REPORT OF THE DIRECTORS AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2026

FOR

UNIVERSAL INSURANCE COMPANY (GUERNSEY) LIMITED

(Company Registration Number: 58416)

Universal Insurance Company (Guernsey) Limited

Contents of the Report of the Directors and Audited Financial Statements for the Year Ended 30 June 2026

	Page
Company Information	1
Report of the Directors	2 - 3
Independent Auditor's Report	4 - 6
Statement of Comprehensive Income	7 - 8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12 - 19

Universal Insurance Company (Guernsey) Limited

Company Information
for the Year Ended 30 June 2026

DIRECTORS:	B Dunning M Daly A Darling R Le Tocq J Polson
SECRETARY:	SRS Corporate Services Guernsey Limited
INSURANCE MANAGER:	SRS Management Guernsey Limited
REGISTERED OFFICE:	Second Floor Block A Lefebvre Court Lefebvre Street St Peter Port Guernsey GY1 2JP
AUDITOR:	Moore Stephens Audit and Assurance (Guernsey) Limited PO Box 146, Level 2, Park Place Park Street St Peter Port Guernsey GY1 3HZ

Universal Insurance Company (Guernsey) Limited

Report of the Directors for the Year Ended 30 June 2026

Accounting period

The Directors present their report and the audited financial statements for the year ended 30 June 2026.

Principal activity

The Company's principal activity is to underwrite motor vehicle ancillary products to UK customers.

Results and dividends

The results for the year ended 30 June 2026 are set out on pages 7 and 8. The Company made a profit of £220,859 for the year (2025 profit: £580,736).

Dividends of £2,500,000 (2025: £487,976) were declared during the year ended 30 June 2026. Of this, £nil (2025: £nil) remained payable at the year end.

Going concern

The accounts have been prepared on a going concern basis. The Directors believe that this basis is appropriate as on the date of approval the Company has net assets considerably in excess of its regulatory solvency requirement, is not dependent on any external finance and is expected to operate profitably in the foreseeable future.

As a result of the above factors the Directors have satisfied themselves that it is appropriate to prepare the financial statements on a going concern basis.

Directors

The Directors of the Company during the year ended 30 June 2026 and to date are as stated on page 1.

Secretary

The Secretary of the Company during the year ended 30 June 2026 and to date are as stated on page 1.

Directors' responsibilities statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. The Companies (Guernsey) Law, 2008 ("company law") and the Insurance Business (Bailiwick of Guernsey) Law, 2002 require 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 UK Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and FRS 103, Insurance Contracts ("FRS 103"). 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.

Report of the Directors for the Year Ended 30 June 2026 (continued)

Directors' responsibilities statement (continued)

In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping proper accounting records which 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 to enable them to ensure that the financial statements comply with the Insurance Business (Bailiwick of Guernsey) Law, 2002 and the Companies (Guernsey) Law, 2008.

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

Disclosure of information to the Auditor

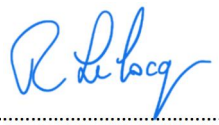
In accordance with section 249 of the Companies (Guernsey) Law, 2008, the Directors, who held office at the date of approval of the Directors' report, confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each Director has taken all the steps he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Independent Auditor

Moore Stephens Audit and Assurance (Guernsey) Limited was appointed as the auditor of the Company by the Directors. The requirement to hold an AGM has been waived and therefore Moore Stephens Audit and Assurance (Guernsey) Limited will remain as auditor of the Company subject to approval from time to time by the Board.

APPROVED BY THE BOARD OF DIRECTORS



....

Director Director

Date: 21 October 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSAL INSURANCE COMPANY (GUERNSEY) LIMITED

Opinion

We have audited the financial statements of Universal Insurance Company (Guernsey) Limited ('the Company') for the year ended 30 June 2026 which comprise the Statement of Comprehensive Income – Technical Account, Statement of Comprehensive Income – Non-Technical Account, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, and notes to the financial statements for the year then ended, including a summary of significant accounting policies.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the company as at 30 June 2026 and of its financial performance for the year then ended;
- have been properly prepared in accordance with FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" ('FRS 102') and FRS 103 "Insurance Contracts" ('FRS 103'); and
- have been prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008 and the Insurance Business (Bailiwick of Guernsey) Law, 2002.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Guernsey, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 or a material misstatement of the other information. 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.

Responsibilities of directors

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

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 assurance but is not a guarantee that an audit conducted in accordance with the ISAs 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008, requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the company; or
- the financial statements are not in agreement with the accounting records; or
- we have failed to obtain all the information and explanation which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

We have nothing to report in respect of the following matters where the Insurance Business (Bailiwick of Guernsey) Law, 2002 requires us to report to you if, in our opinion:

- the information given in the annual return prepared pursuant to section 33 is inconsistent with the financial statements; or
- there is any transaction outside the normal course of business which resulted in the balance sheet showing a situation materially different from that which would otherwise have been obtained, and which is not adequately disclosed in the financial statements.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Section 36 of the Insurance Business (Bailiwick of Guernsey) Law, 2002. Our audit work has been undertaken for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and company's members as a body, for our work, for this report, or for the opinions we have formed.



Moore Stephens Audit and Assurance (Guernsey) Limited

PO Box 146
Level 2, Park Place
Park Street
St Peter Port
Guernsey
GY1 3HZ

22/10/26

Date:.....

Universal Insurance Company (Guernsey) Limited

Statement of Comprehensive Income
for the Year Ended 30 June 2026

Technical Account

	Note	30 June 2026 £	30 June 2025 £
Insurance Income			
Gross written premium		79,203	1,081,759
Movement in unearned premium reserve		316,441	(312,025)
Net written premium		395,644	769,734
Commissions		(640)	(52,050)
Movement in unexpensed commission		(1,639)	(11,182)
Commission expense		(2,279)	(63,232)
Net Earned Premium		393,365	706,502
Claims Expense			
Claims expense		(19,476)	(21,792)
Movement in outstanding loss reserve	10	1,520	(24,237)
Claims Incurred		(17,956)	(46,029)
Policy administration fees		(33,455)	(32,772)
Balance on the Technical Account		341,954	627,701

The notes on pages 12 to 19 form an integral part of these financial statements

Universal Insurance Company (Guernsey) Limited

Statement of Comprehensive Income
for the Year Ended 30 June 2026

Non-Technical Account

	30 June 2026 £	30 June 2025 £
Transfer from Technical Account	341,954	627,701
Income		
Investment income	68,072	164,101
	410,026	791,802
Expenses		
Management fees	84,810	81,559
Ramasis - IT services	8,500	6,000
Directors' fees	24,215	23,352
Regulatory fees	17,890	13,030
Audit fees	9,806	9,065
Internal Audit fees	-	5,200
Registry fees	2,225	1,170
IT fees	15,296	15,825
D&O premium	11,960	12,601
Legal and professional fees	7,410	36,729
Bank charges	270	200
Sundry expenses	6,785	6,335
	189,167	211,066
Profit for the financial year	220,859	580,736

The notes on pages 12 to 19 form an integral part of these financial statements

Universal Insurance Company (Guernsey) Limited

Statement of Financial Position
As at 30 June 2026

	Note	30 June 2026 £	30 June 2025 £
CURRENT ASSETS			
Prepayments and other debtors	7	21,745	16,483
Unexpensed commission		539	2,179
Premium receivable		12,538	1,264
Cash and cash equivalents		1,897,412	4,509,090
TOTAL ASSETS		1,932,234	4,529,016
TECHNICAL PROVISIONS			
Unearned premium reserve		42,663	359,103
Outstanding loss reserve	10	24,911	26,431
		67,574	385,534
CREDITORS: AMOUNTS FALLING DUE IN LESS			
Creditors and accruals	8	15,624	15,524
Related party payable		3,656	3,437
		19,280	18,961
TOTAL LIABILITIES		86,854	404,495
NET ASSETS		1,845,380	4,124,521
CAPITAL AND RESERVES			
Share capital	9	288,000	288,000
Profit and loss account		1,557,380	3,836,521
SHAREHOLDERS' FUNDS		1,845,380	4,124,521

The financial statements were approved and authorised for issue by the Board of Directors on 21 October 2026 and were signed on its behalf by:

Director

Director

The notes on pages 12 to 19 form an integral part of these financial statements

Universal Insurance Company (Guernsey) Limited

Statement of Changes in Equity
As at 30 June 2026

	Share Capital	Profit and Loss Account	Total
	£	£	£
At 30 June 2024	288,000	3,743,761	4,031,761
Dividend	-	(487,976)	(487,976)
Profit for the Year	-	580,736	580,736
At 1 July 2025	**288,000**	**3,836,521**	**4,124,521**
Dividend	-	(2,500,000)	(2,500,000)
Profit for the Year	-	220,859	220,859
At 30 June 2026	**288,000**	**1,557,380**	**1,845,380**

The notes on pages 12 to 19 form an integral part of these financial statements

Universal Insurance Company (Guernsey) Limited

Statement of Cash Flows
for the Year Ended 30 June 2026

	30 June 2026	30 June 2025
	£	£
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	220,859	580,736
Adjustments for:		
Float fund	-	5,000
Investment income	(68,072)	(164,101)
Movement in unearned premium reserve	(316,441)	312,025
Movement in unexpensed commission	1,639	11,182
Movement in outstanding loss reserve	(1,520)	24,237
	(163,535)	769,079
Changes in operating assets and operating liabilities:		
(Increase)/ Decrease in prepayments and other debtors	(4,262)	25,430
(Increase)/ Decrease in premium receivable	(11,274)	65,245
Decrease in creditors and accruals	100	(34,731)
(Increase)/ Decrease in related party payable	219	(13,065)
CASH GENERATED BY OPERATING ACTIVITIES	(178,752)	811,958
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	67,074	189,884
CASH GENERATED BY INVESTING ACTIVITIES	67,074	189,884
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(2,500,000)	(487,976)
CASH USED IN FINANCING ACTIVITIES	(2,500,000)	(487,976)
Net (decrease)/ increase in cash and cash equivalents	(2,611,678)	513,866
Cash and cash equivalents at beginning of the year	4,509,090	3,995,224
Cash and cash equivalents at the end of the year	1,897,412	4,509,090

The notes on pages 12 to 19 form an integral part of these financial statements

Notes to the Financial Statements for the Year Ended 30 June 2026

1. GENERAL INFORMATION

The Company is registered and incorporated in Guernsey (registration number: 58416) and is licensed to write General Insurance Business by the Guernsey Financial Services Commission (GFSC).

The Company's registered office is Second Floor, Block A, Lefebvre Court, Lefebvre Street, St Peter Port, Guernsey, GY1 2JP.

The Company's principal activity is to underwrite motor vehicle ancillary products to UK customers.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

The financial statements are prepared on the historical cost convention, and in accordance with applicable United Kingdom Accounting Standards, including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and FRS 103, Insurance Contracts ("FRS 103"). The preparation of financial statements in accordance with FRS 102 and FRS 103 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies.

The financial statements have been prepared in accordance with the provisions of the Companies (Guernsey) Law, 2008 and the Insurance Business (Bailiwick of Guernsey) Law, 2002 as amended.

The accounts have been prepared on a going concern basis. The Directors believe that this basis is appropriate as the Company has net assets considerably in excess of its regulatory solvency requirement, is not dependent on any external finance and is expected to continue to operate profitably in the foreseeable future. As a result of this review the Directors have satisfied themselves that it is appropriate to prepare the financial statements on a going concern basis.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Functional currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Pounds Sterling ('GBP') which is the Company's functional currency.

b) Insurance contracts

i) Classification

The Company issues contracts that transfer insurance risk which are classified as insurance contracts. As a general guideline, the Company defines significant insurance risk as the possibility of having to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. These contracts remain insurance contracts until such time as all rights and obligations under the contract are extinguished, or expire.

ii) Premium written and receivable

Written premiums comprise premiums on contracts incepted during the period. Premiums written are accounted for at the date of inception of the policy to which they relate. Premiums are shown gross of brokerage payable and exclude taxes and duties levied on them.

Premiums receivable are shown gross of any commissions due.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Insurance contracts (continued)

iii) Unearned premium

Premiums written are recognised as earned premiums on a time apportionment basis. Unearned premiums are the proportion of premiums written in the period that relate to the unexpired risks in force at the date of the Statement of Financial Position and are calculated on a time apportionment basis.

iv) Claims expense

Claims expense include all claims costs incurred in respect of the period including associated claims settlement expenses.

v) Commissions

Commissions are expensed within the Statement of Comprehensive Income - Technical Account in the period over which they are incurred.

vi) Outstanding loss reserve

The outstanding loss reserve comprises the estimated cost of all unpaid claims incurred during the period and notified to the Company. The provisions for claims outstanding is assessed on an individual case by case basis and is based on the estimated ultimate cost of all claims notified but not settled by the reporting date.

c) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a 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 Company after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs). Financial assets are derecognised when, and only when, a) the contractual rights to the cash flows from the financial asset expire or are settled or b) the Company transfers to another party substantially all the risks and rewards of ownership of the financial asset. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

d) Prepayments and other debtors

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. When a financial asset is recognised initially it is measured at fair value plus transaction costs that are directly attributable to the acquisition or issue. Receivables are subsequently measured at amortised cost. Receivables arising from insurance contracts are classified in this category and are reviewed for impairment as part of the impairment review of receivables. This basis of valuation is viewed by the directors as having prudent regard to the likely realisable value. Discounting has not been applied to receivables as they are repayable on demand/in the short term.

e) Cash and cash equivalents

Cash and cash equivalents comprise demand deposits with original maturities of 3 months of less.

f) Creditors and accruals

Accruals are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Basic financial liabilities (including accruals) are initially recognised at transaction price and subsequently carried at amortised cost. Accruals are classified as current liabilities as payment is due in one year or less and therefore discounting has not been applied.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Investment income

Interest income earned on cash deposits is accounted for in the Statement of Comprehensive Income – Non-Technical Account on an accruals basis.

h) Expenses

Expenses are accounted for on an accruals basis and are recognised in the Statement of Comprehensive Income – Non-Technical Account.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities which are not readily apparent from other sources. The 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.

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.

Claims reserves and estimates

The most critical judgements and estimates made by the Company are those regarding the level of reserves to be established.

Provision is made at the reporting date for the estimated cost of claims incurred but not settled, direct and indirect claims handling costs and the cost of claims incurred but not yet reported ("IBNR") to the Company. The provisions for claims outstanding is assessed on an individual case by case basis and is based on the estimated ultimate cost of all claims notified but not settled by the Statement of Financial Position date. The Directors take all reasonable steps to ensure that they have appropriate information regarding the Company's claims exposures. However, given the uncertainty in establishing claims reserves and other estimates, it is likely that the final outcome will prove to be different from the original liability established.

5. INSURANCE AND FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of insurance and financial risks. The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The aim of the framework is to achieve the appropriate balance between risk and return and minimise potential adverse effects on the Company's financial performance.

The Board of Directors has established an Underwriting Committee to assist with the management and monitoring of insurance risks, with ultimate responsibility for risk management residing with the Board.

The significant risks facing the Company are insurance risk, together termed underwriting risk; market risk; liquidity risk and credit risk. Market risk comprises interest rate risk.

a) Underwriting risk

The Company issues contracts that transfers insurance risk or financial risk or both.

5. INSURANCE AND FINANCIAL RISK MANAGEMENT (continued)

a) Underwriting risk (continued)

Underwriting Risks relate to the risks involved in underwriting the business. This comprises pricing (the risk that underlying business is under-priced) as well as the risk of a greater number of large losses than assumed. This risk category also includes Reserving Risk, which is the risk that actual claims payments are significantly higher than the amounts included within the technical provisions. This could occur because the frequency or severity of claims are greater than estimated. Insurance events are random and the actual number and amount of claims may vary from year to year from the estimate established.

Each line of business written by the Company is reviewed and approved by the Board or the Underwriting Committee prior to the policy inception. Consideration is given to the level of premiums receivable against expected claims.

b) Financial instruments

The following table outlines the Company's exposure to financial instruments at the reporting date, all measured at amorised cost.

	30 June 2026	30 June 2025
	£	£
Financial assets		
Insurance Premium Tax (IPT) receivable	1,505	151
Premium receivable	12,538	1,264
Cash and cash equivalents	1,897,412	4,509,090
	1,911,455	4,510,505
Financial liabilities		
Outstanding loss reserve	24,911	26,431
Creditors and accruals	15,624	15,524
Related party payable	3,656	3,437
	44,191	45,392

c) Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. Market risk mainly arises from changes in interest rates, which may be specific to the individual asset, or to factors affecting all assets traded in the market. There is no exposure to currency risk or other price risk as the company only transacts business in the functional currency and does not hold any instruments which are traded in an active market.

Interest rate risk

Interest rate risk is the risk that the value of future cash flows of a financial instrument will fluctuate because of differences in market interest rates.

If all other variables are held constant, an increase or decrease in interest rate of 25 basis points, which represents the best estimate of movements based on Bank of England monetary policy, would have resulted in profit for the period being £4,744 (2025: £11,273) higher or lower.

5. FINANCIAL RISK MANAGEMENT (continued)

d) Liquidity risk

Liquidity risk is the risk that the Company, although solvent, either does not have available sufficient financial resources to enable it to meet its obligations as they fall due, or can secure them only at excessive cost. The primary liquidity risk of the Company is the obligation to pay claims as they fall due and is also exposed to liquidity risk in relation to accruals. The Company manages the risk by ensuring that the majority of assets comprise cash. Sufficient cash to cover ongoing expenses is held in bank accounts with same day liquidity, with surplus funds being held in 32 and 95 Day Notice Accounts. The financial assets and liabilities of the Company all have a maturity of less than 12 months.

e) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The Company is exposed to credit risk on its cash and cash equivalents, and premium receivable (including insurance premium tax receivable). The Company's maximum exposure to credit risk is £1,911,455 (2025: £4,510,505).

Premium receivable and IPT receivable

All premium receivable and IPT receivable are current and are settled within 30 days of the month end to which they relate. No provision is made for doubtful debt.

Cash and cash equivalents

The risk is managed within the Company's investment guidelines which is regularly reviewed by the Board of the Company. The Company's cash is held in deposit accounts with financial institutions regulated by the GFSC and with a S&P (or equivalent) credit rating of BBB+ or better.

f) Capital management

Capital management includes the assessment of capital required to support the Company's plans and objectives, the structure of its shareholder's funds, arrangements to secure capital, and the ongoing monitoring of capital against business requirements.

The Company defines capital in accordance with regulations prescribed by the GFSC. The Company's capital to meet the Minimum Capital Requirement ('MCR') and Prescribed Capital Requirement ('PCR') consists of:

	30 June 2026	30 June 2025
	£	£
Share Capital (paid)	288,000	288,000
Profit and Loss Account	1,557,380	3,836,521
Capital to meet MCR and PCR	1,845,380	4,124,521

Its objectives when managing capital are:

i) to comply with legal and statutory obligations and maintain capital resources commensurate with the nature, scale and risk profile of its business;

ii) to provide a framework for monitoring the financial and capital position of the Company, including the procedures to be followed during period of general financial distress, either due to internal or external events; and

iii) to safeguard the Company's ability to continue as a going concern.

5. FINANCIAL RISK MANAGEMENT (continued)

f) Capital management (continued)

Under the rules prescribed by the GFSC, the Company must at all times maintain assets of a value sufficient to cover its liabilities, including liabilities arising under or in connection with contracts of insurance, and that there is a suitable matching of assets and liabilities. The GFSC rules require the Company to maintain a surplus of admissible assets over its liabilities which is at all times higher than both its MCR and PCR. The MCR represents the point at which the regulator would invoke the strongest action, while the PCR is the level of capital above which no action is required, with varying degrees of action required if capital lies between the MCR and PCR. As at 30 June 2026 the Company held a surplus of £1,595,380 (2025: £4,000,955) above its MCR requirement of £250,000 (2025: £123,565) and a surplus of £1,595,380 (2025: £3,762,880) above its PCR requirement of £250,000 (2025: £361,640).

Management information to monitor the Company's capital requirements and solvency position is produced and presented to the Board on a regular basis ensuring that the Company meets its capital requirements at all times. The Company has complied with the GFSC imposed rules and guidance in respect of capital since its incorporation.

6. TAXATION

The Company is liable to tax in Guernsey at the Guernsey Standard Rate of zero percent.

7. PREPAYMENTS AND OTHER DEBTORS

	30 June 2026	30 June 2025
	£	£
IPT receivable	1,505	151
Interest receivable	4,923	3,923
Regulatory fees	10,390	7,500
D&O insurance	4,555	4,555
IT Costs	372	354
	21,745	16,483

8. CREDITORS AND ACCRUALS

	30 June 2026	30 June 2025
	£	£
IPT payable	2,662	522
Audit fee	9,616	9,065
Policy administration fee	1,415	4,459
IT costs	1,808	954
Sundry expenses	123	524
	15,624	15,524

9. SHARE CAPITAL

	30 June 2026 £	30 June 2025 £
Allotted, called up and fully paid		
Ordinary shares of £1 each	288,000	288,000

The Company has issued 288,000 ordinary shares for cash consideration. Ordinary shares carry full voting rights.

10. INSURANCE LIABILITIES

Provisions for claims reported are estimated using the latest available information and using the methodology as described in note 3. Due to the amount of time over which some claims can develop, there may be significant uncertainty over the level of these reserves. Provisions for liabilities may therefore vary as a result of subsequent developments.

Movement in insurance liabilities	30 June 2026 £	30 June 2025 £
Outstanding loss reserve		
Balance at beginning of the year	26,431	2,194
Movement in the year	(1,520)	24,237
Balance at end of the year	24,911	26,431

Claims development table

The following table shows the development of claims over a period of time. FRS 103 requires that claims development shall go back to the period when the earliest material claim arose for which there is still uncertainty about the amount and timing of the claims payment, but need not go back more than ten years.

At the reporting date, the claims which arose prior to 1 July 2022 were all settled. Claims development for the 2022 to 2025 reporting years have been included to show the final claims settlement for the current reporting period.

Underwriting year	**2022** £	**2023** £	**2024** £	**2025** £	**2026** £	**Total** £
Estimate of ultimate claims costs at	27,390	56,452	54,057	21,792	44,387	204,078
One year later	27,390	56,452	54,057	21,792	-	159,691
Two years later	-	-	-	-	-	-
claims	27,390	56,452	54,057	21,792	44,387	204,078
Cumulative payments to date	(27,390)	(56,452)	(54,057)	(21,792)	(19,476)	(179,167)
Liability recognised in Statement of Financial Position	-	-	-	-	24,911	24,911

11. AM BEST CREDIT RATING

At the company's request, AM Best has withdrawn all credit ratings for Universal Insurance Company (Guernsey) Limited (UIC), effective 5 February 2025.

12. ULTIMATE CONTROLLING PARTY AND RELATED PARTY TRANSACTIONS

The immediate controlling party of the Company is Universal Holdings (Guernsey) Limited and the ultimate controlling party of the Company is Michael Daly.

A dividend of £2,500,000 (2025: £487,976) was paid to Universal Holdings (Guernsey) Limited.

Commissions totalling £640 (2025: £52,050), and Marketing and Distribution fees and IT costs of £8,500 (2025: £6,000) were expensed to Ramsis Insurance Services Group Limited during the year. An amount of £5,071 (2025: £7,896) was due to Ramasis at the year end. Ramasis is considered a related party as Mr Daly is a shareholder of Universal Holdings (Guernsey) Limited and Ramasis Insurance Services Group Limited and also director of both companies.

The Directors of the Company were paid a fee during the year and this totalled £24,215 (2025: £23,352), no fee was outstanding at 30 June 2026 (2025: £nil). The Company expensed management fees to SRS Management (Guernsey) Limited, during the year amounting to £84,810 (2025: £81,559) and no fee was outstanding at 30 June 2026 (2025: £nil). Total key management personnel compensation for the year was £109,025 (2025: £104,911).

13. SUBSEQUENT EVENTS

A dividend of £400,000 payable to Universal Holdings (Guernsey) Limited was approved by the Board on 29 September 2026.

Subsequent to the year end, the Company replaced its existing excess of loss policy with a loss portfolio transfer arrangement. As the new arrangement became effective after the reporting date, no adjustment has been made to these financial statements.
The Board has considered the underwriting risk arising from the Loss Portfolio Transfer, supported by actuarial reports assessing the underlying exposure. Based on this assessment, the Board is satisfied that the Company has more than sufficient financial resources to absorb potential adverse claims development and meet its obligations under the arrangement.