – Director (appointed 7th October 2024)

Secretary

F Jaiyeola

Registered Office

88 Leadenhall Street
London
EC3A 3BP
United Kingdom

Registered Number

12242600

Auditor

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

STRATEGIC REPORT

The Directors present their Strategic Report on Probitas Managing Agency Limited (‘PMA’) for the year ended 31 December 2024.

Principal Activity

PMA is a Lloyd’s managing agent and is approved by Lloyd’s and authorised and regulated by the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA).

The principal activity of PMA is acting as a Lloyd’s managing agent of Lloyd’s Syndicate 1492 and Special Purpose Arrangement Syndicate 2024 (SPA 2024). For Syndicate 1492 fellow Probitas group subsidiary, Probitas Corporate Capital Limited (PCCL) provides 78% of the underwriting capital for the 2024 year of account (2023: 80%) and 100% of the underwriting capital for the 2025 YOA.

PMA was authorised to act as a Lloyd’s managing agent with effect from 1 September 2021 and has acted as the managing agent for Syndicate 1492 since that date. PMA has acted as the managing agent for SPA 2024 since the Syndicate was established, with its first Underwriting year being 2024.

PMA’s income derives from the following sources:

- Fees due in respect of the management of Syndicate 1492 and SPA 2024 of 2% of eligible expenses
- Profit commission of 22.5% in respect of any Syndicate 1492 profitable closed year of account subject to a one-year deficit clause
- Outsourced services recharged to the managed syndicate

REVIEW OF THE BUSINESS

PMA’s key financial performance indicators for the year were as follows:

	2024	2023
	£	£
Turnover	7,305,637	6,611,389
Administrative expenses	(2,513,405)	(3,554,648)
Profit on ordinary activities before tax	4,792,232	3,056,741
Tax (charge) on profit on ordinary activities	(1,198,058)	(769,081)
Profit on ordinary activities after tax	3,594,174	2,287,660

All Lloyd’s managing agents are required to satisfy three solvency tests as a condition of being an authorised Lloyd’s managing agent. The three solvency tests set minimum thresholds for:

- Fixed capital
- Net current assets
- Total net assets

PMA reported solvency surpluses for each test throughout 2024 and as at 31 December 2024.

STRATEGIC REPORT (CONTINUED)

The principal activity of managed Syndicate 1492 is the transaction of general insurance and reinsurance business. Additionally Syndicate 1492 hosted the AdA marine and specialty business which was subject to the Quota Share Agreement with SPA 2024.

Syndicate 1492's key financial performance indicators for the year were as follows:

	2024	2023
	£000	**£000**
Gross premiums written	317,205	288,243
Gross premiums earned	289,028	251,947
Net premiums earned	217,933	204,961
Net claims incurred	(74,032)	(79,368)
Profit for the financial year	62,060	**53,296**

	2024 (UK GAAP)	2023 (UK GAAP)
Net Loss Ratio	34.0%	38.7%
Net Commission Ratio	22.0%	20.8%
Net Expense Ratio	21.2%	18.5%
NCOR (Excluding FX)	**77.2%**	**78.0%**
FX impact	0.7%	1.8%
NCOR (Including FX)	**77.9%**	**79.8%**

FUTURE DEVELOPMENTS

PMA's priorities for 2025 are to support managed syndicates with the following:

- Successful partnering with Aviva's Global Corporate and Specialty business to deliver a broader, dual-platform strategy
- Continue to scale up non-London distribution hubs: Manchester, Brussels, Australia and Canada
- Achieve diversification and growth by optimising the 8 new classes of business launched in 2025
- Significantly scale up proposition for selected specialty lines business in UK, Australia and Canada leveraging on the extensive distribution footprint in these regions
- Retain Lloyd's designation of 'outperforming' business

PRINCIPAL RISKS & UNCERTAINITIES

PMA management monitors its exposure to certain risks to ensure that appropriate mitigation measures are implemented in a timely and effective manner and are operating effectively.

OPERATIONAL RISK

Defined as the risk that errors caused by people, processes and / or systems might lead to financial losses to PMA.

PMA has developed and implemented a risk reporting and risk governance system to ensure that effective risk management of operational risk is carried out and reported to the PMA's Board of Directors.

PMA management receives regular operational risk updates, and the PMA Risk Committee reviews the operational risk dashboard at least quarterly.

PMA's ability to deliver its strategic objectives and plans is dependent upon the continued availability of certain key resources necessary to support its essential business activities.

PMA has entered into a number of outsourcing arrangements, the performance of which are overseen by the PMA Executive Outsource Working Group with critical or important outsourcing arrangements being a matter reserved for the PMA Board.

STRATEGIC REPORT (CONTINUED)

It is critical for PMA that its managed syndicates, Syndicate 1492 and SPA 2024, have the resources required to support its underwriting and other essential business activities. Various contingency plans are in place to mitigate any loss of key resources from disrupting the ongoing operations of Syndicates 1492 and SPA 2024. PMA has also been actively evaluating Operational Resilience of Important Business Services in line with UK regulatory requirements for the market.

CREDIT RISK

Credit risk is defined here as 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.

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

LIQUIDITY RISK

Liquidity risk arises where cash may not be available to enable PMA to pay its obligations as they fall due and at a reasonable cost. PMA management monitors its cash balances on an ongoing basis in order to identify any potential future liquidity strain and arrange suitable remediation as necessary. It is considered that the current level of liquidity risk is acceptable.

REGULATORY AND COMPLIANCE RISK

Defined as the risk of there being a financial loss owing to a breach of regulatory requirements and/or a failure to respond to a regulatory change.

PMA is required to comply with the requirements of the FCA, PRA and Lloyd's. Lloyd's requirements include those imposed on Lloyd's Syndicates by overseas regulators, particularly in respect of US and Canadian Situs business.

PMA management receives frequent regulatory and compliance risk updates and the PMA Risk Committee reviews and monitors these risks on a quarterly basis.

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 PMA does not anticipate direct material impact to the Syndicates' business. The Syndicates have minimal exposure to underwriting classes that would be likely to be the focus of specific geopolitical risks such as Political Violence, War and Aviation. The Syndicate and SPA are exposed to broader economic shocks particularly through the secondary impacts of higher inflation and / or economic downturn, however these risks are not felt to be likely to lead to a significant balance sheet shock.

STRATEGIC REPORT (CONTINUED)

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 Syndicates 1492 and SPA 2024 operate 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 evolving sustainability reporting requirements created by the Financial Stability Board. This will drive change within the organisation to meet agreed targets relating to managing that transition.

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 has an ESG policy 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 aim to 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 on 28 May 2025.

A Bathia

Director
29 May 2025

DIRECTORS' REPORT

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

Review of the business

The Company is the Lloyd's managing agent for Lloyd's Syndicate 1492 and Special Purpose Arrangement Syndicate (SPA) 2024. As managing agent, it provides management and governance oversight over Syndicate 1492's underwriting business activities, and those of Special Purpose Arrangement SPA 2024.

Future Developments

In 2025, the Company will continue to support the premium growth of Syndicate 1492 and SPA 2024 which includes supporting the launch of new products during the year, broadening its distribution platforms and enhancing its service offering to its clients. More detail can be found in the Strategic Report.

Results and Dividends

The Company's result after tax for the year ended 31 December 2024 was a profit of £3,594,174 (2023: profit £2,287,660). The Directors do not recommend the payment of a dividend for the year ended 31 December 2024 (2023: nil).

Risk Management

Information on PMA’s risk management can be found in Strategic Report of this document.

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

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. 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 brough 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, 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.

DIRECTORS' REPORT (CONTINUED)

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.

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

The Company exists to support Syndicate 1492 and SPA 2024's operations which are continuing in 2025 and expect to continue into 2026. Consequently, there will be a requirement for the Company to continue as the Managing Agent for the two syndicates. Based on this the Directors have considered and concluded that, for the purpose of its annual report and accounts at 31 December 2024, the Company is a going concern. The period considered for this purpose is from the date of signing these accounts to 31 December 2026.

Further, the Directors have assessed whether the Company has adequate financial resources. All Lloyd's managing agents are required to satisfy three solvency tests as a condition of being an authorised Lloyd's managing agent. The three solvency tests set minimum thresholds for:

- Fixed capital
- Net current assets
- Total net assets

PMA reported solvency surpluses for each test throughout 2024 and as at 31 December 2024.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the Going Concern basis in preparing the Directors' Report and 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.

The Director's report has been approved for issue by the board of Directors on 28 May 2025.

A Bathia

Director
29 May 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROBITAS MANAGING AGENCY LIMITED

Opinion

We have audited the financial statements of Probitas Managing Agency Limited ('the Company') for the year ended 31 December 2024, which comprise the Balance Sheet, the Statement of Comprehensive Income, the Statement of Changes in Equity and the related notes 1 to 17, 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 MANAGING AGENCY 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 on page 9, 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.

Heidi Burton, Senior statutory auditor
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
29 May 2025

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024	2023
		£	£
Turnover	3	7,305,637	6,611,389
Administrative expenses	4	(2,513,405)	(3,554,648)
Profit on ordinary activities before taxation	5	**4,792,232**	**3,056,741**
Tax on Profit on ordinary activities	6	(1,198,058)	(769,081)
Profit and loss account for the financial year		**3,594,174**	**2,287,660**

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 notes on pages 16 to 22 form an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2024

	Called Up Share Capital	Profit and Loss Account	Total Equity
	£	£	£
As at 1 January 2024	2,600,100	1,901,600	4,501,700
Profit for the period	-	3,594,174	3,594,174
At 31 December 2024	**2,600,100**	**5,495,774**	**8,095,874**

	Called Up Share Capital	Profit and Loss Account	Total Equity
	£	£	£
As at 1 January 2023	2,600,100	(386,060)	2,214,040
Profit for the period	-	2,287,660	2,287,660
At 31 December 2023	**2,600,100**	**1,901,600**	**4,501,700**

The notes on pages 16 to 22 form an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	As at 31 Dec 2024 Total £	As at 31 Dec 2023 Total £
Fixed Assets			
Investment in subsidiary	9	43,978	43,978
Tangible Assets	10	714,473	939,239
Current Assets			
Trade and other debtors	11	8,349,002	6,645,401
Cash at bank and at hand		2,239,630	723,232
Creditors: Amounts falling due within one year			
Accruals and Deferred Income		412,757	237,164
Other creditors	12	2,348,744	2,010,487
Net Current Assets (Total)		**7,827,131**	**5,120,983**
Total assets less current liabilities (Total)		**8,585,582**	**6,104,200**
Creditors: Amounts falling due after one year			
Accruals and Deferred Income		489,708	842,871
Other creditors	12	-	759,629
Net assets (Total)		**8,095,874**	**4,501,700**
Capital and Reserves			
Profit and Loss account		5,495,774	1,901,600
Called up share capital	13	2,600,100	2,600,100
Total Equity (Total)		**8,095,874**	**4,501,700**

The notes on pages 16 to 22 form an integral part of these financial statements

The financial statements on pages 13 to 22 were approved by the Board of Directors on 28 May 2025 and were signed on its behalf by

A Bathia

Director

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

Note 1 Basis of Preparation

Probitas Managing Agency Limited is a private company, limited by shares and incorporated in the United Kingdom. The Company was incorporated on 3 October 2019 and registered in England. 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 and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410). The financial statements have been prepared in £ Sterling, deemed the functional and presentational currency. All amounts are rounded to nearest £ Sterling.

The Company is exempt by virtue of S401 of the Companies Act 2006 from the requirement to prepare consolidated Financial Statements on the grounds that the consolidated Financial Statements of its immediate parent, Probitas Holdings (UK) Limited, are publicly available and include the Company in the consolidation. These Financial Statements present information about the Company as an individual undertaking and not about its group.

Under FRS 102, the Company has taken advantage of the following exemptions:

- Preparing Cash Flow Statement,
- Disclosing transactions entered into between related parties within the Group,
- Disclosing Company's key management personnel compensation.

Going concern

Having assessed the principal risks, and taking into account that all costs incurred by the Company are reimbursed in full by Syndicate 1492, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements. The period considered for this purpose is at least 12 months from the date of approval of these accounts.

Note 2 Principal Accounting Policies

a) Turnover

i) **Managing agency fees** are charged by the Company to Syndicate 1492 and SPA 2024 for the services provided throughout the year in managing and operating the syndicates. The fee for any given year of account is recognised linearly over the first year of development. Therefore, the fee for the 2024 year of account has been recognised in turnover in full in the year to 31 December 2024. The price is fixed for Syndicate 1492, but for SPA 2024 it is linked to actual Gross Written Premium.
ii) **Profit commission from the managed syndicate** represents profit commission due to the managing agent, payable by the capital providers. It 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 in a manner consistent with that adopted by Syndicate 1492. No profit commission is received from SPA 2024.
iii) **Outsourced services recharged to the managed syndicate** represents staff costs which are recharged to the managed syndicate based on the portion of time worked on its behalf. These costs are in respect of certain staff employed by Probitas 1492 Services Limited (PSL) whose work directly relates to the operation of the Company. Initially, these costs are recharged from PSL to the Company. Subsequently, the relevant portion of these costs is recharged from the Company to Syndicate 1492 and classified as outsourced services. The directors consider that PMA is acting in the capacity of principal in respect of its services provided to the Syndicate and so turnover and expenses are both presented gross, with no netting down. No services are recharged to SPA 2024.

b) Cash and cash equivalents

Cash and cash equivalents includes only deposits held in current accounts with banks.

c) Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment.
Depreciation is provided by the Company to write off the cost, less the estimated residual value, of tangible fixed assets on a straight-line basis over the duration of the office lease.

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 Statement of Comprehensive Income.

Note 2 (continued)

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

Investment in subsidiary undertakings are stated at cost less amounts written off to the profit and loss account for a permanent diminution in value. The carrying value has been considered separately for each subsidiary.

g) Taxation

Taxation expense for the period comprises current tax and deferred 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.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences 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 recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and that are expected to apply to the reversal of the timing differences.

h) 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 effects 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.

Key sources of estimation uncertainty: There were no key assumptions or other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Principal versus Agent

The Company has arrangements whereby it needs to determine if it acts as a principal or an agent, as more than one party is involved in providing services to the customer. The Company acts as a principal if it controls a service before transferring to the customer, and is an agent if its role is to arrange for another entity to provide the service. Determining factors include the discretion the Company has in pricing and whether the Company is primarily responsible for fulfilment. Whether the Company is acting as a principal or agent determines whether revenue is presented on a gross basis or net.

Note 3 Turnover

Turnover for the year comprised the following:

	2024	**2023**
	£	**£**
Managing agency fees	3,600,961	2,387,000
Profit Commission from the managed Syndicate	3,448,804	4,081,678
Outsourced services recharged to the managed Syndicate	255,871	142,711
Total	**7,305,636**	**6,611,389**

Turnover, operating profit and net assets are all generated from one business. This business is located in one geographical area, the United Kingdom, and thus no segmental information is given.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 4 Administrative Expenses

Administrative expenses for the year comprised the following:

	2024	**2023**
	£	**£**
Staff costs recharged from group service company	743,728	720,852
Staff costs directly incurred by the company	714,884	2,336,474
Total Directors and staff costs (see note 8)	1,458,612	3,057,326
Contractor and recruitment costs	0	22,946
IT Costs	56,414	86,512
Other miscellaneous expenses	998,379	387,865
Total	**2,513,405**	**3,554,648**

Note 5 Profit on ordinary activities before tax

Profit before tax is stated after charging:

	Year ended 31 Dec 2024	**Year ended 31 Dec 2023**
	£	**£**
Fees payable to the Company's auditors for the following:		
Audit of the Company's annual accounts	45,512	24,580

Of the total £45,512, £40,000 relates to the audit fee in respect of newly appointed auditor Ernst & Young LLP and the remainder relates to Deloitte LLP.

Note 6 Tax on Profit/(Loss) on ordinary activities

	Year ended 31 Dec 2024	**Year ended 31 Dec 2023**
	£	**£**
Current taxation:		
UK corporation tax on Profit for the period at 25% (2023: 23.5%)	(1,198,058)	(769,081)
Total current tax	(1,198,058)	(769,081)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Note 6 (continued)

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:

Profit on ordinary activities before tax	4,792,232	3,056,741
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25% (2023: 23.5%)	(1,198,058)	(769,081)
Total tax charge	(1,198,058)	(769,081)

Note 7 Remuneration of directors

	Year ended 31 Dec 2024	**Year ended 31 Dec 2023**
	£	**£**
Aggregate directors' emoluments	767,562	759,433
Directors' Pension	11,833	10,430
Highest paid director:		
Emoluments	131,163	131,155

The above costs represent the remuneration of all the non-executive directors and the cost recharges from Probitas 1492 Services Limited for six executive directors for the period.

At the end of the year retirement benefits were accruing to 4 directors (2023: 4). There were no company contributions paid in respect of the highest paid director.

Note 8 Directors and staff costs

Staff and executive directors are employed by Probitas 1492 Services Limited under an outsourced services and secondment agreement. Non-executive directors are retained by Probitas Managing Agency Limited under contracts for services agreements.

The aggregate Directors and staff costs, including amounts recharged by Probitas 1492 Services Limited, were:

	Year ended 31 Dec 2024	**Year ended 31 Dec 2023**
	£	**£**
Recharged staff costs	385,848	379,345
Aggregate recharged executive directors' emoluments	440,216	434,863
Aggregate non-executive directors' emoluments	339,179	335,000
Accrued Employee Bonuses	0	1,678,892
Social Security	158,112	137,312
Total staff costs	**1,323,355**	**2,965,412**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
Note 8 (continued)

As at 31 December 2024 there were:

Nine Probitas Managing Agency Limited Directors of whom seven were executive directors and two were non-executive directors. Two executive directors are also directors of Probitas 1492 Services Limited.

All executive directors are employed by and remunerated by Probitas 1492 Services Limited and a proportion of their time spent on Probitas Managing Agency Limited matters is recharged accordingly.

All of the Probitas Managing Agency Limited non-executive directors are engaged by way of service contracts and are remunerated where appropriate directly.

Note 9 Investment in subsidiary

	Year ended 31 Dec 2024	Year ended 31 Dec 2023
	£	£
Probitas 1492 (Europe) SRL	43,978	43,978
Total	**43,978**	**43,978**

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

Name of Company	Class of Shares	% of Shares Held	Principal activity
Probitas 1492 (Europe) SRL	EUR 50,000	100%	EEA service company and coverholder

The registered office is Avenue du Port 86c, Box 204, 1000 Brussels, Belgium.

Note 10 Fixed Assets

	Fixtures, fittings and equipment £ 2024	Fixtures, fittings and equipment £ 2023
Cost		
At Start of the period	1,067,636	-
Additions		1,067,636
Disposals		
At the end of the period	**1,067,636**	**1,067,636**
Depreciation		
At the start of the period	(128,397)	-
Charge for the year	(224,765)	(128,397)
At the End of the period	**(353,162)**	**(128,397)**
Net book value		
At the start of the period	939,239	-
At the End of the period	**714,473**	**939,239**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 11 Trade and other debtors

Debtors: Amounts due within one year	**Year ended 31 Dec 2024**	**Year ended 31 Dec 2023**
	£	**£**
Amounts owed by parent company	297,379	326,518
Amount owed by subsidiary undertakings	60,606	181,846
Amounts owed by fellow subsidiary undertakings	2,385,927	1,982,134
Amounts owed by managed syndicates	4,018,666	217,369
Amounts due from AdA Underwriters Limited	-	75,000
Other debtors	70,786	74,013
Total	**6,833,365**	**2,856,880**

Debtors due after one year	**Year ended 31 Dec 2024**	**Year ended 31 Dec 2023**
	£	**£**
Amounts owed by managed syndicates	1,515,637	3,788,521
Total	**1,515,637**	**3,788,521**

Note 12 Other creditors

	Year ended 31 Dec 2024	**Year ended 31 Dec 2023**
Creditors due within one year	**£**	**£**
Income tax payable	2,277,897	1,079,839
Amount owed by fellow subsidiary undertakings	-	11,385
Other Creditors	70,848	-
Accrued Employee Entitlements	-	919,263
Total	**2,348,744**	**2,010,487**
Other Creditors due after one year		
Accrued Employee Entitlements	-	759,629
Total	**-**	**759,629**

All amounts are payable within 5 years.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 13 Share capital

	Year ended 31 Dec 2024 £	**Year ended 31 Dec 2023 £**
Authorised, allotted, called up and fully paid		
2,600,100 ordinary shares at £1 each	2,600,100	2,600,100

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.

Note 14 Leases

The company had the following future minimum lease payments under operating lease for each of the following periods:

	Year ended 31 Dec 2024 £	**Year ended 31 Dec 2023 £**
Payments due		
Expiring not later than one year	563,700	454,522
Expiring later than one year and not later than five years	439,810	877,297
	1,003,510	**1,331,819**

Note 15 Related party transactions

Transactions with related parties
During the year the Company received a managing agent fee from SPA 2024 of £600,961 (2023: nil).

As at 31 December 2024, the Company has an intercompany receivable from AdA Underwriters Limited of £nil (2023: £75,000).

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 16 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 PMA is a member, that produces consolidated group accounts.

Note 17 Post Balance Sheet Events

No other significant changes or events have been identified.