Company registration number (England and Wales): 07458607

WELLES UW HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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WELLES UW HOLDINGS LIMITED

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WELLES UW HOLDINGS LIMITED

COMPANY INFORMATION

COMPANY PERSONNEL

Directors	Rosemary Knox Edward Knox

COMPANY ADDRESSES

Registered office	7 - 9 The Avenue Eastbourne East Sussex BN21 3YA
Auditors	Humphrey & Co Audit Services Ltd 7 - 9 The Avenue Eastbourne East Sussex BN21 3YA

WELLES UW HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

The directors have pleasure in presenting their strategic report for the year ended 31 December 2025.

Principal activities, review of the business and future developments

The principal activity of the group in the year under review was to participate in underwriting at Lloyd's on a limited liability basis through it's wholly owned subsidiary company. The subsidiary company, Welles Underwriting Limited, has continued to underwrite on the 2026 year on account.

The result for the year is in respect of the 2025 annual accounting year, which consists of movements in the 2023, 2024 and 2025 years of account as well as any 2022 and prior run-off years. Gross premiums written increased from £5,696,510 to £5,854,499 compared to the previous year and the overall balance on the technical account increased from £723,134 to £970,264 as a result of the level of claims experienced.

The group's total capital and reserves at the year end were £7,461,204 (2024: £6,189,727).

The key business risks and uncertainties affecting the company are considered to relate to insurance risk, investment and currency risk and regulatory risk.

Financial risk management objectives and policies

The group is principally exposed to financial risk through its participation on Lloyd's syndicates. It has delegated sole management and control of its underwriting through each syndicate to the managing agent of that syndicate and it looks to the managing agents to implement appropriate policies, procedures and internal controls to manage each syndicate's exposures to insurance risk, credit risk, market risk, liquidity risk and operational risk. The group is also directly exposed to these risks, but they are not considered material for the assessment of the assets, liabilities, financial position and profit or loss of the group.

Hedge accounting is not used by the group.

Key performance indicators

The directors monitor the performance of the group by reference to the following key performance indicators:

	2025	2024
Capacity (youngest underwriting year) (£)	5,946,024	5,568,073
Gross premium written as a % of capacity	98.5 %	102.3 %
Underwriting profit of latest closed year as a % of capacity	19.3 %	12.6 %
Run-off years of account movement (£)	2,205	(50,115)
Combined ratio	86.6 %	91.1 %

The combined ratio is the ratio of net claims incurred, commissions and expenses to net premiums earned.

Section 172(1) statement

The directors of the group have a duty to promote the success of the group whilst giving due regard to the interests of stakeholders affected by the group's activities.

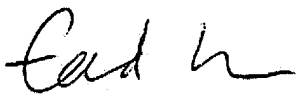
As a result of the nature of this group as a Lloyd's corporate member, the majority of its activities are carried out by the syndicates in which it participates. The group is not involved directly in the management of the syndicates' activities, as these are the responsibility of the relevant managing agent. Each managing agent has a board of directors who are responsible for the activities of each syndicate, and themselves have a duty towards a range of considerations including (but not limited to) employees, community and environmental matters, standards of business conduct and the long term consequence of decisions.

The group itself undertakes very few transactions. The group does not employ any staff other than the directors and the only suppliers are those who provide services for the administration of the group. The directors ensure supplier invoices are paid on time in line with any agreed terms. The directors work very closely with the members of the group and the members agent, Alpha Insurance Analysts Limited, to discuss all significant decisions, including the selection of which syndicates to participate. This ensures the directors act fairly between members of the group.

The group and the syndicates are required to operate within the guidelines and code of conduct of the Lloyd's market. Behind the Lloyd's market is the Lloyd's Corporation, an independent organisation and regulator that acts to protect and maintain the market's reputation and provides services and original research, reports and analysis to the industry's knowledge base.

The group is classified as a low energy user and as such no energy and carbon information has been disclosed in the accounts.

Approved by the Board on 28 September 2026 and signed on its behalf by:



Edward Knox
Director

WELLES UW HOLDINGS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

The directors have pleasure in presenting their report together with the financial statements for the year ended 31 December 2025.

Results and dividends
The profit for the year after taxation was £1,342,778 (2024: profit £781,825). The directors do not recommend the payment of a final dividend.

Directors
The directors who held office at any time during the year are listed below:

Rosemary Knox
Edward Knox

Statement of directors' responsibilities
The directors are responsible for preparing the Directors' Report, Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom 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 group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006.

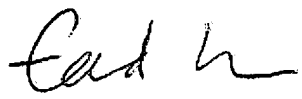
The directors are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors
The auditors, Humphrey & Co Audit Services Ltd, are deemed to be reappointed under Section 487(2) of the Companies Act 2006.

Strategic report
The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments, principal risks and uncertainties, and financial instruments.

Statement of disclosure to auditors
So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

Approved by the Board on 28 September 2026 and signed on its behalf by:



Edward Knox
Director

WELLES UW HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WELLES UW HOLDINGS LIMITED

Opinion

We have audited the financial statements of Welles UW Holdings Limited (the 'parent company') and its subsidiary (the 'group') for the year ended 31 December 2025 on pages 8 to 38. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2025 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills;
- we obtained an understanding of the group and the laws and regulations that could reasonably be expected to have a direct effect on the financial statements through discussion with the Board and the application of our knowledge and experience;
- we assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
- making enquiries of management; and
- considering the extent of internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

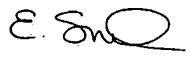
- agreeing financial statement transactions, balances and disclosures to underlying supporting documentation;
- discussions with those charged with governance.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mrs Emily Smith FCA (Senior Statutory Auditor)
for and on behalf of Humphrey & Co Audit Services Ltd
Statutory Auditor
Date: 28 September 2026

Humphrey & Co Audit Services Ltd
7 - 9 The Avenue
Eastbourne
East Sussex
BN21 3YA

WELLES UW HOLDINGS LIMITED

CONSOLIDATED INCOME STATEMENT - TECHNICAL ACCOUNT (GENERAL BUSINESS)

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 £	2024 £
Gross premiums written	5	5,854,499	5,696,510
Outward reinsurance premiums		(1,312,881)	(1,102,816)
Net premiums written		4,541,618	4,593,694
Change in the provision for unearned premiums			
Gross provision	7	(199,111)	(153,108)
Reinsurers' share	7	17,990	22,973
Net change in the provision for unearned premiums		(181,121)	(130,135)
Earned premiums net of reinsurance		4,360,497	4,463,559
Allocated investment return transferred from the non-technical account		388,008	327,705
Other technical income, net of reinsurance		-	-
Claims paid			
Gross amount		(2,504,638)	(1,941,649)
Reinsurers' share		707,862	429,977
Net claims paid		(1,796,776)	(1,511,672)
Change in provision for claims			
Gross amount	7	(221,479)	(969,704)
Reinsurers' share	7	72,005	196,018
Net change in provision for claims		(149,474)	(773,686)
Claims incurred net of reinsurance		(1,946,250)	(2,285,358)
Net operating expenses	9	(1,831,991)	(1,782,772)
Balance on technical account for general business		970,264	723,134

WELLES UW HOLDINGS LIMITED

CONSOLIDATED INCOME STATEMENT - NON TECHNICAL ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 £	2024 £
Balance on the general business technical account		**970,264**	723,134
Investment income	8	**382,879**	363,393
Realised gains on investments	8	**43,305**	48,627
Unrealised gains on investments	8	**829,862**	187,144
Investment expenses and charges	8	**(14,664)**	(6,467)
Allocated investment return transferred to the technical account		**(388,008)**	(327,705)
Other income	10	**9,913**	47,508
Other charges		**(91,538)**	(39,068)
Profit on ordinary activities before taxation	11	**1,742,013**	996,566
Tax on profit on ordinary activities	19	**(399,235)**	(214,741)
Profit for the financial year		**1,342,778**	781,825

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2025 £	2024 £
Profit for the financial year	**1,342,778**	781,825
Other comprehensive income	**(71,301)**	-
Profit for the financial year	**1,271,477**	781,825

All amounts above relate to continuing operations.

WELLES UW HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

ASSETS	Note	Syndicate Assets £	Corporate £	2025 Total £	as restated 2024 Total £
Intangible fixed assets					
Syndicate participation rights	13	-	-	-	-
Investments					
Financial investments	14	6,719,315	5,279,631	**11,998,946**	10,289,351
Deposits with ceding undertakings		6,626	-	**6,626**	8,821
Total investments		6,725,941	5,279,631	**12,005,572**	10,298,172
Reinsurers' share of technical provisions					
Provision for unearned premiums	7	386,199	-	**386,199**	389,715
Claims outstanding	7	2,230,500	-	**2,230,500**	2,302,803
Other technical provisions		-	-	-	-
Total reinsurers' share of technical provisions		2,616,699	-	**2,616,699**	2,692,518
Debtors					
Arising out of direct insurance operations	15	1,585,547	-	**1,585,547**	1,518,729
Arising out of reinsurance operations	15	1,280,391	-	**1,280,391**	1,093,679
Other debtors	16	246,203	1,362	**247,565**	343,784
Total debtors		3,112,141	1,362	**3,113,503**	2,956,192
Other assets					
Cash at bank	17	558,403	1,264,729	**1,823,132**	2,145,665
Other		190,186	-	**190,186**	183,481
Total other assets		748,589	1,264,729	**2,013,318**	2,329,146
Prepayments and accrued income					
Accrued interest		17,757	-	**17,757**	15,547
Deferred acquisition costs	7	659,455	-	**659,455**	587,576
Other prepayments and accrued income		38,947	-	**38,947**	35,593
Total prepayments and accrued income		716,159	-	**716,159**	638,716
Total assets		13,919,529	6,545,722	**20,465,251**	18,914,744

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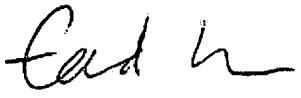
WELLES UW HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

AS AT 31 DECEMBER 2025

	Note	Syndicate Liabilities £	Corporate £	2025 Total £	2024 Total £
LIABILITIES AND EQUITY					
Capital and reserves					
Called-up share capital	18	-	112,000	**112,000**	112,000
Share premium account		-	1,213,920	**1,213,920**	1,213,920
Capital redemption reserve		-	28,000	**28,000**	28,000
Profit and loss account		1,624,048	4,483,236	**6,107,284**	4,835,807
Shareholder's funds attributable to equity interests		1,624,048	5,837,156	**7,461,204**	6,189,727
Technical provisions					
Provision for unearned premiums	7	2,594,738	-	**2,594,738**	2,514,604
Claims outstanding - gross amount	7	7,995,550	-	**7,995,550**	8,256,322
Total technical provisions		10,590,288	-	**10,590,288**	10,770,926
Provisions for other risks and charges					
Provision for taxation	19	-	430,030	**430,030**	291,850
Provision for other risks		591	-	**591**	-
Total provisions for other risks and charges		591	430,030	**430,621**	291,850
Deposits received from reinsurers		12	-	**12**	13
Creditors					
Arising out of direct insurance operations		115,953	-	**115,953**	92,845
Arising out of reinsurance operations		860,065	-	**860,065**	840,618
Amounts due to credit institutions	21	12	-	**12**	-
Other creditors	20	596,469	273,420	**869,889**	610,216
Total creditors		1,572,499	273,420	**1,845,919**	1,543,679
Accruals and deferred income					
Other accruals and deferred income		132,091	5,116	**137,207**	118,549
Total liabilities and equity		13,919,529	6,545,722	**20,465,251**	18,914,744

Approved by the Board on 28 September 2026 and signed on its behalf by:



Edward Knox
Director

Company Registration No. 07458607

WELLES UW HOLDINGS LIMITED

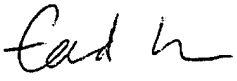
COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	2025 £	2024 £
Fixed assets			
Fixed assets and financial investments	14	140,000	140,000
Current assets			
Debtors	16	1,377,152	1,376,976
Cash at bank and in hand		557,857	475,057
Financial investments	14	1,493,231	1,416,305
Total current assets		3,428,240	3,268,338
Creditors: amounts falling due within one year			
Amounts due to associated undertakings	20	-	-
Shareholders' loan account	20	-	-
Corporation tax	20	(2,682)	(5,497)
Accruals		(4,732)	-
Total creditors: amounts falling due within one year		(7,414)	(5,497)
Net current assets		3,420,826	3,262,841
Total assets less current liabilities		3,560,826	3,402,841
Provisions for liabilities			
Deferred tax liability		(24,018)	-
Net assets		3,536,808	3,402,841
Capital and reserves			
Called up share capital	18	112,000	112,000
Capital redemption reserve		28,000	28,000
Revenue reserves		3,396,808	3,262,841
Total shareholders funds		3,536,808	3,402,841

No profit and loss account is presented for Welles UW Holdings Limited, as permitted by section 408 of the Companies Act 2006. The parent company's profit after tax for the financial year was £133,967 (2024 : £92,363).

Approved by the Board on 28 September 2026 and signed on its behalf by:



Edward Knox
Director

Company Registration No. 07458607

WELLES UW HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

AS AT 31 DECEMBER 2025

	Called up share capital £	Share premium account £	Capital redemption reserve	Retained earnings £	Total £
At 1 January 2024	112,000	1,213,920	28,000	4,053,982	5,407,902
Profit for the financial year	-	-	-	781,825	781,825
Other comprehensive income	-	-	-	-	-
Dividends paid	-	-	-	-	-
Proceeds from the issue of shares	-	-	-	-	-
At 31 December 2024	112,000	1,213,920	28,000	4,835,807	6,189,727
At 1 January 2025	112,000	1,213,920	28,000	4,835,807	6,189,727
Profit for the financial year	-	-	-	1,342,778	1,342,778
Other comprehensive income	-	-	-	(71,301)	(71,301)
Dividends paid	-	-	-	-	-
Proceeds from the issue of shares	-	-	-	-	-
At 31 December 2025	112,000	1,213,920	28,000	6,107,284	7,461,204

WELLES UW HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

AS AT 31 DECEMBER 2025

	Called up share capital £	Capital redemption reserve £	Retained earnings £	Total £
At 1 January 2024	112,000	28,000	3,170,478	3,310,478
Profit for the financial year	-	-	92,363	92,363
Other comprehensive income	-	-	-	-
Dividends paid	-	-	-	-
Proceeds from the issue of shares	-	-	-	-
At 31 December 2024	112,000	28,000	3,262,841	3,402,841
At 1 January 2025	112,000	28,000	3,262,841	**3,402,841**
Profit for the financial year	-	-	133,967	**133,967**
Other comprehensive income	-	-	-	-
Dividends paid	-	-	-	-
Proceeds from the issue of shares	-	-	-	-
At 31 December 2025	**112,000**	**28,000**	**3,396,808**	**3,536,808**

WELLES UW HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 £	2024 £
Cash inflow from operating activities	23	**460,435**	210,707
Interest received		**47,203**	69,699
Interest paid		**-**	-
UK corporation tax paid		**(77,741)**	(3,066)
Foreign tax paid		**(16,163)**	(5,223)
Net cash inflow from operating activities		**413,734**	272,117
Cash (outflow)/inflow from investing activities			
Purchase of syndicate participation rights		**-**	-
Proceeds from sale of syndicate participation rights		**4,032**	47,508
Purchase of investments		**(1,459,537)**	(1,053,219)
Proceeds from sale of investments		**591,922**	999,846
Dividends received		**84,728**	72,155
Dividends paid		**-**	-
Net cash (outflow)/inflow from investing activities		**(778,855)**	66,290
Cash inflow/(outflow) from financing activities			
Funds lent to/(withdrawn from) the group by the parent company's shareholders		**1,356**	(2,526)
Purchase of own shares		**-**	-
Net cash inflow/(outflow) from financing activities		**1,356**	(2,526)
(Decrease)/Increase in cash		**(363,765)**	335,881
Net funds at 1 January		**1,647,904**	1,298,662
Exchange movement		**(19,410)**	13,361
(Decrease)/Increase in cash in the year		**(363,765)**	335,881
Net funds at 31 December		**1,264,729**	1,647,904

The group has no control over the disposition of assets and liabilities at Lloyd's. Consequently, the consolidated statement of cash flows is prepared reflecting only the movement in corporate funds, which includes transfers to and from the syndicates at Lloyd's.

WELLES UW HOLDINGS LIMITED

NOTES TO THE ACCOUNTS - ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2025

1 General information

The company is a private company limited by shares that was incorporated in England and Wales and whose registered office is given on page 1 of these financial statements. The company participates in insurance business, through its subsidiary company, as an underwriting member of various syndicates at Lloyd's.

2 Accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", FRS 103 "Insurance Contracts", the Companies Act 2006 and Regulation 6 of Schedule 3 to the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008, relating to insurance.

The directors do not consider any company within the group to be a financial institution under FRS 102.

The financial statements are prepared in Sterling, which is the functional currency of the group. Monetary amounts in these financial statement are rounded to the nearest £.

2.2 Basis of consolidation

The amounts shown in the column to the statement of financial position headed 'corporate' consolidate the accounts of Welles UW Holdings Limited and its subsidiary undertakings. The amounts shown in the column to the statement of financial position headed 'total' consolidate the accounts of Welles UW Holdings Limited and its subsidiary undertakings and a pro rata share of the assets and liabilities of the syndicates on which they participate.

Merger accounting has been used in accordance with Section 19 of FRS 102. Consequently the consolidated income statement and consolidated statement of financial position show the results and position of Welles UW Holdings Limited as though the group has always existed.

The figures in the 2025 column show the results for the year ended 31 December 2025 and the figures in the 2024 column show the results for the year ended 31 December 2024 .

Investment in subsidiaries

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the group (its subsidiaries). Control is achieved where the group has power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

2.3 Going concern

The group's underwriting is supported by Funds at Lloyd's, either made available by the group directly or by its members. The directors are of the opinion that the group has adequate resources to meet its underwriting and other operational obligations for the foreseeable future. Accordingly, the going concern concept has been adopted in the preparation of the financial statements.

In continuing to apply the going concern basis to this group's financial statements the following factors have been taken into account: the likely timing of any underwriting and non-underwriting cashflows, any Funds at Lloyd's supporting the group's underwriting and not reflected in the group's statement of financial position and the continued support of the directors and shareholders including the potential deferral of balances due to them.

2.4 **Basis of accounting**

The financial statements are prepared under the historical cost basis of accounting modified to include the revaluation of certain financial instruments held at fair value, through the income statement.

The technical account has been prepared on an annual basis of accounting, whereby the incurred cost of claims, commission and related expenses are charged against the earned proportion of premiums net of re-insurance. Amounts reported in the technical account relate to movements in the period in respect of all relevant years of account of the syndicates on which the group participates.

Accounting information in respect of the syndicate participations has been provided by the syndicate managing agents through an information exchange facility operated by Lloyd's and has been reported on by the syndicate auditors.

Assets and liabilities arising as a result of the underwriting activities are mainly controlled by the syndicates' managing agents and are shown separately on the statement of financial position as "Syndicate Assets" and "Syndicate Liabilities". The assets are held subject to trust deeds for the benefit of the syndicates' insurance creditors.

General business

i **Premiums**

Gross premiums are accounted for in the period in which the risk commences, together with adjustments to premiums written in previous accounting periods. Future premiums relating to risks commencing in the period are based upon estimates made by the syndicates' management. Other adjustments are accounted for as arising.

ii **Unearned premiums**

Written premium is earned according to the risk profile of the policy. Unearned premiums represent the proportion of premiums written in the year that relate to unexpired terms of policies in force at the financial reporting date, calculated on a time apportionment basis having regard where appropriate, to the incidence of risk. The specific basis adopted by each syndicate is determined by the relevant managing agent.

iii **Deferred acquisition costs**

Acquisition costs, which represent commission and other related expenses, are deferred over the period in which the related premiums are earned.

iv **Reinsurance premiums**

Reinsurance premium costs are allocated by the managing agent of each syndicate to reflect the protection arranged in respect of the business written and earned.

v Claims

Provision is made for the estimated cost of claims outstanding at the end of the year, including those incurred but not reported at that date, and for the related cost of settlement. Claims incurred comprise amounts paid or provided in respect of claims occurring during the current year, together with the amount by which settlement or reassessment of claims from previous years differs from the provision at the beginning of the year.

The claims provision determined by the managing agent will have been based on information that was currently available at the time. However, the ultimate liability will vary as a result of subsequent information and events and this may result in significant adjustments to the amounts provided and will be reflected in the financial statements for the period in which the adjustment is made.

vi Closed years of account

At the end of the third year, the underwriting account is normally closed by reinsurance into the following year of account. The amount of the reinsurance to close premium payable is determined by the managing agent, generally by estimating the cost of claims notified but not settled at 31 December, together with the estimated cost of claims incurred but not reported at that date, and an estimate of future claims handling costs.

Any subsequent variation in the ultimate liabilities of the closed year of account is borne by the underwriting year into which it is reinsured.

The payment of a reinsurance to close premium does not eliminate the liability of the closed year for outstanding claims. If the reinsuring syndicate was unable to meet its obligations, and the other elements of Lloyd's chain of security were to fail, then the closed underwriting account would have to settle outstanding claims.

The directors consider that the likelihood of such a failure of the reinsurance to close is extremely remote, and consequently the reinsurance to close has been deemed to settle the liabilities outstanding at the closure of an underwriting account. The company has included its share of the reinsurance to close premiums payable as technical provisions at the end of the current period, and no further provision is made for any potential variation in the ultimate liability of that year of account.

vii Run-off years of account

Where an underwriting year of account is not closed at the end of the third year (a "run-off" year of account) a provision is made for the estimated cost of all known and unknown outstanding liabilities of that year. The provision is determined initially by the managing agent on a similar basis to the reinsurance to close. However, any subsequent variation in the ultimate liabilities for that year remains with the corporate member participating therein. As a result any run-off year will continue to report movements in its results after the third year until such time as it secures a reinsurance to close.

viii Investments and allocated investment income

In accordance with Lloyd's current accounting practice, investments are stated at market value, including accrued interest at the financial reporting date. Investment income is included in the General Business Technical Account reflecting that earned on the investment portfolio managed by the syndicates. The allocated investment income therefore comprises income received and investment profits and losses arising in the calendar year including appreciation/depreciation and accrued interest consequent upon the revaluation of investments at 31 December. All gains and losses on investments are treated as realised at the financial reporting date.

ix Financial assets and financial liabilities

The syndicates' investments comprise of debt and equity investments, derivatives, cash and cash equivalents and loans and receivables.

ix Financial assets and financial liabilities (continued)

Debtors/creditors arising from insurance/reinsurance operations shown in the statement of financial position include the totals of all the syndicate's outstanding debit and credit transactions as processed by the Lloyd's central facility. No account has been taken of any offsets which may be applicable in calculating the net amounts due between the syndicates and each of their counterparty insureds, reinsurers or intermediaries as appropriate.

Recognition

Financial assets and liabilities are recognised when the syndicate becomes party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the syndicate after deducting all of its liabilities.

Initial measurement

All financial assets and liabilities are initially measured at transaction price (including transaction cost), except for those financial assets classified as at fair value through the income statement which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Subsequent measurement

Non-current debt instruments are subsequently measured at amortised cost using the effective interest rate method.

Debt instruments that are classified as payable or receivable within one financial year and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

Other debt instruments are measured at fair value through the income statement.

Derecognition of financial assets and liabilities

Financial assets are derecognised when and only when a) the contractual rights of the cash flow from the financial asset expire or are settled, b) the syndicates transfer to another party substantially all of the risks and rewards of ownership of the financial asset or c) the syndicates, despite having retained some significant risks and rewards of ownership, have transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse in time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the syndicates estimate the fair value by using a valuation technique.

Impairment of financial instruments measured at amortised cost or cost

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate, i.e. using the effective interest rate method.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

ix Financial assets and financial liabilities (continued)

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. The amount of the reversal is recognised in the income statement immediately.

x Basis of currency translation

Syndicates maintain separate funds in Sterling, United States and Canadian dollars, and may also do so in certain other currencies. All transactions where separate currencies are maintained are translated into Sterling at the rates of exchange ruling at the financial reporting date. Transactions during the period in other overseas currencies are expressed in Sterling at the rates ruling at the transaction date.

Monetary assets and liabilities, which according to FRS 103 are deemed to include unearned premiums and deferred acquisition costs, are translated into Sterling at the rates of exchange at the financial reporting date.

Any non-monetary items are translated into the functional currency using the rate of exchange prevailing at the time of the transaction. Insurance assets and liabilities (unearned premiums and deferred acquisition costs) have now been translated at period end to the functional currency at the closing rate.

xi Debtors/creditors arising from insurance/reinsurance operations

The amounts shown in the statement of financial position include the totals of all the syndicates outstanding debit and credit transactions. No account has been taken of any offsets which may be applicable in calculating the net amounts due between the syndicates and each of their counterparty insurers, reinsurers or intermediaries as appropriate.

xii Distribution of profits and collection of losses

Lloyd's operates a detailed set of regulations regarding solvency and the distribution of profits and payment of losses between syndicates and their members. Lloyd's continues to require membership of syndicates to be on an underwriting year of account basis and profits and losses belong to members according to their membership of a year of account. Normally profits and losses are transferred between the syndicate and members after results for a year of account are finalised after 36 months. This period may be extended if a year of account goes into run-off. The syndicate may make earlier on account distributions or cash calls according to the cash flow of a particular year of account and subject to Lloyd's requirements.

2.5 Reinsurance at corporate level

Where considered applicable by the directors, the group may purchase additional reinsurance to that purchased through the syndicates. Any such reinsurance premiums and related reinsurance recoveries are treated in the same manner as described for syndicates in note 2.4 (iv) and (v).

2.6 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The group is taxed on its results including its share of underwriting results declared by the syndicates and these are deemed to accrue over the calendar year in which they are declared. The syndicate results included in these financial statements are only declared for tax purposes in the calendar year following the normal closure of the year of account. No provision is made for corporation tax in relation to open years of account. However, full provision is made for deferred tax on underwriting results not subject to current corporation tax.

HM Revenue & Customs agrees the taxable results of the syndicates at a syndicate level on the basis of computations submitted by the managing agent. At the date of the approval of these financial statements the syndicate taxable results of years of account closed at this and previous year ends may not be fully agreed with HM Revenue & Customs. Any adjustments that may be necessary to the tax provisions established by the company, as a result of HM Revenue & Customs agreement of syndicate results, will be reflected in the financial statements of subsequent periods.

2.7 **Deferred taxation**

Deferred tax is provided in full on timing differences which result in an obligation at the financial reporting date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities have not been discounted.

2.8 **Intangible assets**

Costs incurred by the group in the Corporation of Lloyd's auctions in order to acquire rights to participate on syndicates' underwriting years are included within intangible assets and amortised over a 3 year period beginning with the respective year of syndicate participation. The intangible assets are reviewed for impairment where there are indicators for impairment and any impairment is charged to the income statement for the period.

2.9 **Investments**

Investments held directly by the group, by trustees of the Premium Trust Fund, or as the Lloyd's Deposit, are stated at fair value.

2.10 **Cash and cash equivalents**

Cash and cash equivalents include deposits held at call with banks, other short-term liquid investments with original maturities of three months or less and cash in hand.

3 **Estimation uncertainties**

In applying the group's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. These judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The measurement of the provision for claims outstanding is the most significant judgement involving estimation uncertainty regarding amounts recognised in these financial statements in relation to underwriting by the syndicates and this is disclosed further in note 4.

The management and control of each syndicate is carried out by the managing agent of that syndicate, and the group looks to the managing agent to implement appropriate policies, procedures and internal controls to manage each syndicate.

Key accounting judgements

The key accounting judgements set out below relate to those made in respect of the group only, and do not include estimates and judgements made in respect of the syndicates.

i **Purchased syndicate capacity**

Estimating value in use:

Where an indication of impairment of capacity values exists, the directors will carry out an impairment review to determine the recoverable amount, which is the higher of fair value less cost to sell and value in use. The value in use calculation requires an estimate of the future cash flows expected to arise from the capacity and a suitable discount rate in order to calculate present value.

Determining the useful life of purchased syndicate capacity:

The assessed useful life of syndicate capacity is 3 years. This is on the basis that this is the life over which the original value of the capacity is used up.

ii **Assessing indicators of impairment**

In assessing whether there have been any indicators of impairment of assets, the directors consider both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

iii Recoverability of debtors

The group establishes a provision for debtors that are estimated not to be recoverable. When assessing recoverability, factors such as the ageing of the debtors, past experience of recoverability, and the credit profile of individual groups of customers are all considered.

4 Risk management

This section summarises the financial and insurance risks the group is exposed to either directly at its own corporate level or indirectly via its participation in the Lloyd's syndicates.

Risk background

The syndicate's activities expose it to a variety of financial and non-financial risks. The managing agent is responsible for managing the syndicate's exposure to these risks and, where possible, introducing controls and procedures that mitigate the effects of the exposure to risk. Each year, the managing agent prepares a Lloyd's Capital Return ("LCR") for the syndicate, the purpose of this being to agree capital requirements with Lloyd's based on an agreed assessment of the risks impacting the syndicate's business, and the measures in place to manage and mitigate those risks from a quantitative and qualitative perspective. The risks described below are typically reflected in the LCR, and, typically, the majority of the total assessed value of the risks concerned is attributable to insurance risk.

The insurance risks faced by a syndicate include the occurrence of catastrophic events, downward pressure on pricing of risks, reductions in business volumes and the risk of inadequate reserving. Reinsurance risks arise from the risk that the reinsurer fails to meet their share of a claim. The management of the syndicate's funds is exposed to risks of investments, liquidity, currency and interest rates leading to financial loss. The syndicate is also exposed to regulatory and operational risks including its ability to continue to trade. However, supervision by Lloyd's provides additional controls over the syndicate's management of risks.

The group manages the risks faced by the syndicates on which it participates by monitoring the performance of the syndicates it supports. This commences in advance of committing to support a syndicate for the following year, with a review of the business plan prepared for each syndicate by its managing agent. In addition, quarterly reports and annual accounts together with any other information made available by the managing agent are monitored and if necessary enquired into. If the group considers that the risks being run by the syndicate are excessive it will seek confirmation from the managing agent that adequate management of the risk is in place and, if considered appropriate, will withdraw from the next underwriting year. The group relies on advice provided by the members' agent which acts for it, who are specialists in assessing the performance and risk profiles of syndicates. The group also mitigates its risks by participating across several syndicates.

The directors do not consider the group to be a financial institution under FRS 102, on the basis that the group itself does not undertake the business of effecting or carrying out insurance contracts. Therefore there is no requirement to discuss financial risks arising from syndicate investment activities. The analysis below provides details of the financial risks the group is exposed to from syndicate insurance activities as required by FRS 103.

Syndicate risks

i Liquidity risk

The syndicates are exposed to daily calls on their available cash resources, principally from claims arising from its insurance business. Liquidity risk arises where cash may not be available to pay obligations when due, or to ensure compliance with the syndicate's obligations under the various trust deeds to which it is party.

The syndicates aim to manage their liquidity position so that they can fund claims arising from significant catastrophic events, as modelled in their Lloyd's realistic disaster scenarios ("RDS").

ii **Credit risk**

Credit ratings to syndicate assets emerging directly from insurance activities, excluding cash at bank and financial investments, which are neither past due nor impaired are as follows:

2025	AAA £	AA £	A £	BBB or lower £	Not rated £	Total £
Deposits with ceding undertakings	-	953	5,673	-	-	6,626
Reinsurers share of claims outstanding	48,217	1,135,289	951,299	14,176	81,520	2,230,501
Reinsurance debtors	13,491	112,234	585,548	89,545	324,932	1,125,750
Insurance debtors	570	30,928	418,744	1,425	998,140	1,449,807
Total	62,278	1,279,404	1,961,264	105,146	1,404,592	4,812,684

2024	£	£	£	£	£	£
Deposits with ceding undertakings	-	-	8,820	-	-	8,820
Reinsurers share of claims outstanding	43,975	1,068,013	1,129,900	12,547	45,642	2,300,077
Reinsurance debtors (as restated)	13,510	111,189	478,392	66,006	247,811	916,908
Insurance debtors (as restated)	1,844	30,553	414,121	11,696	1,000,990	1,459,204
Total	59,329	1,209,755	2,031,233	90,249	1,294,443	4,685,009

Syndicate assets emerging directly from insurance activities, excluding cash at bank and financial investments, past their due date or impaired are as follows:

2025	Less than 3 months £	Between 3 and 6 months £	Between 6 months and 1 year £	Greater than 1 year £	Impaired £	Total past due or impaired £
Deposits with ceding undertakings	-	-	-	-	-	-
Reinsurers share of claims outstanding	-	-	-	-	-	-
Reinsurance debtors	100,727	21,407	15,877	16,622	8	154,641
Insurance debtors	55,814	21,558	31,415	26,949	3	135,739
Total	156,541	42,965	47,292	43,571	11	290,380

2024	£	£	£	£	£	£
Deposits with ceding undertakings	-	-	-	-	-	-
Reinsurers share of claims outstanding	-	2,897	-	-	(165)	2,732
Reinsurance debtors (as restated)	106,342	24,504	21,830	19,627	(23)	172,280
Insurance debtors (as restated)	78,329	21,496	25,607	25,959	(153)	151,238
Total	184,671	48,897	47,437	45,586	(341)	326,250

iii **Interest rate and equity price risk**

Interest rate risk and equity price risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market interest rates and market prices respectively.

iv Currency risk

The syndicates' main exposure to foreign currency risk arises from insurance business originating overseas, primarily denominated in US dollars. Transactions denominated in US dollars form a significant part of the syndicates' operations. This risk is, in part, mitigated by the syndicates maintaining financial assets denominated in US dollars against its major exposures in that currency.

The tables below provides details of syndicate assets and liabilities by currency:

	GBP £	USD £ converted	EUR £ converted	CAD £ converted	Other £ converted	Total £ converted
2025						
Total assets	1,966,750	9,714,138	817,511	1,149,718	271,412	**13,919,529**
Total liabilities	(2,154,653)	(8,510,566)	(629,644)	(849,813)	(150,805)	**(12,295,481)**
Surplus/(deficiency) of assets	(187,903)	1,203,572	187,867	299,905	120,607	**1,624,048**
2024						
Total assets	1,794,035	9,735,501	561,833	1,153,214	306,906	13,551,489
Total liabilities	(2,089,951)	(8,602,907)	(533,624)	(869,297)	(254,538)	(12,350,317)
Surplus/(deficiency) of assets	(295,916)	1,132,594	28,209	283,917	52,368	1,201,172

Group risks

i Investment, credit, liquidity and currency risks

The significant risks faced by the group are with regard to the investment of the available funds within its own custody. The elements of these risks are investment risk, credit risk, liquidity risk, currency risk and interest rate risk. The main liquidity risk would arise if a syndicate had inadequate liquid resources for a large claim and sought funds from the group to meet the claim. In order to minimise investment, credit and liquidity risk the group's funds are invested in readily realisable short term deposits. The syndicates can distribute their results in Sterling, US Dollars or a combination of the two. The group is exposed to movements in the US Dollar between the financial reporting date and the distribution of the underwriting profits and losses, which is usually in the May following the closure of the year of account. The group does not use derivative instruments to manage risk and, as such, no hedge accounting is applied.

ii Regulatory risks

The group is subject to continuing approval by Lloyd's to be a member of a Lloyd's syndicate. The risk of this approval being removed is mitigated by monitoring and fully complying with all requirements in relation to membership of Lloyd's. The capital requirements to support the proposed amount of syndicate capacity for future years are subject to the requirements of Lloyd's. A variety of factors are taken into account by Lloyd's in setting these requirements including market conditions and syndicate performance and although the process is intended to be fair and reasonable, the requirements can fluctuate from one year to the next, which may constrain the volume of underwriting the group is able to support.

iii Operational risks

As there are relatively few transactions actually undertaken by the group there are only limited systems and operational requirements of the group and therefore operational risks are not considered to be significant. Close involvement of all directors in the group's key decision making and the fact that the majority of the group's operations are conducted by syndicates, provides control over any remaining operational risks.

5 Class of business

2025	Gross written premiums £	Gross premiums earned £	Gross claims incurred £	Operating expenses £	Reinsurance balance £
Direct					
Accident and health	84,444	80,063	(33,844)	(35,586)	(5,234)
Motor - third party liability	6,930	6,215	(3,576)	(2,449)	302
Motor - other classes	76,233	80,351	(36,420)	(33,601)	(4,153)
Marine, aviation and transport	597,124	571,584	(468,400)	(213,506)	131,914
Fire and other damage to property	1,686,228	1,656,125	(571,938)	(577,996)	(301,948)
Third party liability	1,405,234	1,406,484	(876,630)	(474,697)	(89,382)
Credit and suretyship	219,236	139,965	(63,630)	(59,749)	(16,836)
Other	17,094	13,242	(4,256)	(6,077)	(27)
Total direct	4,092,523	3,954,029	(2,058,694)	(1,403,661)	(285,364)
Reinsurance business					
Reinsurance balance	1,761,976	1,701,359	(667,423)	(428,330)	(229,660)
Total	5,854,499	5,655,388	(2,726,117)	(1,831,991)	(515,024)

2024	£	£	£	£	£
Direct					
Accident and health	82,822	83,125	(39,226)	(37,638)	(6,721)
Motor - third party liability	5,738	5,213	10,616	(3,346)	(9,398)
Motor - other classes	77,326	78,975	(42,096)	(37,827)	(2,643)
Marine, aviation and transport	613,349	573,726	(494,988)	(212,490)	96,942
Fire and other damage to property	1,733,098	1,691,638	(655,164)	(527,265)	(275,473)
Third party liability	1,464,526	1,483,486	(933,001)	(534,488)	(20,679)
Credit and suretyship	134,728	122,636	(41,728)	(47,595)	(1,699)
Other	4,743	4,037	(2,325)	(4,077)	(31)
Total direct	4,116,330	4,042,836	(2,197,912)	(1,404,726)	(219,702)
Reinsurance business					
Reinsurance balance	1,580,180	1,500,566	(713,441)	(378,046)	(234,146)
Total	5,696,510	5,543,402	(2,911,353)	(1,782,772)	(453,848)

Any open year loss provisions, stop loss premiums and stop loss recoveries have been allocated across the classes of business by reference to the gross premiums written.

6 Geographical analysis

	2025	as restated 2024
	£	£
Direct gross premiums written in:		
United Kingdom	2,115,895	1,939,734
EU member states	176,349	171,260
United States	1,204,125	1,333,928
The rest of the world	596,154	671,408
Total	4,092,523	4,116,330

7 Technical provisions

Movement in claims outstanding

	Gross	Reinsurance	2025 Net	Gross	as restated Reinsurance	as restated 2024 Net
	£	£	£	£	£	£
At 1 January	(8,256,322)	2,302,803	(5,953,519)	(7,229,920)	2,088,363	(5,141,557)
Movement in technical account	(221,479)	72,005	(149,474)	(969,704)	196,018	(773,686)
Other movements	482,251	(144,308)	337,943	(56,698)	18,422	(38,276)
At 31 December	(7,995,550)	2,230,500	(5,765,050)	(8,256,322)	2,302,803	(5,953,519)

Movement in unearned premiums

	Gross	Reinsurance	2025 Net	Gross	Reinsurance	2024 Net
	£	£	£	£	£	£
At 1 January	(2,514,604)	389,715	(2,124,889)	(2,370,694)	367,037	(2,003,657)
Movement in technical account	(199,111)	17,990	(181,121)	(153,108)	22,973	(130,135)
Other movements	118,977	(21,506)	97,471	9,198	(295)	8,903
At 31 December	(2,594,738)	386,199	(2,208,539)	(2,514,604)	389,715	(2,124,889)

Movement in deferred acquisition costs

	2025 Net	2024 Net
	£	£
At 1 January	587,576	550,434
Movement in deferred acquisition costs	83,472	37,075
Other movements	(11,593)	67
At 31 December	659,455	587,576

Included within other movements are foreign exchange movements in restating the opening balances and the effect of prior years' technical provisions being reinsured to close, to the extent where the company's syndicate participation portfolio has changed between years of account.

7 Technical provisions (continued)

Assumptions, changes in assumptions and sensitivity

The majority of the risks to the group's future cash flows arise from its participation in the results of Lloyd's syndicates and are mostly managed by the managing agents of the syndicates. The group's role in managing these risks, in conjunction with the group's members' agent, is limited to a selection of syndicate participations and monitoring the performance of the syndicates and their managing agents.

The amounts carried by the group arising from insurance contracts are calculated by the managing agents of the syndicates and derived from accounting information provided by the managing agents and reported upon by the syndicate auditors.

The key assumptions underlying the amounts carried by the group arising from insurance contracts are:

i The net premiums written calculated by the managing agent are an accurate assessment of the premiums payable as a result of the risks contractually committed to up to the financial reporting date.

ii The net unearned premiums calculated by the managing agent are an accurate assessment of the net premiums written that reflect the exposure to risks arising after the financial reporting date, including appropriate allowance for anticipated losses in excess of the unearned premium.

iii The claims reserves calculated by the managing agents are an accurate assessment of the ultimate liabilities in respect of claims relating to events up to the financial reporting date.

iv The potential ultimate result of run-off year results has been accurately estimated by the managing agents.

v The values of investments and other assets and liabilities are correctly stated at their realisable values at the financial reporting date.

There have been no changes to these assumptions in 2025.

The amounts carried by the group arising from insurance contracts are sensitive to various factors as follows:

i A 5% increase/decrease in net earned premium (with claims incurred assumed to change pro-rata with premium) will increase/decrease the group's pre-tax profit/loss by £120,712 (2024: £108,910).

ii A 5% increase/decrease in the managing agents' calculation of gross claims reserves will decrease/increase the group's pre-tax profit/loss by £399,778 (2024: £412,816).

iii A 5% increase/decrease in the managing agents' calculation of net claims reserves will decrease/increase the group's pre-tax profit/loss by £288,253 (2024: £297,676).

Claims development - gross		At end of underwriting year £	After 12 months £	After 24 months £	After 36 months £	Profit/loss on RITC received £
Underwriting pure year						
	2025	1,392,588	-	-	-	-
	2024	1,627,469	2,760,446	-	-	-
	2023	1,207,298	2,126,658	2,089,924	-	-

7 Technical provisions (continued)

Claims development - net		At end of underwriting year £	After 12 months £	After 24 months £	After 36 months £	Profit/loss on RITC received £
Underwriting pure year						
	2025	1,077,462	-	-	-	-
	2024	1,270,021	2,208,859	-	-	-
	2023	989,652	1,781,997	1,761,283	-	-

8 Investment return

The following return on investments relate to investments held at fair value.

	2025 £	as restated 2024 £
Investment income	1	4,129
Dividend income	84,728	72,155
Interest on cash at bank	66,867	93,717
Other interest and similar income	231,283	193,392
Investment income	382,879	363,393
Realised gain on investments	43,305	48,627
Unrealised gain on investments	829,862	187,144
Total investment income	1,256,046	599,164
Investment expenses and charges	(14,664)	(6,467)
Total investment return	1,241,382	592,697

9 Net operating expenses

	2025 £	2024 £
Acquisition costs	1,375,584	1,173,804
Administrative expenses	452,396	579,255
Loss on exchange	4,011	29,713
Total	1,831,991	1,782,772

10 Other income

	2025 £	2024 £
Profit on sale of syndicate participation rights	4,032	47,508
Other	5,881	-
Total	9,913	47,508

11 Profit on ordinary activities before taxation

	2025	2024
	£	£
This is stated after charging:		
Auditor's remuneration - audit (see note 12)	2,150	2,025
Auditor's remuneration - other (see note 12)	4,215	3,935
Director's remuneration	30,000	30,000
Employer's National Insurance contributions	3,000	1,628
Amortisation of syndicate capacity	-	-

The average number of persons, including directors, employed during the year was 2 (2024: 2).

12 Auditor's remuneration

	2025	2024
	£	£
The remuneration of the auditor or its associates is further analysed as follows:		
For audit services		
Audit of the financial statements	1,215	1,135
Audit of subsidiaries	935	890
Total audit services	2,150	2,025
For non-audit services		
Taxation compliance services	920	755
Other non-audit services	3,295	3,180
Total non-audit services	4,215	3,935

13 Group intangible fixed assets

	Syndicate Participation Rights
	£
Cost	
At 1 January 2025	249,843
Additions	-
Disposals	(1,806)
At 31 December 2025	248,037
Amortisation	
At 1 January 2025	249,843
Charge for the year	-
Impairment losses	-
Disposals	(1,806)
At 31 December 2025	248,037
Net book value	
At 31 December 2025	-
At 31 December 2024	-

14 Investments: Financial investments

The group

At market value		£	Syndicate £	Corporate £	Total £
2025					
Shares and other variable yield securities	- level 1	450,692			
	- level 2	530,955			
	- level 3	7,202	988,849	4,185,462	**5,174,311**
Debt securities and other fixed income securities	- level 1	1,259,599			
	- level 2	4,260,635			
	- level 3	-	5,520,234	1,094,169	**6,614,403**
Participation in investment pools	- level 1	26,731			
	- level 2	2,630			
	- level 3	3,828	33,189	-	**33,189**
Loans guaranteed by mortgage	- level 1	-			
	- level 2	-			
	- level 3	-	-	-	-
Other	- level 1	80,650			
	- level 2	83,367			
	- level 3	13,026	177,043	-	**177,043**
Total			**6,719,315**	**5,279,631**	**11,998,946**
2024					
Shares and other variable yield securities	- level 1	370,054			
	- level 2	452,937			
	- level 3	29,046	852,037	3,690,573	4,542,610
Debt securities and other fixed income securities	- level 1	1,283,672			
	- level 2	4,305,516			
	- level 3	9,345	5,598,533	-	5,598,533
Participation in investment pools	- level 1	35,087			
	- level 2	2,696			
	- level 3	382	38,165	-	38,165
Loans guaranteed by mortgage	- level 1	-			
	- level 2	-			
	- level 3	-	-	-	-
Other	- level 1	110,043			
	- level 2	-			
	- level 3	-	110,043	-	110,043
Total			6,598,778	3,690,573	10,289,351

All corporate investments included above are listed investments valued at market value.

The corporate investments held include £3,112,538 (2024: £2,028,321) at market value in respect of Lloyd's deposits that are held in accordance with the constraints detailed in note 25.

14 Investments: Financial investments (continued)

The group (continued)

The group uses the following hierarchy for determining and disclosing the fair value of financial investments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets
Level 2: prices based on recent transactions in identical assets
Level 3: prices determined using a valuation technique

None of the above investments are valued at amortised cost.

At cost	Syndicate £	Corporate £	2025 Total £	2024 Total £
Shares and other variable yield securities	904,855	2,907,466	**3,812,321**	3,975,353
Debt securities and other fixed income securities	5,413,613	1,120,200	**6,533,813**	5,506,020
Participation in investment pools	32,573	-	**32,573**	37,441
Loans guaranteed by mortgage	-	-	-	-
Other	174,485	-	**174,485**	102,761
Total	6,525,526	4,027,666	**10,553,192**	9,621,575

The company

	2025 £	2024 £
Interests in subsidiaries	**140,000**	140,000
Interests in associates	-	-
Other fixed asset investments	-	-
Total	**140,000**	140,000

Investments in subsidiaries

At 31 December 2025 the group and the parent company had interests in the following subsidiaries:

Subsidiaries	Type of shares held	Proportion held (%)	Registered office	Nature of business
Welles Underwriting Limited	Ordinary	100%	5th Floor 40 Gracechurch Street London EC3V 0BT	Corporate member of Lloyd's

14 Investments: Financial investments (continued)

The company (continued)	Investments in subsidiaries £
Cost	
At 1 January 2025	140,000
Additions	-
Disposals	-
At 31 December 2025	140,000
Accumulated impairment	
At 1 January 2025	-
Charge for the year	-
Impairment losses	-
Disposals	-
At 31 December 2025	-
Net book value	
At 31 December 2025	140,000
At 31 December 2024	140,000

Current asset investments	2025 £	2024 £
Shares and other variable yield securities	1,493,231	1,416,305

15 Group debtors arising out of direct insurance and reinsurance operations

	Syndicate £	Corporate £	2025 Total £	as restated 2024 Total £
The following amounts are due after one year:				
Direct insurance operations	24,452	-	24,452	28,856
Reinsurance operations	454,231	-	454,231	339,173
Total	478,683	-	478,683	368,029

16 Other debtors

	The company		The group			
	2025 Total £	2024 Total £	Syndicate £	Corporate £	2025 Total £	as restated 2024 Total £
Deferred tax	-	-	-	-	-	-
Other	1,377,152	1,376,976	246,203	1,362	247,565	343,784
Total	1,377,152	1,376,976	246,203	1,362	247,565	343,784

Group corporate other debtors includes £Nil (2024: £Nil) due to the group after more than one year.
Company other debtors includes £Nil (2024: £Nil) due to the company after more than one year.

17 Cash at bank

	Syndicate £	Corporate £	2025 Total £	as restated 2024 Total £
Lloyd's deposit	-	69,264	69,264	543,453
Cash at bank and in hand	558,403	1,195,465	1,753,868	1,602,212
Total	558,403	1,264,729	1,823,132	2,145,665

Any Lloyd's deposit is held in accordance with the constraints detailed in note 25.

18 Share capital

	2025	2024
	£	£
Allotted, called up and fully paid		
1,120,000 Ordinary shares of £0.10 each	112,000	112,000

Ordinary shares hold full and equal rights to participate in voting in all circumstances and in dividends and capital distributions, whether on a winding up or otherwise. The shares are not redeemable.

19 Taxation

	2025	2024
	£	£
Analysis of charge in year		
Current tax		
UK Corporation Tax on profits of the year	245,557	78,214
Adjustments in respect of prior years	(665)	-
Foreign tax	16,163	5,223
Total current tax	261,055	83,437
Analysis of charge in year		
Deferred tax		
Origination and reversal of timing differences	138,180	131,304
Changes in tax rates	-	-
Adjustment to the estimated recoverable amounts of deferred tax assets arising in prior years	-	-
Other items	-	-
Total deferred tax	138,180	131,304
Tax on profit on ordinary activities	399,235	214,741

19 Taxation (continued)

Factors affecting tax charge for the year
The tax assessed for the year is lower (2024 - lower) than the standard rate of Corporation Tax in the UK of 25.00%. The differences are explained below:

	2025 £	2024 £
Profit on ordinary activities before taxation	1,742,013	996,566
Profit on ordinary activities before taxation multiplied by the standard rate of Corporation Tax in the UK of 25.00%.	435,503	249,142
Effects of:		
Income/expenses not taxable/allowable	(21,183)	(18,038)
Timing differences arising from the taxation of the underwriting results	(14,307)	2,447
Timing differences arising from the taxation of syndicate participation movements	-	-
Tax losses carried forward	-	-
Changes in tax rates	(602)	(871)
Adjustments to tax charge in respect of prior periods	(665)	-
Foreign tax paid	489	(17,939)
Other adjustments	-	-
Total tax charge for the year	399,235	214,741

Factors that may affect future tax charges
The group has trading losses of £Nil (2024 - £Nil) available to carry forward to offset against future trading profits. The group has capital losses of £126,500 (2024 - £126,500) available to carry forward to offset against future capital gains. These losses have no fixed date of expiry.

	2025 £	2024 £
Provision for deferred tax		
At 1 January	291,850	160,546
Charge to the profit and loss account	138,180	131,304
Released or utilised in the year	-	-
At 31 December	430,030	291,850

Full provision has been made for all timing differences apart from the recovery of taxation losses against future trading profits, which cannot be prudently anticipated at this time.

The deferred tax asset not provided for in respect of Corporation Tax losses, and deferred tax losses not yet assessable to Corporation Tax, amounted to £Nil (2024 - £Nil).

20 Other creditors

	The company		The group			
	2025	2024	Syndicate	Corporate	2025	2024
	£	£	£	£	£	£
Other creditors	-	-	596,469	27,863	624,332	532,002
Social security costs	-	-	-	-	-	-
Corporation tax	2,682	5,497	-	245,557	245,557	78,214
Cash calls	-	-	-	-	-	-
Shareholders' loan account	-	-	-	-	-	-
Total	2,682	5,497	596,469	273,420	869,889	610,216

Group corporate other creditors includes £Nil (2024: £Nil) due from the group after more than one year.
Company other creditors includes £Nil (2024: £Nil) due from the company after more than one year.

21 Group financial liabilities

All financial liabilities are measured at amortised cost except for:

	2025	2024
	£	£
Amounts due to credit institutions	12	-

This liability has been disclosed at fair value using a valuation technique. The group uses the following hierarchy for determining and disclosing the fair value of financial liabilities by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical liabilities
Level 2: prices based on recent transactions in identical liabilities
Level 3: prices determined using a valuation technique

22 Dividends

	2025	2024
Equity dividends on ordinary shares:		
Final dividend for 2024 (2024: final dividend for 2023)	-	-
Interim dividends for 2025 (2024: interim dividends for 2024)	-	-
Total dividends paid	-	-

23 Reconciliation of profit before tax to cash inflow from operating activities

	2025	2024
	£	£
Profit before tax	1,742,013	996,566
Finance costs	-	-
Finance income	(853,374)	(264,992)
Current year result not distributable in year	(975,113)	(723,134)
Prior year result distributable in year	480,936	285,187
Profit on sale of syndicate participation rights	(4,032)	(47,508)
Increase in creditors	28,343	201
Decrease/(Increase) in debtors	22,252	(22,252)
Amortisation and impairment of syndicate participation rights	-	-
Exchange gains and losses	19,410	(13,361)
Cash inflow from operating activities	460,435	210,707

24 Analysis of changes in net debt

	At 1 Jan 2025	Cash flow	Acquisitions	Other non - cash changes	Exchange movement	At 31 Dec 2025
	£	£	£	£	£	£
Cash and cash equivalents						
Cash	1,647,904	(363,765)	-	-	(19,410)	1,264,729
Overdrafts	-	-	-	-	-	-
Cash equivalents	-	-	-	-	-	-
	1,647,904	(363,765)	-	-	(19,410)	1,264,729
Borrowings						
Debt due within one year	-	-	-	-	-	-
Debt due after one year	-	-	-	-	-	-
	-	-	-	-	-	-
Total	1,647,904	(363,765)	-	-	(19,410)	1,264,729

25 Funds at Lloyd's

Cash balances of £69,264 (2024: £543,453) detailed in note 17 and investments of £3,112,538 (2024: £2,028,321) detailed in note 14 are held within the group's Lloyd's deposit. These balances exclude any amounts held via syndicates.

The Lloyd's deposit represents funds deposited with the Corporation of Lloyd's (Lloyd's) to support the group's underwriting activities as described in the accounting policies. The group has entered into a legal agreement with Lloyd's which gives the Corporation the right to apply these funds in settlement of any claims arising from the group's participation on Lloyd's syndicates. These funds can only be released from the provision of this deed with Lloyd's express permission and only in circumstances where the amounts are either replaced by an equivalent asset or after the expiration of the group's liabilities in respect of its underwriting.

In addition to these amounts, the directors also made available to Lloyd's assets amounting to approximately £Nil (2024: £Nil) which are also used by the group to support its Lloyd's underwriting.

26 Controlling party

The ultimate controlling party is Mrs R Knox.

27 Related party transactions

The company has taken advantage of the exemption available in FRS 102 section 33 whereby it has not disclosed transactions with any wholly owned subsidiary undertakings.

Parent company related party transactions

During 2025 the directors withdrew funds of £1,170 (2024 - £Nil) from the company. Included within other debtors at 31 December 2025 is £1,170 (2024 - £Nil) that is owed to the company by the directors. No interest is chargeable on the amount outstanding.

Group related party transactions

During 2025 the directors introduced funds of £2,526 (2024 - £Nil) to the group and withdrew funds of £1,170 (2024 - £2,526) from the group. Included within other debtors at 31 December 2025 is £1,170 (2024 - £2,526) that is owed to the group by the directors. No interest is chargeable on the amount outstanding.