

ReAssure Midco Limited

Company Registration Number: 02970583

STRATEGIC REPORT, DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
for the year ended 31 December 2024

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Directors and Officers

Board of Directors

Andrew Briggs

Arlene Cairns (appointed 5 July 2024)

Katherine Jones (resigned 5 July 2024)

William Swift

Company Secretary

Pearl Group Secretariat Services Limited

Registered office

Windsor House

Telford Centre

Telford

Shropshire

TF3 4NB

Company registration number

02970583

Strategic report for the year ended 31 December 2024

The Directors present their strategic report for ReAssure Midco Limited ("the Company") for the year ended 31 December 2024.

The financial statements of the Company for the year ended 31 December 2024 have been prepared in accordance with UK adopted international accounting standards.

Business review and principal activities

The Company is incorporated and domiciled in England and Wales, part of the United Kingdom. It is a private company, which is limited by shares. The principal activity of the Company is to act as an intermediate holding company for the ReAssure Division ("the Division") in the Phoenix Group ("the Group") which is headed by Phoenix Group Holdings plc ("PGHP"). The principal operating entities in the Division are ReAssure Limited ("RAL"), ReAssure Life Limited ("RLL") and ReAssure UK Services Limited ("RUKSL"). It acts as the immediate parent undertaking of RAL, which conducts ordinary long-term insurance business in the United Kingdom, namely life assurance, pensions, permanent health and annuities. It also acts as the parent undertaking of RUKSL, which is a supplier of management services. The Company also oversees the Division's defined benefit pension scheme and operates an unfunded unapproved retirement benefit scheme or private retirement trust for one deferred member.

The Group is the UK's largest long-term savings and retirement business. With around £290 billion of assets under administration in total, the Group offers c. 12 million customers a range of projects through our trusted pensions, savings and life insurance brands. Our purpose is to help people secure a life of possibilities; from our customers, colleagues and investors to wider society, and our mission is to help everyone achieve the retirement they want and stay with them for the whole journey. The Group's vision is to grow a strong and sustainable business to help more people on their journey to and through retirement, enabling improved outcomes for customers and to deliver value for shareholders.

The results for the year are set out on page 14. The loss after tax for the year of £709.4m (2023: profit after tax of £214.4m) is mainly due to the impairment of subsidiaries of £1,819.2m, partially offset by the receipt of £1,108.6m dividend income from RAL. Net assets of the Company at 31 December 2024 are £1,846.1m (2023: £4,009.5m).

Directors' duties under section 172 of the Companies Act

Section 172 of the Companies Act 2006 (the 'Act') requires each Director of a company to act in the way they consider, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing so, each Director must have regard, amongst other matters, to the:

- likely consequences of any decisions in the long term;
- interests of the Company's employees;
- need to foster the Company's business relationships with suppliers, customers and others;
- impact of the Company's operations on the community and the environment;
- desirability of the Company maintaining a reputation for high standards of business conduct; and
- need to act fairly as between members of the Company.

During the year the Directors of the Company have applied Section 172 of the Act in a manner consistent with the wider Group's purpose, values and strategic priorities, whilst having due regard to the Company's ongoing regulatory responsibilities as a financial services business. To support the fulfilment of the Directors' duties outlined above, each paper prepared for consideration by the Board contains an analysis of the potential impact of proposals to be considered by the Board in light of the factors contained in Section 172.

The Board recognises that the Company's stakeholders are integral to its success. During the year, the Board ensured that its considerations and decision making processes took into account their impact on its own stakeholders. The key stakeholder groups of the Company and its relationships with each are as follows:

ReAssure Midco Limited

Strategic priorities key



Optimise our in-force business



Grow organically and through M&A



Enhance our operating model and culture

Key stakeholder groups



Customers



Investors



Government, trade bodies & regulators

Our primary customers are the Company's subsidiary entities, for whom it acts as an intermediate holding company.

Additionally, the Company acts as the principal employer on behalf of the ReAssure division's defined benefit pension scheme.

The Board recognises its responsibility and duty to oversee the success of the Company for all its customers.

Our sole shareholder is ReAssure Group plc. As a Phoenix Group company, our ultimate shareholder is Phoenix Group Holdings plc ("PGH").

The Board recognises the role it plays in driving growth to help the Group meet the needs of its customers.

Although our Company is not regulated, a number of our directly owned subsidiaries are.

The Board acknowledges the role the Company plays in ensuring that those subsidiaries are able to maintain positive relationships with their regulators to enable good outcomes for their customers, particularly in the context of ensuring each subsidiary maintains its regulatory capital requirement.

Link to strategic priorities



How has the Board engaged with and had oversight of stakeholder views during the year?

- In recognition of the role the Company plays in supporting the activities of its subsidiaries, the Board entered into a commitment, mirroring arrangements elsewhere in the Group, to provide capital support to with-profits funds within its ReAssure Limited subsidiary in the event that this should be required at a point in the future

- The governance framework within which the Board operates is designed to facilitate good information flows between and robust decision-making at all levels within the Group
- The Group Chief Executive is a member of the Board, which further strengthens the link between the Company and its ultimate parent, PGH, facilitating regular reporting between the two as necessary

- When considering matters that impacted the Company's subsidiaries, the Board took into account how the outcome of its decision-making would support those entities in continuing to foster good regulatory relationships which, in turn, reflected on the Group as a whole

The Board's role in promoting positive stakeholder relationships

The Board holds management to account throughout the year, ensuring due care and attention is given to good customer outcomes and needs.

The Board maintains links with its immediate and ultimate parents through reporting and interaction as appropriate in both directions.

As the guardian of the Company, (ensuring robust governance, controls and risk management) the Board is responsible for holding management to account for day-to-day compliance with applicable regulation and legislation; ensuring transparent communication of such compliance to maintain trust in Phoenix Group.

Key board decisions

The pages that follow contain examples of key decisions of the Board, their alignment to the Group's strategy, how the Board reached its decision (including consideration of matters set out in Section 172; the interests of stakeholders; related risks and opportunities; and challenges it faced) and the outcome of those considerations. The examples shown are provided to demonstrate how the Directors of the Company have carried out their duties under Section 172 of the Act.

Strategic priorities key		
 Optimise our in-force business	 Grow organically and through M&A	 Enhance our operating model and culture

Example key Board decision	Distribution of dividends
Link to strategic priorities	How the Board reached its decision
	Consideration of section 172 matters On two occasions during 2024, the Board received papers setting out in detail the Company's realised and distributable profits, to enable it to assess the resources available for distributions to the Company's immediate parent ReAssure Group plc. When considering each proposal the Board paid due regard to the long-term impact of those decisions, specifically in the context of the Company's balance sheet position both before and after any distribution. On each occasion it satisfied itself of the Company's ability to meet its future financial obligations as they fell due. The Board also considered its obligations under the Companies Act 2006. This included, inter alia, the requirement for directors to be satisfied that the Company's profits available for distribution had not reduced since the date of the management accounts (upon which the decision was being made) and that the Company had not incurred losses which might reduce profits available for distribution. By ensuring that all legal obligations were met, the Board was able to ensure that the Company's reputation for high standards of business conduct was maintained, expected by all stakeholders.
Outcome	Following due consideration of the matters set out in section 172 on each occasion, the Board approved the distribution of dividends to its immediate parent ReAssure Group plc.
Example key Board decision	Subsidiary Letter of Support
Link to strategic priorities	How the Board reached its decision
	Consideration of section 172 matters The Board received a paper recommending the issuance of a Letter of Support for its subsidiary, ReAssure UK Services Limited ("RUKSL") and a small number of other non-trading direct and indirect subsidiaries. In considering the recommendation the Board reviewed the likely long-term consequences of granting its approval, noting that RUKSL was fundamental in supporting execution of the Company's business model and as such, remained a key part of the ReAssure Division. However, it was also forecast to make a loss over the next three years from 2024 and would therefore require parental support. The Board assessed its ability to provide such support in the context of the Company's own ability to continue as a going concern, considering available liquid assets against current liabilities. The Board noted that as well as RUKSL, the proposed Letter of Support extended to a small number of non-trading direct and indirect subsidiaries. It was recognised any support provided in this respect would aid the audit process under the auditing standard for going concern, thereby contributing to the maintenance of high standards of business conduct for these entities.
Outcome	Following due consideration of the matters set out in section 172, the Board approved the signing of a Letter of Support to RUKSL and the other smaller direct and indirect subsidiaries.

Example key Board decision	Subsidiary With-Profits Funds Capital Support Arrangement
Link to strategic priorities	How the Board reached its decision
	Consideration of section 172 matters The Board was asked to approve the terms of a capital support arrangement ("CSA") for the with-profits funds operated by one of the Company's subsidiaries, ReAssure Limited ("RAL"). As part of its considerations, the Board noted that the proposed terms of the CSA mirrored those already in place for other with-profits funds within the Group and that in terms of the likely long-term consequences of granting approval, there were no financial implications for the Company since all the funds to which it would apply were self-supporting and did not require capital support. Nevertheless, the Board recognised that the CSA was representative of an internal agreement, meaning that if burn through were to occur, the Company, in its capacity as RAL shareholder, would be liable for capital support to cover the interest charges it placed on the capital support provided. In respect of ensuring that the Company's reputation for high standards of business conduct was maintained, the Board received a formal Line 2 opinion on the proposal, noting that a supportive conclusion had been reached. It also noted that from a customer / policyholder perspective, the proposal had no direct impact and was merely codifying what would happen in any event.
Outcome	Following due consideration of the matters set out in section 172, the Board approved the terms of the CSA.

Key performance indicators

Given the straightforward nature of the business, the Company's Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Capital management

The Company is responsible for maintaining and managing its own capital, but also supports the management of the capital of its subsidiaries. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to its shareholder, return capital to shareholder or request capital support from other entities in the Group.

The financial statements have been prepared on a going concern basis as described in note 1.4.

The Company provided Letter of Support to six entities within the Group, confirming that as long as it retains at least indirect ownership of these entities, it intends to provide such financial and other support as necessary for these entities to continue to trade or otherwise meet their obligations as they fall due until at least 30 June 2026. The entities that the Company provided the Letter of Support to are as follows:

BL Telford Limited
 ERIP General Partner Limited
 G Assurance & Pension Services Limited
 G Life H Limited
 ReAssure FSH UK Limited
 ReAssure UK Services Limited

In support of these objectives, the Company monitors its total equity as shown in the Statement of Financial Position on page 16 of the financial statements.

Principal risks and uncertainties

The following have been defined as key business risks:

Financial risk is the risk the Company faces as a result of:

- any loan structures in place within the Company;
- the need to provide capital to its subsidiaries; and
- other commitments of the Company.

The Company mitigates financial risk by inputting to the Group quarterly capital planning cycle. If the Company is required to provide support for the capital requirements of any subsidiaries within the Division, this is factored into the Company's capital plan. There is also regular communication with PGHP, with regard to other commitments and capital requirements.

Liquidity risk is the risk that cash may not be available to pay obligations. The Company monitors cash flow and performs variance analysis against actual cash held on a monthly basis. The Company manages its liquidity risk by only paying out dividends and making capital contributions once income from its investments has been received and all expenses have been covered. If there are timing differences between cash inflows and cash outflows, then surplus cash is placed only with approved counterparties, including PGHP, or invested in high quality government or corporate bonds.

The Company is not exposed to currency or equity price risk other than through its investment in subsidiaries.

Additionally, as the Company participates in a defined benefit pension scheme, there is a risk that the cash contributions required to fund this scheme increase or decrease due to changes in factors such as investment performance, the rates used to discount liabilities and mortality changes. Any increase in deficit contributions will reduce the Company's cash flow. Decisions on pension scheme funding, asset allocation and benefit promises are taken by the pension scheme trustees in consultation with management and suitably qualified advisors. The Board participates in major decisions on the funding and design of the pension schemes.

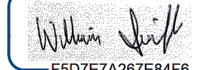
Expense risk is the risk that expenses may not be well controlled and unplanned increases in expenses may threaten the solvency of the Company. The Company mitigates this risk by having a robust budget and planning cycle as well as monthly variance reports and analysis.

Credit risk is the risk that the Company will suffer loss from the failure of a third party to discharge its obligations to the Company. The risk is controlled by setting appropriate limits for counterparty exposures and communicating them to those who are responsible for complying with them.

The Company is not exposed to currency or equity price risk other than through its investment in subsidiaries.

Approval

This report was approved by the Board of Directors on 27 June 2025 and signed on behalf of the Board:

DocuSigned by:

F5D7E7A267E84F6...
William Swift
Director
27 June 2025

Directors' report for the year ended 31 December 2024

The Directors present their annual report together with the audited financial statements of the Company for the year ended 31 December 2024.

Future outlook

The global macro-economic environment remains highly uncertain, as it did throughout 2024. The Ukraine conflict and rapid increase in inflation increased market volatility throughout 2024, with recession expected throughout Europe and possibly the wider world. The longer-term impacts of the conflict have affected the cost and availability of food and vital commodities such as oil and gas, driving inflationary pressures. Inflation is considered a material short to medium-term risk. These macro-economic factors impact the value of the life companies which are subsidiaries of the Company but does not impact the Company directly at this time and is expected to have no direct impact on the Company in the future.

Financial risk management

Principal risks and uncertainties affecting the Company, including financial risks are explained in the Strategic report.

Dividends

The dividends in the form of cash of £489.3m (2023: £nil) and in specie dividends in the form of loan receivables of £969.3m (2023: £nil) were settled during the year.

Business relationships with customers

Customer matters are key for the Company and play a significant part of the rationale for decision-making that takes place. Board papers require authors to consider and provide detail relating to the potential impact of proposals on customers, ensuring that the Board is able to pay due regard to such matters.

Business relationships with Partners/Suppliers

The "Service Companies", including ReAssure UK Services Limited ("RUKSL") and Phoenix Group Management Services Limited ("PGMS"), within the Group are the principal leads on maintaining relationships with suppliers with respect to their contractual obligations.

Energy and carbon reporting

Energy and Carbon usage information is disclosed in the Group's annual report and accounts and accordingly the Company has not reported on this in these individual financial statements.

Corporate Governance

The Company's ultimate parent, Phoenix Group Holdings plc is listed on the UK's main market and accordingly complies with the UK Corporate Governance Code 2018 (the 'Code'). The Company does not apply the Code, nor any other code of governance, due to the limited nature of its activities, primarily as a holding company within Phoenix Group. In the event that the scope of the Company's activities changes, this position will be reviewed.

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements are shown on page 3.

Qualifying third party indemnity provisions

Qualifying third party indemnity arrangements (as defined in section 234 of the Companies Act 2006) were in force for the benefit of the Directors of the Company during the year and remain in place at the date of approval of this report.

Directors' Confirmations

In the case of each Director in office at the date the Directors' Report is approved:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK-adopted international accounting standards and applicable law.

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, relevant and reliable;
- state whether they have been prepared in accordance with UK-adopted international accounting standards;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

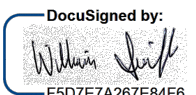
Auditor appointment

On 6 June 2024, Ernst & Young LLP resigned as auditors having reached the maximum period of service for an auditor of a Public Interest Entity under the mandatory auditor rotation requirements for another Company within the Group.

In accordance with section 485 of the Companies Act 2006, KPMG LLP were appointed auditors to the Company for the year ended 31 December 2024, following a Group-wide selection process carried out in accordance with section 485B of the Companies Act 2006. The appointment of KPMG LLP as auditor of the Company was approved by the Board.

In accordance with section 487 of the Companies Act 2006, KPMG LLP will be deemed to have been re-appointed at the end of the period of 28 days following circulation of copies of these financial statements as no notice has been received from members pursuant to section 488 of the Companies Act 2006 prior to the end of the accounting reference period to which these financial statements relate.

On behalf of the Board of Directors

DocuSigned by:

F5D7E7A267E84F6...
William Swift
Director
27 June 2025

Independent auditor's report to the members of ReAssure Midco Limited

Opinion

We have audited the financial statements of ReAssure MidCo Limited ("the Company") for the year ended 31 December 2024 which comprise the income statement, statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analyzed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud.

To identify risks of material misstatement due to fraud ('fraud risks') we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the Company's high-level policies and procedures to prevent and detect fraud, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.
- Inspecting correspondence with regulators to identify instances or suspected instances of fraud.

We communicated identified fraud risks throughout the audit and remained alert to any indications of fraud throughout the audit.

We perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and exercise bias in accounting estimates and judgements such as the investments in subsidiaries and the impairment thereof.

We do not believe there is a fraud risk related to revenue because there is limited management judgement involved in the recognition of and measurement of revenue streams.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included but were not limited to those posted by unauthorised personnel, those posted to seldom used accounts and are linked to an estimate, those posted to unusual accounts and journals impacting cash balances that were identified as unusual or unexpected in our risk assessment procedure.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement relating to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the Directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the Directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's license to operate.

We identified the following areas as those most likely to have such effect: certain aspects of Company legislation recognising the financial and regulated nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any.

Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and

- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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 or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 10, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Daniel Rutter
for and on behalf of KPMG LLP, Statutory Auditor
KPMG LLP
15 Canada Square, London,
E14 5GL

27 June 2025

ReAssure Midco Limited

Income Statement

For the year ended 31 December 2024

	Note	2024 £m	2023 £m
Net investment income	3	1,102.8	199.5
Finance income	4	38.3	23.0
Other income		0.5	0.3
Net income		1,141.6	222.8
Administrative expenses	5	(31.2)	(32.4)
(Impairment)/Reversal of impairment of subsidiaries	9	(1,819.2)	21.2
Total expense		(1,850.4)	(11.2)
(Loss)/Profit before tax		(708.8)	211.6
Tax (charge)/credit on (loss)/profit for the year	8	(0.6)	2.8
(Loss)/Profit for the financial year attributable to owner of the parent		(709.4)	214.4

All results derive from continuing operations

The notes on pages 19 to 41 are an integral part of these financial statements.

Statement of Comprehensive Income

For the year ended 31 December 2024

	Note	2024 £m	2023 £m
Total comprehensive (loss)/income for the financial year attributable to owner of the parent		(709.4)	214.4
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Actuarial gain/(loss) on defined benefit pension schemes	12	9.1	(7.1)
Movement in related deferred tax		(4.5)	-
Total other comprehensive income		4.6	(7.1)
Total comprehensive (loss)/income for the year		(704.8)	207.3

The notes on pages 19 to 41 are an integral part of these financial statements.

ReAssure Midco Limited

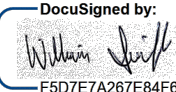
Statement of Financial Position

As at 31 December 2024

	Note	2024 £m	2023 £m
Non-current assets			
Investment in group undertakings	9	1,519.2	3,303.4
Financial investments:	10		
Debt securities		44.0	44.7
Collective investment schemes		10.1	7.6
Deferred tax asset	11	6.9	11.9
Net pension surplus	12	20.3	9.4
		<u>1,600.5</u>	<u>3,377.0</u>
Current assets			
Loans and other receivables	13	275.0	669.7
Cash and cash equivalents	14	0.5	0.9
		<u>275.5</u>	<u>670.6</u>
Total assets		<u>1,876.0</u>	<u>4,047.6</u>
Non-current liabilities			
Pension scheme liability	12	(1.0)	(1.3)
		<u>(1.0)</u>	<u>(1.3)</u>
Current liabilities			
Current tax liability		(3.9)	(6.2)
Trade and other payables	15	(25.0)	(30.6)
		<u>(28.9)</u>	<u>(36.8)</u>
Total liabilities		<u>(29.9)</u>	<u>(38.1)</u>
Net assets		<u>1,846.1</u>	<u>4,009.5</u>
Equity			
Share capital	16	73.1	73.1
Share premium		83.9	83.9
Other reserves	17	1,360.8	1,360.8
Retained earnings		328.3	2,491.7
Total equity		<u>1,846.1</u>	<u>4,009.5</u>

The notes on pages 19 to 41 are an integral part of these financial statements.

The financial statements of ReAssure Midco Limited, (registered number 02970583) were approved by the Board of Directors and authorised for issue on 27 June 2025 and signed on its behalf by:

DocuSigned by:

 F5D7E7A267E84F6...
 William Swift
 Director
 27 June 2025

Registration number: 02970583

ReAssure Midco Limited

Statement of Changes in Equity

For the year ended 31 December 2024

	Attributable to owners of the Company				
	Share capital	Share premium	Other reserves	Retained earnings	Total equity
	£m	£m	£m	£m	£m
1 January 2024	73.1	83.9	1,360.8	2,491.7	4,009.5
Loss for the year	-	-	-	(709.4)	(709.4)
Other comprehensive income for the year	-	-	-	4.6	4.6
Total comprehensive loss for the year	-	-	-	(704.8)	(704.8)
Dividends paid during the year	-	-	-	(489.3)	(489.3)
Dividend settled via in specie during the year	-	-	-	(969.3)	(969.3)
At 31 December 2024	73.1	83.9	1,360.8	328.3	1,846.1

For the year ended 31 December 2023

	Attributable to owners of the Company				
	Share capital	Share premium	Other reserves	Retained earnings	Total equity
	£m	£m	£m	£m	£m
1 January 2023	73.1	83.9	1,360.8	2,284.4	3,802.2
Profit for the year	-	-	-	214.4	214.4
Other comprehensive income for the year	-	-	-	(7.1)	(7.1)
Total comprehensive income for the year	-	-	-	207.3	207.3
At 31 December 2023	73.1	83.9	1,360.8	2,491.7	4,009.5

The notes on pages 19 to 41 are an integral part of these financial statements.

ReAssure Midco Limited

Statement of Cash Flows

For the year ended 31 December 2024

	Note	2024 £m	2023 £m
Cash flows from operating activities	18	(46.7)	(15.3)
Cash flows from investing activities			
Dividends received from subsidiary undertaking	3	742.4	200.0
Acquisitions of financial assets		(1.8)	(5.3)
Interest received		0.9	0.7
Loans advanced to group entities		(253.1)	(200.0)
Loans repaid by group entities		82.2	57.0
Subscription of shares	9	(35.0)	(37.0)
Net cash flows generated from investing activities		535.6	15.4
Net cash from financing activities			
Dividends paid		(489.3)	-
Net cash flows used in financing activities		(489.3)	-
Net (decrease)/increase in cash and cash equivalents		(0.4)	0.1
Cash and cash equivalents at the beginning of the year		0.9	0.8
Cash and cash equivalents at the end of the year	14	0.5	0.9

The notes on pages 19 to 41 are an integral part of these financial statements.

Notes to the Financial Statements

1. Accounting Policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and the preceding year.

1.1 Adoption of new accounting pronouncements in 2024

In preparing the financial statements, the Company has adopted the following amendments to standards effective from 1 January 2024 and which have been endorsed by the UK Endorsement Board ('UKEB'):

- Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1); and
- Non-current Liabilities with Covenants (Amendments to IAS 1).

None of the above amendments to standards are considered to have a material effect on these financial statements. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

1.2 New accounting pronouncements not yet effective

The IASB has issued the following amendments to standards which apply from the dates shown. The Company has decided not to early adopt any of these amendments where this is permitted.

Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates) (1 January 2025)

The amendments clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. These amendments are not expected to have any impact on the Company.

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (1 January 2026)

The IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest ('SPPI') criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income ('FVOCI').

The Company does not expect these amendments to have a material impact on its operations or financial statements.

Annual Improvements to IFRS Accounting Standards — Volume 11 (1 January 2026)

As part of the IASB's Annual Improvements process it has issued minor amendments to address potential areas of confusion within the following standards: IFRS 1 First-time Adoption of International Financial Reporting Standards - hedge accounting by a first-time adopter; IFRS 7 Financial Instruments: Disclosures - gain or loss on derecognition and clarifications within implementation guidance; IFRS 9 Financial Instruments - lessee derecognition of lease liabilities and transaction price; IFRS 10 Consolidated Financial Statements - determination of a 'de facto agent'; and IAS 7 Statement of Cash Flows - cost method.

The Company does not expect these amendments to have a material impact on its operations or financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements (1 January 2027)

The new standard will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, there are expected to be impacts on presentation and disclosure, particularly in relation to the statement of comprehensive income.

Income and expenses in the statement of comprehensive are required to be split into five new categories and in addition two new defined sub-totals are required in the statement of comprehensive income; operating profit and profit before financing and income taxes. From a cash flow statement perspective, the Company is required to use the operating profit sub-total as a starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

New and enhanced guidance has also been introduced on the aggregation and disaggregation of information in the financial statements. When applying these updated requirements judgement may be required to ensure that the primary financial statements fulfil their new role of providing 'useful structured summaries' to give users more useful information.

The Company will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18, including a reconciliation for each line item in the statement of comprehensive income between the restated amounts applying IFRS 18 and the amounts previously presented applying IAS 1.

During 2024, the Group performed an initial assessment of the impacts of IFRS 18 and this assessment will be extended to all Group entities in 2025.

IFRS 19 Subsidiaries without Public Accountability (1 January 2027)

IFRS 19 allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements. The Company does not currently expect this standard to have an impact on its operations or financial statements.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) (Effective date deferred)

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. These amendments are not expected to have any impact on the Company.

The following amendments to standards listed above have been endorsed for use in the UK by the UK Endorsement Board:

- Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates); and
- Annual Improvements to IFRS Accounting Standards — Volume 11.

1.3 Basis of preparation

The financial statements have been prepared on the historical cost basis, except for the revaluation of financial instruments and the net pension surplus on the ReAssure staff pension scheme that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services when first acquired. A going concern basis has been applied in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as value in use in IAS 36 Impairment of assets.

The Company is included in the consolidated financial statements of PGHP which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 401 of the Companies Act 2006 and IFRS 10 Consolidated Financial Statements, paragraph 4(a).

The principal accounting policies adopted are set out below.

1.4 Going concern

The Directors have followed the UK Financial Reporting Council's "Going Concern Basis of Accounting and Reporting on Solvency and Liquidity Risks (April 2016)" when performing their going concern assessment.

In recognition of the role the Company plays in supporting the activities of its subsidiaries, the Directors entered into a commitment, mirroring arrangements elsewhere in the Group, to provide capital support to with-profits funds within RAL in the event that this should be required at a point in the future. The Directors have made enquiries, which include consideration of its largest subsidiary RAL's business model, including expected dividend receipts from RAL to the end of 2025. Based on this assessment, RAL's continued solvency projections, and the continued profitable profile of the Company and strong net asset position, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future (to at least 30 June 2026). Accordingly, they continued to adopt the going concern basis in preparing the financial statements and therefore the Directors do not expect to provide such support.

The Company provided Letter of Support to six entities within the Group, confirming that as long as it retains at least indirect ownership of these entities, it intends to provide such financial and other support as necessary for these entities to continue to trade or otherwise meet their obligations as they fall due until at least 30 June 2026. The entities that the Company provided the Letter of Support to are as follows:

BL Telford Limited
 ERIP General Partner Limited
 G Assurance & Pension Services Limited
 G Life H Limited
 ReAssure FSH UK Limited
 ReAssure UK Services Limited

1.5 Foreign currencies

1.5.1 *Functional and presentational currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in millions of £ sterling, which is the Company's presentation and functional currency.

1.5.2 *Transactions and balances*

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined. Exchange differences on monetary items are recognised in the Statement of Comprehensive Income when they arise.

1.6 Administrative expenses

Administrative expenses are recognised on an accruals basis.

1.7 Investment income and expenses

Investment income includes dividend received, interest, fair value gains and losses on financial assets and gains on the realisation of investments and related expenses.

1.7.1 *Interest*

For interest-bearing assets, interest is recognised as it accrues and is calculated using the effective interest rate method. The effective interest rate is defined as the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument (or, when appropriate, a shorter period) to the net carrying amount of the financial asset or financial liability.

Fees and commissions that are an integral part of the effective yield of the financial assets or liabilities are recognised as an adjustment to the effective interest rate of the instrument.

1.7.2 *Fair value gains and losses on financial assets*

Fair value gains and losses comprise both realised and unrealised gains and losses.

Realised gains and losses recorded in the Income Statement include gains and losses on the disposal of financial assets and liabilities.

Unrealised gains and losses on investments represent the difference between the valuation at the balance sheet date and their purchase price or if they have been previously valued, their valuation at the last balance sheet date. The movement in unrealised gains and losses recognised in the year also includes the reversal of unrealised gains and losses recognised in prior years in respect of investment disposals in the current year.

1.7.3 *Gains and losses on the realisation of investments and related expenses*

Realised investment gains and losses are calculated as the difference between net sales proceeds and their original cost. Related expenses are accounted for on an accruals basis.

1.7.4 *Dividend Income*

Dividend income is recognised in the income statement on the date the right to receive payment is established. All dividend income should be recorded in the income statement as part of 'net investment income'.

1.8 Investment in subsidiary undertakings

Investments in subsidiary undertakings are valued initially at the cost of investment and the Directors review the valuation annually to ensure this is not less than the net assets held. For ReAssure Limited ("RAL"), the value in use is calculated based on dividend projections on a consistent basis to that set out in the Company's business plan approved by the Board. These dividend projections reflect the emergence of surplus from in-force business on a Solvency II basis, together with the impact of planned management actions in the next five years and any anticipated new business. For all other entities, net assets are as per the entity's IFRS balance sheet. Where the value of the net assets held is less than the carrying value, the investment is impaired.

An impairment loss is recognised in the Income Statement if the carrying amount exceeds the value of the net assets held. An impairment loss is reversed only to the extent that carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

1.9 Current income tax

Current tax comprises tax payable on current period profits, adjusted for non-tax deductible or non-taxable items, and any adjustments to tax payable in respect of previous periods. Current tax is recognised in the Income Statement unless it relates to items which are recognised in other comprehensive income.

1.10 Deferred income tax

Deferred tax is calculated on differences between the accounting value of assets and liabilities and their respective tax values. Deferred tax is also recognised in respect of unused tax losses to the extent that it is probable that future taxable profits will arise against which the profits can be utilised. Deferred tax is charged or credited to the Income Statement, except when it relates to items charged or credited directly to equity.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability settled, based on tax rates (and laws) that have been enacted or are substantively enacted at the end of the reporting period.

1.11 Financial investments

Initial recognition and measurement

Financial assets and financial liabilities are recognised on the trade date when the Company becomes a party to the contractual provisions of the instrument and are classified for accounting purposes depending on the characteristics of the instruments and the purpose for which they were purchased.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance ("ECL") is recognised for financial assets measured at amortised cost and investments in debt instruments measured at fair value through other comprehensive income ("FVOCI"), as described in note 19, which results in an accounting loss being recognised in profit or loss.

Measurement methods

Amortised cost and effective interest rate

The amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any impairment allowance) or to the amortised cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees. When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognised in profit or loss.

1.11.1 Financial assets

a) Classification

The Company has applied IFRS 9 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss ("FVTPL");
- Fair value through other comprehensive income ("FVOCI"); or
- Amortised cost.

The classification requirements for debt instruments are described below:

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements without recourse.

Classification and subsequent measurement of debt instruments depend on:

- the Company's business model for managing the asset; and
- the cash flow characteristics of the asset.

Based on these factors, the Company classifies its debt instruments into one of the following three measurement categories:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVTPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described in Note 2.4. Interest income from these financial assets is included in 'Finance income' using the effective interest rate method.
- Fair value through other comprehensive income: Financial assets that are held for collection of contractual cash flows and to sell, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVTPL, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Net Investment income/expense'. Interest income from these financial assets would be included in 'interest Income' using the effective interest rate method.
- Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the profit or loss statement within 'Fair value gains/losses on financial instruments'. Interest income from these financial assets is included in 'Finance income' using the effective interest rate method.

At 31 December 2024, the Company did not hold any assets measured at FVOCI.

Business model: the business model reflects how the Company manages the assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Company in determining the business model for a Company of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. For example, the Company's business model for the government bonds is to hold to collect contractual cash flows.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent SPPI (the 'SPPI test'). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Company reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

The Company has designated certain debt investments as FVTPL on initial recognition, with their performance evaluated on a fair value basis in order to more closely match the accounting for any related liabilities.

b) Subsequent measurement and gains and losses

Financial assets at FVTPL	Measured at fair value. Net gains and losses, including any interest or dividend income and foreign exchange gains and losses, are recognised in profit or loss.
Financial assets at amortised cost	Measured at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de-recognition is also recognised in profit or loss.

c) Impairment

IFRS 9 introduces a new impairment model based on expected credit losses ("ECL") that are estimated by considering current conditions and available forward-looking information. IFRS 9 sets out a general approach to impairment, however, for simple, short-term financial assets this general approach is overly complicated and so a simplified approach was also introduced.

The Company has chosen to adopt the simplified approach for short-term receivables measured at amortised cost. Note 19 provides more detail of how the expected credit loss is measured.

*1.11.2 Financial liabilities**a) Classification*

In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost.

*b) Measurement**Subsequent measurement*

Financial liabilities are measured at amortised cost using the effective interest method. Interest expenses and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on de-recognition is also recognised in profit or loss.

1.12 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with an original maturity term of three months or less at the date of placement, which are held for cash management purposes. Cash equivalents held through collective investment schemes are classified as collective investments. The carrying amount of these assets approximates to their fair values.

1.13 Interest payable

Interest payable is charged to the Income Statement on an accruals basis.

1.14 Retirement benefits

The Company operates one defined benefit pension scheme, the ReAssure Staff Pension Scheme, which is closed to future accrual. The Company follows the provisions on IAS 19 Employee Benefits in accounting for the scheme. The cost of providing benefits is determined using the projected unit credit valuation method.

The defined benefit asset or liability comprises the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds) less the fair value of plan assets out of which the obligations are to be settled. Plan assets are held by a separately administered fund and are not available to the Company nor can they be paid directly to the Company. Fair value is based on market price information and in the case of quoted securities or investment vehicles it is the published price.

A finance charge is determined on the net defined benefit pension liability. The operating and financing costs of such plans are recognised separately in the Income Statement; service costs are spread systematically over the lives of employees; and certain liability management costs and financing costs are recognised in the periods in which they arise. Actuarial gains and losses are recognised immediately in the Statement of Comprehensive Income.

1.15 Share capital

The Company has issued ordinary shares which are classified as equity. The share capital is not a distributable reserve.

1.16 Share premium

The share premium on the issued ordinary shares is classified as equity. The share premium is not a distributable reserve.

1.17 Other reserves

The Company's other reserves relate to capital contributions received in prior years from related party entities. These amounts are not repayable. The other reserves are classified as equity and are distributable reserves.

1.18 Events after the reporting date

The financial statements are adjusted to reflect events that occurred provided they give evidence of conditions that existed at the balance sheet date.

Events that are indicative of conditions that arose after the balance sheet date are disclosed where significant, but do not result in an adjustment of the financial statements.

2. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Company's accounting policies, the Directors are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources and to make judgements that may have an impact on the amounts recognised. These estimates and judgements affect the reported amounts of assets and liabilities, income and expenses and therefore, may have a material impact on the financial statements. Estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods. The Company discloses those judgements and estimates which are considered to potentially have the most material impact on the financial statements.

The main sources of estimation uncertainty for the Company relate to the assessment of evidence of impairment in relation to its investment in its subsidiaries and the measurement of the expected credit loss allowance under IFRS 9.

2.1 Investment in group undertakings

Investments in subsidiaries are reviewed on an annual basis for any indicators of impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Investment in subsidiaries are valued at cost less impairment per IAS/IFRS requirements. Net assets are as per the subsidiaries IFRS balance sheet. Where the value of the net assets held is less than the carrying value, the investment is impaired. The carrying value of the Company's investment in ReAssure Limited has been assessed for impairment with reference to the dividend projections on a consistent basis to that set out in the Company's business plan approved by the Board.

2.2 Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations. The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Company considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation. Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in note 12.

2.3 Valuation of investments

The fair value of an asset is the price that would be received in a sale of that asset in an orderly transaction between market participants at the measurement date. The best evidence of fair value is a quoted price in an actively traded market. In the event that the market for a financial instrument is not active, a valuation technique is used which therefore involves the use of estimates. These estimates include assessments of time value, investment returns, credit risk and volatility factors and are determined using available market data and management's judgement, if necessary.

IFRS 13 Fair value measurement categorises valuation methodologies into a three-level hierarchy. The most critical assumptions are the unobservable inputs within Level 3 valuations. The Company does not have investments with Level 3 valuations.

2.4 Measurement of the expected credit loss ("ECL") allowance

The measurement of impairment losses under IFRS 9 across relevant financial assets requires judgement, in particular for the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by the outcome of modelled ECL scenarios and the relevant inputs used.

ReAssure Midco Limited

3. Net investment income

	2024	2023
	£m	£m
Dividends received from subsidiary undertakings	1,108.6	200.0
Unrealised losses on short term investments	(5.8)	(0.6)
Realised gains from financial investments	-	0.1
	<u>1,102.8</u>	<u>199.5</u>

During the year, the Company received the dividends in the form of cash of £742.4m (2023: £200.0m) and in specie dividends in the form of loan and other receivables of £366.2m (2023: £nil).

4. Finance income

	2024	2023
	£m	£m
Interest income from financial investments	0.9	0.7
Interest income on loans and receivables	37.4	22.3
	<u>38.3</u>	<u>23.0</u>

5. Administrative expenses

	2024	2023
	£m	£m
Recharged service costs (see note 22)	29.6	31.4
Pension scheme administration costs (see note 12)	1.6	1.0
	<u>31.2</u>	<u>32.4</u>

Costs recharged from RUKSL primarily relate to the Group's core integration delivery capability, which is maintained to support the integration of newly acquired books of business. These recharges are received from RUKSL through a Management Services Agreement by way of a monthly service charge.

6. Auditors' remuneration

The analysis of auditors' remuneration is as follows:

	2024	2023
	£m	£m
Audit services:		
Fees payable for the audit of the Company's annual financial statements	<u>0.1</u>	<u>0.1</u>

All audit fees are borne by RUKSL, a subsidiary undertaking.

7. Staff costs and directors' remuneration

No staff are employed by the Company (2023: none). All activities relating to the Company are performed by staff employed by other companies within the Group, ReAssure UK Services Limited and Phoenix Group Management Services Limited. There are no recharges payable by the Company for these activities and hence it is not possible to determine the related employee costs. These are disclosed in full within the consolidated accounts of PGHP.

ReAssure Midco Limited

8. Tax on profit for the year**a) Tax (charge)/credit to the Income Statement**

	2024	2023
	£m	£m
Current taxation		
UK corporate tax	(0.1)	2.8
Total current tax (charge)/credit for the year	(0.1)	2.8
Deferred taxation		
Origination and reversal of timing differences	(0.5)	-
Total deferred tax credit for the year	(0.5)	-
Tax (charge)/credit on profit for the year	(0.6)	2.8

b) Reconciliation of tax (charge)/credit on profit attributable to shareholders

The tax assessed for the year is higher (2023: lower) than the standard rate of corporation tax in the UK of 25.00% (2023: 23.50%). The differences are explained below:

	2024	2023
	£m	£m
Profit before tax	(708.8)	211.6
Tax on profit at 25.00% (2023: 23.50%)	177.2	(49.7)
Effects of:		
Non-taxable dividend income	277.1	47.0
Prior-year adjustments	(0.1)	
Amounts recovered from investments	-	5.0
Permanent disallowable items	(454.8)	0.5
Total current tax (charge)/credit for the year	(0.6)	2.8

c) Factors affecting the current and future tax charges

A corporation tax rate of 25% was enacted on 10 June 2021, with effect from 1 April 2023. Accordingly, the relevant deferred tax balances have been measured at 25%.

The Company has losses that have a potential deferred tax asset value of £6.5m which are not recognised because, based on forecasts, they are not expected to be utilised. The losses do not expire.

d) Pillar Two Tax

The Group is continuing to monitor developments in relation to the G20-OECD Inclusive Framework "Pillar Two" rules, as the Group is within the scope of the rules from 1 January 2024. Broadly, these rules seek to ensure that, on a jurisdiction-by-jurisdiction basis, large multinational enterprises pay a minimum tax rate of 15% on worldwide profits arising after 31 December 2023.

In May 2023, the scope of IAS 12 has been amended to clarify that the standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules. The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The Company confirms that it has applied this exception during the period.

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9. Investment in group undertakings

	2024	2023
	£m	£m
Cost		
At 1 January	4,408.0	4,371.0
Subscription for shares (i)	35.0	37.0
31 December	4,443.0	4,408.0
Provision for impairment		
At 1 January	1,104.6	1,125.8
Impairment for the year (ii)	1,820.0	40.6
Reversal of Impairment for the year (ii)	(0.8)	(61.8)
At 31 December	2,923.8	1,104.6
Net book value	1,519.2	3,303.4

- (i) In the current year, the Company subscribed for 35,000,000 (2023: 37,000,000) £1 ordinary shares in its subsidiary RUKSL.
- (ii) Where indicators of impairment have been identified the carrying value of the Company's investments in its subsidiaries has been tested for impairment at the period end. During the year ended 31 December 2024, the impairment of £1,820.0m (2023: £40.6m) and the reversal of impairments of £0.8m (2023: £61.8m) were recognised to align the carrying value of certain investments to their recoverable amount.

The value in use has been used as the recoverable amount. The value in use of the life insurance subsidiaries has been calculated based on dividend projections on a consistent basis to that set out in the Company's business plan approved by the Board. These dividend projections reflect the emergence of surplus from in-force business on a Solvency II basis, together with the impact of planned management actions in the next five years and any anticipated new business. The contribution to value in use of the non-life entities, which do not generate revenues external to the Company, was based on their Solvency II Own Funds as at the balance sheet date. The value in use calculation has used a discount rate of 9.2%, calculated using a risk adjusted weighted average cost of capital approach.

The interest held by the Company in the ordinary share capital of its subsidiary undertakings is as follows:

Company	Principal activity	Holding	Address
Direct subsidiaries			
BL Telford Limited	Dormant	100.00%	1
ERIP General Partner Limited	Management service company	80.00%	1
G Life H Limited	Intermediate holding company	100.00%	1
NM Life Trustees Limited	Dormant	100.00%	1
NM Pensions Limited	Dormant	100.00%	1
ReAssure Pension Trustees Limited	Dormant	100.00%	1
Reassure UK Life Assurance Company Limited	Dormant	100.00%	1
ReAssure Limited	Long-term insurance	100.00%	1
ReAssure Two Limited	Dormant	100.00%	1
ReAssure UK Services Limited	Management service company	100.00%	1
ReAssure FSH UK Limited	Intermediate holding company	100.00%	1
The Pathe Building Management Company Limited	Dormant	100.00%	1

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Indirect subsidiaries

103 Wardour Street Retail Investment Company Limited	Commercial property management	100.00%	1
ERIP Limited Partnership	Management of real estate	99.50%	1
Namulas Pension Trustees Limited	Corporate and pension trustees	100.00%	1
ReAssure LL Limited	Dormant	100.00%	1
ReAssure PM Limited	Dormant	100.00%	1
ReAssure Trustees Limited	Dormant	100.00%	1
The Gresham Life Assurance Society Limited	Dormant	100.00%	1
Phoenix Europe Operations (Stephen's Green) Designated Activity Company	Long-term insurance	100.00%	2
G Assurance & Pension Services Ltd	Non-trading	100.00%	1
G Financial Services Limited	Dormant	100.00%	1
G Trustees Ltd	Dormant	100.00%	1
ReAssure FS Limited	Dormant	100.00%	1
ReAssure Companies Services Limited	Management service company	100.00%	1
ReAssure Nominees Limited	Dormant	100.00%	1

The indirect subsidiaries of the Company held for investment purposes and measured at fair value are as follows:

Company name/Fund name	Country of incorporation and principal place of operation	Type and % of holding	Address
Legal & General European Equity Income Fund	England and Wales	Unit Trust 88.4%	3
Legal and General Growth Trust	England and Wales	Unit Trust 71.2%	3
iShares 350 UK Equity Index Fund	England and Wales	OEIC 91.0%	4
HSBC Investment Funds – Balanced Fund	England and Wales	OEIC 82.2%	5
ASI Phoenix Venture Capital Partnership	Scotland	Limited Partnership 80.0%	6

All investments in unit trusts are held in Authorised unit trusts.

Registered office addresses

1. Windsor House, Telford Centre, Telford, Shropshire, England, TF3 4NB
2. 90 St Stephen's Green, Dublin 2, Dublin, D02 F653, Ireland
3. One Coleman Street, London, EC2R 5AA, United Kingdom
4. 12 Throgmorton Avenue, London EC2N 2DL, United Kingdom
5. 8 Canada Square, London, E14 5HQ, United Kingdom
6. 1 George Street, Edinburgh, EH2 2LL, United Kingdom

10. Financial investments

	2024	2023
	£m	£m
Debt securities at fair value through profit or loss	44.0	44.7
Collective investment schemes	10.1	7.6
	<u>54.1</u>	<u>52.3</u>

a) Determination of fair values and fair value hierarchy**Valuation models**

The Company measures the fair value of an instrument using the quoted price in an active market for that instrument whenever one is available. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Financial instruments measured at fair value**Fair value hierarchy**

The table below analyses financial instruments measured at fair value at the reporting date by the level of the fair value hierarchy into which the fair value measurement is categorised.

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Financial instruments held at fair value in the balance sheet are analysed against the fair value measurement hierarchy, as follows:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Level 1 inputs are the most persuasive evidence of fair value and are to be used whenever possible.
- Level 2 inputs are market-based inputs that are directly or indirectly observable but not considered level 1 quoted prices. Level 2 inputs consist of (i) quoted prices for similar assets or liabilities in active markets; (ii) quoted prices for identical assets or liabilities in non-active markets (e.g. markets which have few transactions and prices that are not current or price quotations vary substantially); (iii) inputs other than quoted prices that are observable (e.g. interest rates, yield curves, volatilities, prepayment speeds, credit risk and default rates); and (iv) inputs that are derived from or corroborated by observable market data.
- Level 3 inputs are unobservable inputs. These inputs reflect the Company's own assumptions about market pricing using the best internal and external information available.

Transfers occur between the different levels within the fair value hierarchy when management determines that the valuation methodology meets the definition above.

The following tables present the Company's financial instruments measured at fair value.

Assets as at 31 December 2024	Level 1	Level 2	Level 3	Carrying value
	£m	£m	£m	£m
<i>Financial assets at fair value through profit and loss:</i>				
Debt securities	44.0	-	-	44.0
Collective investment schemes	10.1	-	-	10.1
	54.1	-	-	54.1

Assets as at 31 December 2023	Level 1	Level 2	Level 3	Carrying value
	£m	£m	£m	£m
<i>Financial assets at fair value through profit and loss:</i>				
Debt securities	44.7	-	-	44.7
Collective investment schemes	7.6	-	-	7.6
	52.3	-	-	52.3

Financial assets designated at FVTPL

Debt securities have been designated as at FVTPL in order to more closely match the accounting for any related liabilities. At 31 December 2024, the maximum exposure to credit risk of these financial assets was their carrying amount of £44.0m (2023: £44.7m). The credit risk of these financial assets has not been hedged by the use of credit derivatives or similar instruments.

Cash equivalents held through collective investment schemes are classified as collective investments. The carrying amount of these assets approximates to their fair values.

No changes in fair value relating to the credit risk have been recognised for these investments.

11. Deferred tax asset

	2024	2023
	£m	£m
At 1 January	11.9	11.9
Tax charged to income statement	(0.5)	-
Tax charged to other comprehensive income	(4.5)	-
At 31 December	6.9	11.9

An announcement was made in the UK Budget, March 2021 and enacted on 10 June 2021 to increase the rate of corporation tax to 25% from 1 April 2023. Accordingly, the relevant deferred tax balances have been measured taking the 25% rate into account.

The Deferred Tax Asset ('DTA') is recognised on the basis that the group is projected to have future taxable profits and therefore the expected future tax losses that give rise to the DTA can be utilised. Deferred tax assets are recognised only when projections indicate that it is more likely than not that timing differences will reverse, or losses will be relieved within the group.

12. Retirement benefit schemes

The Company operates one defined benefit scheme, the ReAssure Staff Pension Scheme ('RSPS') which is closed to future accrual. The Company also operates an unfunded unapproved retirement benefit scheme or private retirement trust ('PRT') for one deferred member. Under the PRT the beneficiary is entitled to an annual pension on retirement. As at 31 December 2024 the beneficiary has not drawn a benefit from the PRT.

A defined contribution pension scheme, the Group Personal Pension scheme, is operated by RUKSL.

The Company has an unconditional right to the return of any surplus in the scheme once all the scheme liabilities have been satisfied. As a result, there is no requirement to apply an asset ceiling under IAS 19 and any surplus in the scheme can be recognised as an asset in the Company's Statement of Financial Position.

Future funding requirements were determined by the outcome of the triennial scheme valuation which was last performed at 31 December 2020. The Trustee's primary funding objective is the statutory funding objective, which is to have sufficient and appropriate assets to cover the RSPS's technical provisions (the amount that the Trustees have determined to be required to make provision for the Scheme's liabilities).

The 31 December 2020 full triennial actuarial valuation revealed a shortfall of assets compared to liabilities, and so an updated Recovery Plan was agreed between the Trustee and the Company in order to make good the deficit. The Company paid £4.4m into a custody account in March 2024. The 2023 Recovery plan, agreed in February 2025, no longer requires the payment of the remaining contribution on 1 April 2025. It is anticipated that £26.0m will be paid from Custody Account on or shortly after 1 July 2026 to remove any remaining deficit at 31 December 2025.

The assumptions used in calculating the accounting costs and obligations of the RSPS and the PRT, as detailed below, are set by the Directors after consultation with independent, professionally qualified actuaries. The basis for these assumptions is prescribed by IAS 19 and they do not reflect the assumptions that may be used in future funding valuations of the RSPS.

	2024	2023
Discount rate	5.55%	4.60%
Inflation rate - RPI	3.20%	3.10%
Inflation rate - CPI	2.70%	2.60%
Rate of increase in salaries	3.70%	3.60%
Rate of increase in pensions	3.00%	2.90%
Rate of increase in deferred benefits during deferment	2.70%	2.60%
	2024	2023
Mortality		
Longevity at age 60 for current pensioners		
- Men	28.5 years	28.4 years
- Women	30.5 years	30.3 years
Longevity at age 60 for future pensioners currently aged 45		
- Men	29.9 years	29.7 years
- Women	31.5 years	31.3 years

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a) ReAssure staff pension scheme

The assets of the RSPS are held in separate, trustee administered funds.

The valuation has been based on an assessment of the liabilities of the ReAssure Scheme as at 31 December 2024 undertaken by independent qualified actuaries. The present values of the defined benefit obligation and the related interest costs have been measured using the projected unit credit method.

There were no contributions made in respect of current service for the current and prior years. The Company agrees to cover those expenses incurred by the scheme and the cost of the death-in-service benefits for those members of the scheme who are entitled only to those benefits.

The fair value of the assets of the RSPS is set out below:

	2024 £m	2023 £m
Equities and other quoted securities	66.3	73.6
Bonds	99.6	91.8
Gilts	91.0	118.2
Cash	5.6	3.6
	<u>262.5</u>	<u>287.2</u>

The equity investments and bonds which are held in scheme assets, are quoted and are valued at the bid price at 31 December.

The table below details the movements in the pension assets and liabilities recorded through the Income Statement and OCI:

	Fair Value of Scheme Assets £m	Defined benefit obligation £m	Provision for tax on the economic surplus available as a refund £m	Total £m
At 1 January 2024	287.2	(272.8)	(5.0)	9.4
Interest income/(cost)	13.1	(12.3)	(0.2)	0.6
Administrative expenses	(1.6)	-	-	(1.6)
Included in profit or loss	<u>11.5</u>	<u>(12.3)</u>	<u>(0.2)</u>	<u>(1.0)</u>
<i>Re-measurement:</i>				
Return on plan assets excluding amounts included in interest income	(28.8)	-	-	(28.8)
Gain from changes in demographic assumptions	-	(0.4)	-	(0.4)
Gain from changes in financial assumptions	-	33.3	-	33.3
Experience loss	-	(0.5)	-	(0.5)
Change in provision for tax on economic surplus available as a refund	-	-	5.2	5.2
Included in other comprehensive income	<u>(28.8)</u>	<u>32.4</u>	<u>5.2</u>	<u>8.8</u>
Employer's contributions	3.1	-	-	3.1
Benefit payments	(10.5)	10.5	-	-
At 31 December 2024	<u>262.5</u>	<u>(242.2)</u>	<u>-</u>	<u>20.3</u>

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	Fair Value of Scheme Assets £m	Defined benefit obligation £m	Provision for tax on the economic surplus available as a refund £m	Total £m
At 1 January 2023	288.5	(266.5)	(7.7)	14.3
Interest income/(cost)	14.1	(12.9)	(0.4)	0.8
Administrative expenses	(1.0)	-	-	(1.0)
Included in profit or loss	13.1	(12.9)	(0.4)	(0.2)
<i>Re-measurement:</i>				
Return on plan assets excluding amounts included in interest income	(7.0)	-	-	(7.0)
Gain from changes in demographic assumptions	-	13.1	-	13.1
Gain from changes in financial assumptions	-	(10.1)	-	(10.1)
Experience loss	-	(6.3)	-	(6.3)
Change in provision for tax on economic surplus available as a refund	-	-	3.1	3.1
Included in other comprehensive income	(7.0)	(3.3)	3.1	(7.2)
Employer's contributions	2.5	-	-	2.5
Benefit payments	(9.9)	9.9	-	-
At 31 December 2023	287.2	(272.8)	(5.0)	9.4

The return on scheme assets relates to movements in the fair value of plan assets, arising from changes in market conditions and investment strategy changes over the year. This item provides the level of return generated net of interest applied on scheme assets over the year, with interest applied at the level of the discount rate assumed at the start of the period. This item is positive if asset returns have been greater than the discount rate, and negative if asset returns have been less than the discount rate.

The average weighted duration of the liabilities of the RSPS as at 31 December 2024 is 15 years (2023: 12 years).

The 2024 sensitivities regarding the principal assumptions used to measure the scheme liabilities are as follows:

Assumption	Change in Assumption	Positive Impact £m	Negative Impact £m
Discount rate	+ / - 0.25%	(8.7)	9.0
RPI inflation*	+ / - 0.25%	7.3	(7.2)
Life expectancy	+ / - 1 year	5.4	(5.5)

* including associated changes to pension increases, salary increases and CPI inflation.

The methods used to calculate the above sensitivities and the limitations of the methods are consistent with those used for the calculation of the defined benefit obligation, albeit with different assumptions to determine the approximate impact of the sensitivity.

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The assumptions used in calculating the sensitivities are detailed below:

Discount rate sensitivities	Change in assumption	Rate adopted
Assumption		
Discount rate	+0.25%	5.80%
Discount rate	-0.25%	5.30%
RPI inflation sensitivities	Change in assumption	Rate adopted
Assumption		
RPI inflation	+0.25%	3.45%
RPI inflation	-0.25%	2.95%
CPI Inflation	+0.25%	2.95%
CPI Inflation	-0.25%	2.45%
Salary increases	+0.25%	3.95%
Salary increases	-0.25%	3.45%
RPI capped at 5% pension increases	+0.25%	3.25%
RPI capped at 5% pension increases	-0.25%	2.75%
CPI capped at 3% pension increases	+0.25%	2.40%
CPI capped at 3% pension increases	-0.25%	1.90%

For the life expectancy sensitivities, the multiplier applicable to the base mortality assumption was adjusted to determine an assumption which would have a 1-year difference in life expectancy at the average age of the scheme.

All other assumptions are those used in the full defined benefit obligation calculations.

Risks and risk management

The RSPS, in common with the majority of such defined benefit pension schemes in the UK, has a number of areas of risk. These areas of risk, and the ways in which the Company has sought to manage them, are set out below:

i) Asset volatility

The scheme currently invests in equities, corporate bonds and index linked gilts. These assets are subject to market risk in the form of both equity price risk from changes in equity prices and interest rate risk from changes in interest rates. The investments in corporate bonds also carry default risk, although defaults from corporate bonds held by the scheme have historically been low.

The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit. The plan equities are expected to outperform corporate bonds in the long-term while providing volatility and risk in the short-term. If yields on corporate bonds fall, then plan liabilities will increase although this will be partially offset by an increase in the value of the plans bond holdings.

As the plan matures, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities. Over the last year the scheme has reduced its equity holding and invested in some index linked gilts. However, while planning to reduce investment risk over the long term, the Company believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, in the short to medium term a level of continuing equity investment is an appropriate element of the group's long-term strategy to manage the plan efficiently.

ii) Inflation risk

The pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The majority of the plan's assets are either unaffected by (corporate bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the deficit. However, during the year the scheme sold some of its equity holdings and reinvested in index linked gilts, which provide a hedge against inflation risk. While the holding of index linked gilts is currently small relative to the total size of the fund, they do provide some protection against inflation risk.

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iii) Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the members, so increases in life expectancy will result in an increase in the plan's liabilities.

iv) Other

A High Court legal ruling in June 2023 (Virgin Media Limited v NTL Pension Trustees II Limited) decided that certain rule amendments were invalid if they were not accompanied by the correct actuarial confirmation. In July 2024, an appeal by Virgin Media Limited was dismissed by the High Court, affirming the initial judgment. While the ruling only applied to the specific pension scheme in question, it now forms part of case law and can therefore be expected to apply across other pension schemes. On 5 June 2025, the Department for Work and Pensions ('DWP') announced that the Government will introduce legislation to give pension schemes affected by the Virgin Media ruling the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards.

Following the DWP's announcement, the Directors do not expect the Virgin Media ruling to give rise to any additional liabilities and so the Defined Benefit Obligation has not been adjusted and continues to reflect the benefits currently being administered.

b) Private retirement trust

The Company operates an unfunded unapproved retirement benefit scheme or PRT for one deferred member.

The fair value of the assets of the private retirement trust is set out below:

	2024	2023
	£m	£m
Equities	0.5	0.5
	<u>0.5</u>	<u>0.5</u>

The equity investments which are held in scheme assets, are quoted and are valued at the bid price at 31 December. The table below details the movements in the pension assets and liabilities recorded through the Income Statement and OCI relating to the PRT.

	Fair value of scheme assets	Present value of obligation	Liability recognised on Statement of Financial Position
	£m	£m	£m
At 1 January 2024	0.5	(1.8)	(1.3)
Actuarial gain taken to other comprehensive income	-	0.3	0.3
At 31 December 2024	<u>0.5</u>	<u>(1.5)</u>	<u>(1.0)</u>

	Fair value of scheme assets	Present value of obligation	Liability recognised on Statement of Financial Position
	£m	£m	£m
At 1 January 2023	0.4	(1.8)	(1.4)
Interest income/(cost)	0.1	(0.1)	-
Actuarial gain taken to other comprehensive income	-	0.1	0.1
At 31 December 2023	<u>0.5</u>	<u>(1.8)</u>	<u>(1.3)</u>

The present value of the obligation as at 31 December 2024 and 31 December 2023 is all non-vested liabilities as it relates to one individual who has not yet retired. The average weighted duration of the liabilities of the private retirement trust as at 31 December 2024 is approximately 15 years (2023: approximately 12 years).

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13. Loans and other receivables

	Carrying value		Fair value	
	2024	2023	2024	2023
	£m	£m	£m	£m
Loan to Group undertakings at amortised cost:				
- Cash pooling facility	174.7	666.3	174.7	666.3
Amounts owed by group undertakings	100.3	3.4	100.3	3.4
	<u>275.0</u>	<u>669.7</u>	<u>275.0</u>	<u>669.7</u>

On 13 September 2022, the Company along with certain fellow subsidiaries, entered into an uncommitted intra-group cash-pooling facility with PGHP, under which the Company will either borrow funds from, or lend funds to, PGHP. All amounts due under the facility are repayable on demand and accrue interest at compounded SONIA, which is capitalised monthly. During the year, the Company advanced £253.1m (2023: £200.0m) and received repayments of £82.2m (2023: £57.0m) under this facility. On 16 December 2024 the Company paid a dividend in specie of £700.0m, thereby reducing the receivable. Interest of £37.4m (2023: £22.3m) was capitalised.

Amounts owed by group undertakings are repayable on demand and bear no interest.

14. Cash and cash equivalents

	2024	2023
	£m	£m
Cash	<u>0.5</u>	<u>0.9</u>

Cash comprises cash at bank. There are no amounts included in the cash balances that are not readily available.

15. Trade and other payables

	2024	2023
	£m	£m
Amounts owed to group undertakings	<u>25.0</u>	<u>30.6</u>

These balances are payable within one year from the balance sheet date. The payables to related parties are repayable on demand and bear no interest.

16. Share capital

	2024	2023
	£m	£m
Authorised		
730,506,943 (2023: 730,506,943) ordinary shares of £0.10 (2023: £0.10) each	<u>73.1</u>	<u>73.1</u>
Issued and fully paid		
730,506,943 (2023: 730,506,943) ordinary shares of £0.10 (2023: £0.10) each	<u>73.1</u>	<u>73.1</u>

The Company is a private company and is limited by shares. The holders of the ordinary shares are entitled to one vote per share on matters to be voted on by owners and to receive such dividends and capital distributions, if any, as may be declared by the Board of Directors in its discretion out of legally available profits. A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the Articles.

17. Other reserves

	2024	2023
	£m	£m
Other reserves	<u>1,360.8</u>	<u>1,360.8</u>

Other reserves relate to capital contributions received in prior years from related party entities. These amounts are not repayable. There has been no change to other reserves in the current or prior year.

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18. Cash flows from operating activities

	2024	2023
	£m	£m
(Loss)/Profit before tax	(708.8)	211.6
Adjustments for:		
Employer pension contributions	(3.1)	(2.5)
(Impairment)/Reversal of impairment of subsidiaries	1,819.2	(21.2)
Fair value losses on financial assets	5.8	0.6
Interest income	(38.3)	(23.0)
Dividends received	(1,108.6)	(200.0)
Net expected return on pension scheme	(0.6)	(0.8)
Administration expenses on pension scheme	1.6	1.0
(Increase)/Decrease in working capital	(13.9)	19.0
Net cash utilised in operating activities	(46.7)	(15.3)

19. Management of financial risk

The Company's activities are limited to the holding of investments in Group companies. The Company is therefore exposed to liquidity risk, credit risk and expense risk. The Company is not exposed to currency or equity price risk other than through its investment in subsidiaries. On behalf of the Company, the Group's risk management function adopts an approach which seeks to minimise the potential adverse impact of these risks on the financial performance.

The following section discusses the Group's risk management function policies. The measurement of ECL under IFRS 9 uses the information and approaches that the Company uses to manage credit risk, though certain adjustments are made in order to comply with the requirements of IFRS 9.

Credit risk

Credit risk is the risk that the Company will suffer loss from the failure of a third party to discharge its obligations to the Company. In addition, the solvency of the Company may be impacted by a widening in credit spreads or by credit downgrades under its portfolio of fixed-interest securities and money-market deposits.

The Board determines the risk appetite for the business. The risk is controlled by setting appropriate limits for counterparty exposures and communicating them to those who are responsible for complying with them.

The Company is most exposed to credit risk on debt securities, money market investments and cash and cash equivalents. Debt securities and money market investments mainly comprised government bonds and short-term bank deposits. The table below sets out the Company's exposure to different credit assets for those counterparties that are rated by an External Credit Assessment Institution ("ECAI"). Credit assets and their issuers are rated by ECAI's based on their credit worthiness.

	AA £m	A £m	Total £m
As at 31 December 2024			
Debt securities	44.0	-	44.0
Loans receivable	-	174.7	174.7
Cash and cash equivalents	-	0.5	0.5
Total	44.0	175.2	219.2
	AA £m	A £m	Total £m
As at 31 December 2023			
Debt securities	44.7	-	44.7
Loans receivable	-	666.3	666.3
Cash and cash equivalents	-	0.9	0.9
Total	44.7	667.2	711.9

Credit ratings have not been disclosed in the above tables for holdings in collective investment schemes. The credit quality of the underlying debt securities within these vehicles is managed by the safeguards built into the investment mandates for these vehicles.

i) Credit risk measurement

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for short-term receivables which are receivable on demand with no significant financing component. In accordance with paragraph 5.5.15 of IFRS 9, the loss allowance for such trade receivables is always measured at an amount equal to lifetime ECLs.

To measure the ECLs, receivables have been grouped based on shared credit risk characteristics. For each group, historical loss rates have been considered and applied using forward-looking information.

At 31 December 2024 the Company held intercompany and other receivables which were subject to the above impairment review. The loss allowance provision for these receivables at this date was £nil (2023: £nil).

The key judgements and assumptions adopted by the Company in addressing the requirements of the standard are discussed below.

ii) Definition of default and change in the risk of default

The Company considers a financial asset to be in default when:

- The borrower is unlikely to pay its debt obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- The financial asset is more than 90 days past due.

In assessing whether a borrower is in default, the Company considers indicators that are:

- Qualitative: e.g. breaches of covenant and other indicators of financial distress;
- Quantitative: e.g. overdue status and non-payment of another obligation of the same issuer to the Company; and
- Based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

iii) Measuring ECL – Explanation of inputs, assumptions and estimation techniques

The Company determines the ECLs on intercompany receivables by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, intercompany and other receivables, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

iv) Maximum exposure to credit risk – Financial instruments subject to impairment

The gross carrying amount of intercompany and other receivables, reflecting the maximum exposure to credit risk, is £275.0m (2023: £669.7m).

v) Maximum exposure to credit risk – Financial instruments not subject to impairment

The following table contains an analysis of the maximum credit risk exposure from financial assets not subject to impairment (i.e., FVTPL):

	2024 £m	2023 £m
<i>Financial assets designated at fair value</i>		
Debt securities	44.0	44.7
Collective investment schemes	10.1	7.6
	<u>54.1</u>	<u>52.3</u>

vi) Loss allowance

The loss allowance recognised in the period could be impacted by a variety of factors, as described below:

- Additional allowances for new financial instruments recognised during the period, as well as releases for financial instruments de-recognised in the period;
- Impact on the measurement of ECL due to changes in historical loss rates and forward-looking estimates;
- Foreign exchange translations for assets denominated in foreign currencies and other movements; and
- Financial assets de-recognised during the period and write-offs of allowances related to assets that were written off during the period.

a) Fixed interest securities

The Company manages the credit risk arising from fixed-interest securities by placing limits on the exposure to a single counterparty and to any particular industry or geographical segment. These limits are set out in the Group Investment Guidelines. All assets must have a credit rating assigned to them. Where an asset is rated by one or more ECAI, the lowest rating is used. For bonds that do not carry an external rating the investment manager provides an internal rating.

There were no losses incurred as a result of defaults during the year (2023: no losses).

b) Money market deposits

The Company holds money-market deposits with approved counterparties and sets limits on counterparty exposure on an individual and aggregate counterparty basis. Credit risk is determined and monitored on a daily basis using short-term credit agency ratings.

Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations. The Company monitors cash flow and performs variance analysis against actual cash held. The Company manages its liquidity risk by only paying out dividends and making capital repayments once income from its investments has been received and once all expenses have been covered. If there are timing differences between cash inflows and cash outflows, then surplus cash is placed only with approved counterparties or invested in high quality government or corporate bonds.

The tables below shows the cash flows arising from the financial assets and financial liabilities of the Company:

	No contractual maturity date	< 1 Year	Between 1 year and 5 years	> 5 Years	Total cash flows	Carrying Value
	£m	£m	£m	£m	£m	£m
Financial Assets						
As at 31 December 2024						
Debt securities and other fixed-income securities	-	-	-	44.0	44.0	44.0
Collective investment schemes	10.1	-	-	-	10.1	10.1
Loans and other receivables	275.0	-	-	-	275.0	275.0
Cash at bank and in hand	0.5	-	-	-	0.5	0.5
Total	285.6	-	-	44.0	329.6	329.6

ReAssure Midco Limited

	No contractual maturity date	< 1 Year	Between 1 year and 5 years	> 5 Years	Total cash flows	Carrying Value
	£m	£m	£m	£m	£m	£m
Financial Assets						
As at 31 December 2023						
Debt securities and other fixed-income securities	-	-	-	44.7	44.7	44.7
Collective investment schemes	7.6	-	-	-	7.6	7.6
Loans and other receivables	669.7	-	-	-	669.7	669.7
Cash at bank and in hand	0.9	-	-	-	0.9	0.9
Total	678.2	-	-	44.7	722.9	722.9

	No contractual maturity date	< 1 Year	Between 1 year and 5 years	> 5 Years	Total cash flows	Carrying Value
	£m	£m	£m	£m	£m	£m
Financial Liabilities						
As at 31 December 2024						
Trade and other payables	-	(25.0)	-	-	(25.0)	(25.0)

	No contractual maturity date	< 1 Year	Between 1 year and 5 years	> 5 Years	Total cash flows	Carrying Value
	£m	£m	£m	£m	£m	£m
Financial Liabilities						
As at 31 December 2023						
Trade and other payables	-	(30.6)	-	-	(30.6)	(30.6)

Additionally as the Company participates in a defined benefit pension scheme, there is a risk that the cash contributions required to fund this scheme increase or decrease due to changes in factors such as investment performance, the rates used to discount liabilities and mortality changes. Any increase in deficit contributions will reduce the Company's cash flow. Decisions on pension scheme funding, asset allocation and benefit promises are taken by the pension scheme trustees in consultation with management and suitably qualified advisors. The Board participates in major decisions on the funding and design of the pension schemes.

20. Contingent liabilities

Liabilities may arise in respect of claims that are contingent on factors such as the interpretation of contracts, regulatory action or Ombudsman rulings. It is not possible to predict the incidence, timing or financial impact of these events with any certainty. There are no contingent liabilities at 31 December 2024 and 2023 that are considered material for the Company.

21. Dividends

	2024	2023
	£m	£m
Amounts recognised as distributions to equity holders in the year:		
Total dividends recognised in the year	1,458.6	-
	<u>1,458.6</u>	<u>-</u>

During the year, the Company settled the dividends in the form of cash of £489.3m (2023: £nil) and in specie dividends in the form of loan receivables of £969.3m (2023: £nil).

22. Related parties

Transactions between the Company and its associates are disclosed below.

a) Immediate and ultimate parent undertaking

The Company is incorporated and domiciled in England and Wales. The immediate parent company is ReAssure Group plc, incorporated in England and Wales.

The only group within which the financial statements of the Company are consolidated is that of PGHP, the ultimate and controlling parent undertaking of the Company. The consolidated financial statements of PGHP may be obtained on www.thephoenixgroup.com or from its registered office at 2nd floor, Old Bailey, London, EC4M 7AN.

Related party transactions disclosed in relation to the Statement of Financial Position relate to balances held between the Company and undertakings owned by PGHP.

b) Services received from related parties

	2024	2023
	£m	£m
Subsidiaries	29.6	31.4

c) Year-end balances with related parties

	2024	2023
	£m	£m
Amounts owed by group undertakings		
Ultimate parent company	275.0	669.7
Amounts owed to group undertakings		
Subsidiaries	(25.0)	(30.6)

23. Events after reporting date

The Company paid £0.7m into the pension scheme in April 2025. The custody account will be available for transfer to the RSPS on or shortly after 1 July 2026.

The Directors are not aware of any other significant post balance sheet events that require disclosure within these financial statements.