



Report and Accounts 2024

Western Provident Association Limited

For the year ended 31 December 2024



Western Provident Association Limited (WPA) is a company limited by guarantee; it is domiciled and incorporated in the United Kingdom and registered in England and Wales under company number 00475557. The Directors here present their annual report together with the audited consolidated financial statements for the year ended 31 December 2024.

These Report and Accounts have been prepared by WPA on behalf of itself and its subsidiaries within the WPA Group for information only. Accordingly, WPA and all of its Directors, members and affiliates exclude liability for any reliance upon the Report and Accounts arising from any statement or omission.

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Chief Executive's Review



Nathan Irwin

2024 has proven a successful year for WPA, with the business meeting its primary objective of returning to equilibrium.

Following a significant increase in claim levels industry wide in 2022 and 2023, we have followed our strategic plan to ensure the long-term sustainability of the business, by progressively increasing premiums whilst optimising customer retention thus supporting the financial results. I am pleased to report the insurance activities returned a modest surplus of 1.2% in 2024. The investment portfolio also delivered a healthy return of 6% which results in a profit before tax of £12.3m for 2024.

WPA is a company limited by guarantee, which means that we are not encumbered by the obligation to return profits to shareholders and thus surpluses are continually reinvested in the business to ensure that we can continue to deliver a market leading customer experience over the long-term. The culture of treating our customers as we would wish to be treated ourselves is evident throughout the organisation. We expect our people to be compassionate and empathetic in their interactions with customers and it is great to report their dedication is reflected in a Trustpilot rating of excellent and WPA being the only recommended Health insurer by Which? for the second year running.



Rated 'Excellent' as at 31.12.2024

Our reputation for customer service excellence has helped customer numbers increase by 6% during the year, with growth across the retail, commercial and corporate sectors, reflecting successful levels of new business and high retention rates.

A market leading customer experience requires WPA to be a great place to work. As a Board we are delighted to report that the people survey shows WPA to be an outstanding employer and recognise that this is a key part of WPA's ethos with preservation of our culture key to Board succession planning.

It is with immense gratitude that we thank the Earl of Cromer for his chairmanship of the Board over many years and following his retirement in January 2025 we welcome Andy Chapman, who has served on WPA's Board since 2022, as Chairman. We also thank John Pugh who retired as an independent non-executive in May 2024 and welcome Craig Gentle and Rob Watkin as non-executives. On the executive front, we thank Rod Bramston and Brian Goodman who retired from the Board in December 2024 and welcome Donna Eavis and Sharon Shier to the Board, our Chief Financial Officer and Chief Customer Officer respectively.

Chief Executive's Review

WPA's purpose is to enable our customers to access the best possible healthcare, a purpose that becomes increasingly relevant with the evident pressures faced by the NHS. We complement the services provided by the NHS, but with an ageing UK population the concept that the NHS can be all things to all people at all times cannot be sustained and increasingly people and businesses will look to WPA to facilitate their healthcare needs. WPA has been partnering with our customers since 1901 and we are well placed to continue for the foreseeable future.



Nathan Irwin *Chief Executive*
27 March 2025

Strategic Report

Western Provident Association Limited is a company limited by guarantee; it is domiciled and incorporated in the United Kingdom and registered in England and Wales under company number 00475557. The registered office is Rivergate House, Blackbrook Park, Taunton, Somerset, TA1 2PE. The Directors here present their annual report together with the audited consolidated financial statements for the year ended 31 December 2024.

Strategy

WPA's strategy is threefold: to stay true to our purpose and ethos by enabling our customers to access the best possible healthcare and to treat others as we would wish to be treated ourselves; to fulfil our potential by providing excellent service, sustainable pricing and contemporary products through a trusted brand; and for the insurance business to return a positive contribution in the medium-term. Our company structure ensures we are not entangled in a conflict between shareholder returns and long-term investment decisions, which consequently allows us to drive our strategic objectives of investing in our people and processes; for our customers this means the delivery of excellent service.

Our status as a company limited by guarantee is not common in today's financial services marketplace. We are reliant solely on our own resources, with no readily available access to external funding or the ability to raise share capital. Consequently, our resources over the last 120+ years have been carefully managed and our financial strength is evident in the Statement of Financial Position.

It is important to distinguish between the three primary activities of the WPA Group: medical insurance, healthcare administration and management of the investment portfolio. The medical insurance and healthcare administration operations include all interactions with customers and we aim to achieve a modest contribution on our customer relationships in the medium-term.

The investment portfolio has the objective of maintaining the real value of the portfolio. Capital preservation, not growth, is paramount. Assets backing the in-force business, as measured by the higher of our Own Risk and Solvency Assessment (ORSA) or Solvency Capital Requirement (SCR), are held in UK Government stocks or cash. Assets in excess of the requirement are held in a diversified range of investments across different sectors and geographies. This investment strategy underpins the financial stability of the business. As a general insurer it is necessary to recognise that our financial strength supports, but does not subsidise, the promises made to our current customers.

2024 has been the year for returning the business to equilibrium following 2023 which was dominated by high volumes of claims and consequent losses on the insurance business. The Group has worked hard to effect change, with the Consolidated Income Statement showing an increase in insurance revenue, from new sales. The on-going position of the NHS, with resources stretched and waiting times long, directly impacts our business through claims volume, and driving an increase in customer numbers, as individuals and employers look for ways to support future healthcare requirements.

Strategic Report

Review of 2024

The increased customer numbers support the business and provide economies of scale, visible through our insurance service expense and combined operating ratio.

The insurance revenue of £170.2m (2023: £147.9m) for the year comprises premium from our renewing customers, in addition to premium from new customers on cover. Customer numbers have increased in all areas of our business during the year, providing a 6% net increase in lives covered.

Insurance service expenses of £156.8m (2023: £157.2m) have reduced due to the lower volume and value of claims during the year which have offset increases in business acquisition costs and costs attributable to the insurance contracts. Looking at the detail behind the insurance service expenses figure, the business continues to use the claims ratio (claims/revenue) as a key performance indicator, which has improved to a more sustainable 69.1% (2023: 84.1%) as a result of this decrease in claims costs. Our claims authorisation levels remained high at 97.0% (2023: 97.2%) of properly presented claims.

Overall, operating and administrative expenses have increased from £15.3m to £18.1m. This can be attributed to the inflationary increases on underlying costs as well as the uplift in headcount resulting from the growth of the business.

During the year we continued to take advantage of the high interest rates and de-risk our portfolio with more than 80% of the portfolio in government debt, corporate bonds or cash, with the remainder in equities, held in a number of geographies; commodities and property. This relatively high weighting towards fixed income investments reduces the volatility in the investment return.

From an investment perspective the continuing UK economic environment has provided low-risk investment opportunities at an interest rate of 4.25% or above. Where our long-held investments in government debt and corporate bonds have matured in the year we have been able to reinvest the proceeds at higher rates of return. The overall returns from equities and commodities have been higher than those from fixed income, reflecting the fortunes of the sectors of the economy they come from.

The primary objective of the portfolio is to preserve capital through achieving a return of, or above, CPI. The investment return for the year was 6%, 3.5% higher than our target return of CPI, at 2.5%.

2024 has resulted in an insurance service profit for the year of £13.3m (2023: loss of £9.4m) whilst the investment portfolio has returned £10.4m (2023: £7.2m) gross of expenses. After other income and expenditure are taken into account, the business made a profit of £12.4m before tax. The business remains well capitalised with a Solvency Capital Requirement coverage ratio of 397% (2023: 378%). The increase in coverage is primarily as a result of the increase in capital following the modest surpluses of the insurance contracts made in the year which are expected to continue. The total available capital is £179.6m (2023: £156.3m).

Strategic Report continued

Review of 2024 continued

Key performance indicators

Key performance indicators (KPIs) are reported to the Directors and Senior Managers each month as part of the regular management reporting and form an important element of the control environment. They indicate where actual experience is varying from plan and the prior year and, with our knowledge of our industry and market, help us to benchmark our performance.

An extract of the KPIs reported to the Board each month is as follows:

Insurance Revenue

£170.2m (2023: £147.9m)

Combined operating ratio

98.7% (2023: 111.9%)

Ratio of net insurance claims and operating and administrative expenses to net insurance and administration income.

Solvency II SCR coverage

4.0 (2023: 3.8)

Available regulatory capital divided by standard formula capital requirement.

Net investment return

6.0% (2023: 4.1%)

Return as a percentage of investment assets.

Claims authorised

97.0% (2023: 97.2%)

Percentage of properly presented claims authorised.

Customer Numbers

451,587 (2023: 427,786)

Claims Ratio

69.1% (2023: 84.1%)

Ratio of net insurance claims to net insurance premium.

Insurance service result

£13.3m (2023: -£9.4m)

Insurance revenue less insurance service expense

The Company takes the exemption available under s414CA(4)b Companies Act 2006, to not provide a non-financial information statement in the Strategic Report.

Strategic Report continued

Future outlook

The key areas which will have the most impact in future, and therefore focus areas for the business, are the UK economy and the healthcare market.

For the insurance and administration parts of the business the return to equilibrium in 2024 has strengthened the platform from which to build upon in 2025. The underlying objective of the business is return a positive contribution over the medium-term through modest growth in customer numbers and cost control. As ever, the insurance business is supported by the investment portfolio, built up over the Association's long history, and which has been currently structured to take advantage of the higher interest rates provided by UK Government debt.

This plan recognises our strong service quality and provides for continued organic growth in customer numbers, as employers work to retain staff through comprehensive benefit packages which include private medical insurance. The long NHS waiting lists and constraints around NHS GPs, dentists and therapists, mean that individuals increasingly see private healthcare as a necessity, rather than a luxury.

Changes to healthcare markets, particularly improvements in the NHS, are likely to be driven by political change and could have a significant impact on our business in the short and medium-term. The impact will be on sales and premiums or claims depending upon the action taken. Inflation and interest rate changes are likely to provide opportunities in the medium-term and the investment portfolio is considered as part of the day-to-day operations of the business.

The UK is expected to experience increased inflation levels in the near-term, which provides the business with both opportunities and threats. The former through held, or potentially increased returns, that Government instruments and corporate bonds can generate; the latter through increased costs, particularly employment expenditure. Ultimately this will be balanced by ensuring that the product pricing is appropriate.

Overall, the Board is positive about the outlook for WPA and by remaining dedicated to our purpose of enabling our customers to access the best possible healthcare we are confident that the business will continue to be successful.

Board of Directors

The members of the Board who served during the year and up to the date of signing are shown on pages 19 to 22.

Strategic Report continued

Principal risks and uncertainties

The Group has an established risk management framework covering all material activities; this culminates in the ORSA which is reviewed by the Board on an annual basis, with triggers considered throughout the year. The following are considered to be the principal risks affecting the business and how management mitigates any adverse impact.

Insurance risk

Medical insurance is short-tail business and thus the ultimate claims outcome each year can be predicted with reasonable accuracy at the end of each accounting period. Adverse claims frequency or severity could result in short-term claims costs exceeding premium levels. Management regularly review underwriting ratios and take action as necessary to ensure that results within a financial year are aligned to the medium-term strategy across the insurance portfolio. In the current environment risk arises from longer NHS waiting lists which may result in greater utilisation in the private sector. Treatment costs are also impacted by inflation which gives rise to the risk that claims costs increase at a faster rate than can be passed on to policyholders. Policy terms and premium rates are reviewed regularly, action is taken where performance deviates from expectations. Contracts with major hospital networks are negotiated annually and when our customers require complex medical treatment, we work with the healthcare providers to ensure that our policyholders obtain value for money. The financial strength of the business does not necessitate any extensive reinsurance arrangements.

Operational risk

The business is exposed to a variety of operational risks in respect of premises, people and systems, including the risk of cyber-attack. Where appropriate, the Board has sought independent assurance over the robustness of the operational practices. Such assurances include Cyber Essentials Plus and independent certification by the British Standards Institute (BSI) to the following ISO accreditations: 9001:2015 Quality Management, 27001:2022 Information Security Management, 22301:2019 Business Continuity Management and 14001:2015 Environmental Management.

We have well established and regularly tested business continuity plans that ensure we can continue to serve our customers in the face of adverse events. Our business continuity plans include home working capability together with ownership of a dedicated business continuity site which, coupled with a resilient IT platform, ensures continued operation in the event of an incident at the primary site in Taunton. The Group also complies with Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA) rules on operational resilience.

Financial risks

Market risk: The Group's primary market risk is through exposure to equity markets. From a solvency perspective the impact of market risk is eliminated through holding UK Government stock equivalent in value to the capital requirement. Further low risk investments in cash and UK Government stock are held to cover our liquidity requirement. Equity risk is managed through the Investment Committee's careful selection of managed funds with a sound track record and appropriate passive exchange traded funds. There is regular monitoring of these investments.

Strategic Report continued

Principal risks and uncertainties continued

The equity portfolio is well diversified to protect against adverse market movements in any one segment. The Investment Committee is authorised by the Board to use derivative instruments solely to protect the value of the portfolio. By holding a range of instruments from very low risk UK Government stock to higher risk equities, market risk is managed effectively.

Credit risk: The Group's primary credit risk is through cash deposited with banks and investments in corporate bonds. Credit risk also arises through exposure to policyholder debtors, which are subject to robust credit control procedures, further protected by our policy to hold claims payments until any customer arrears are settled. The Group also has an indirect credit risk in relation to its defined benefit pension scheme which has invested in an annuity buy-in. Credit risk is mitigated by limiting the exposure to any individual financial or corporate institution based on their credit rating, by diversifying investments across a number of counterparties and by only investing in investment grade credit.

Interest rate risk: The Group's investment policy is to typically hold debt instruments until maturity and thus minimise asset valuation volatility. The returns on cash instruments are dependent on interest rates. This is managed through holding instruments with a range of maturity dates to diversify risk.

Currency risk: The Group has exposure to worldwide currencies as a result of collective investment schemes with international holdings. The primary exposure is the impact of the US Dollar exchange rate on global equity holdings and US Dollar cash holdings. The Investment Committee has discretion to use derivative instruments to manage currency risk in the portfolio. The running costs of our wholly owned Indian subsidiary – WPA World Class Service (India) Private Ltd – create a secondary exposure to currency which is managed through paying expenses in advance to lock in the exchange rate. The risk is not significant in the context of the wider group.

Liquidity risk: The Group monitors its working capital on a daily basis. The cash instruments held within the investment portfolio ensure that there are always sufficient funds available to meet all operational liquidity requirements.

Inflation risk

The Group is exposed to inflation risk through the investment portfolio, the economic value of which could be eroded by high inflation, and through the cost base which primarily consists of claims, administrative and staff costs. We manage the inflation risk in the investment portfolio through targeting a return in excess of inflation through a diversification of assets. The cost base of the organisation is managed through negotiation of contracts and optimisation of the business model to ensure we operate as efficiently as possible whilst continuing to provide excellent customer service.

Pension risk

The Group no longer has any material pension risk following the purchase of an annuity buy-in to secure the Scheme benefits in February 2024. The residual risk within the pension scheme is the credit risk of the insurer, however, as a UK insurer they are subject to stringent solvency requirements meaning the credit risk is low.

Strategic Report continued

Principal risks and uncertainties continued

Conduct Risk

The Group is exposed to conduct risk as it is required to comply with FCA and PRA regulation as well as wider UK Company regulations. The Group manages the risk of compliance with regulation through a formal Regulatory Compliance Group which reports into the Risk Committee. The Group meets monthly and is attended by personnel from across the business with a view to ensuring continued compliance with the latest regulation. The Group monitors and reports the capital coverage to the Board on a monthly basis.

Climate change risk

The financial risks from climate change arise from two primary risk factors, physical and transition. Physical risks are related to weather events and longer-term shifts in climate, whilst transition risks can arise from the process of changing to a low-carbon economy.

Regarding physical risks, WPA is well protected. Being a UK based medical insurer we have limited exposure to natural perils such as severe weather events, associated with physical risks of climate change. Our products are also annually renewed and can be repriced as new risk factors emerge or change; should climate change influence our claims costs in the future we will be able to adjust our pricing accordingly.

We also face operational risks which could result in staff resourcing difficulties or cause disruption to our offices. These risks are managed through home working capabilities and a dedicated business continuity site.

As the world moves towards a greener economy, transition risks can occur and some sectors of the economy face big shifts in asset values or higher costs of doing business, possibly through taxation on emissions.

We have actively sought ways to reduce our carbon emissions over the last five years.

Transition risk will also impact the investment portfolio through the companies we invest in. WPA is well protected as we have a well-diversified investment portfolio with limited concentration risk, mitigating the risk that we have significant exposure to impacted sectors. We carefully monitor the portfolio for potential risks that arise from climate change to avoid significant unknown exposures.

Going concern

The Directors have carried out an evaluation of going concern including assessing whether the Company is expected to be able to meet its obligations as they fall due and comply with its regulatory capital requirements over a period of at least 12 months from the date of signing these financial statements. Following the performance of this evaluation the Directors have concluded that the Company and Group remain a going concern.

Strategic Report continued

Going concern continued

The evaluation considered the strength of the Group's balance sheet, noting that the Group has demonstrable liquid resources of £146m (2023: £134m) in excess of liabilities and that the regulatory solvency coverage stood at 397% (2023: 378%). The business expects to generate a modest contribution over the medium-term on the insurance business, supported by the investment returns, in line with our Board approved three-year plan. This is corroborated through the stress, scenario and reverse stress testing as shown in the ORSA and the projected regulatory solvency capital coverage.

The Bank of England predicts that the general economic outlook will dip in the near-term, with inflation increasing, and a gradual improvement from the second half of 2025 for the next two to three years, with inflation and unemployment levels returning to those of the last decade and therefore a stable and positive future outlook for the business.

Events after the reporting period

The Directors confirm that there were no events after the reporting period that affect the operations of the Group.

WPA and Section 172 of the Companies Act 2006

Section 172(1) of the Companies Act imposes upon directors a duty to promote the success of the Company. As a company limited by guarantee with a heritage dating back to 1901, decisions taken by the Board have always considered long-term consequences in order to safeguard the Association's future.

The Board has adopted a revised Code of Corporate Governance based on the Financial Reporting Council's 2024 Code, but adapted to reflect that WPA does not have shareholders. The Code adopted identifies the Association's stakeholders and makes clear that they are to be taken into account when making decisions.

The Board's Approach

In the Schedule of Matters Reserved for the Board, there is a section dedicated to Corporate Governance which makes clear that the Directors should consider the balance of interests between customers, members, employees, the community and any other relevant stakeholder. The Schedule of Matters Reserved for the Board is reviewed annually.

The Chairman is responsible for coordinating the activities of the Non-Executive Directors; he does not control or manage them, thereby allowing them to be independent in their decision making. In turn, each Director, annually attests that they are aware of their duties under Section 172 and pays due regard to those duties when making decisions.

Strategic Report continued

WPA and Section 172 of the Companies Act 2006 continued

Stakeholders

As a private company, limited by guarantee, WPA does not have shareholders. WPA's main stakeholders are our customers, employees, suppliers and other business relationships, regulators and the wider community including our members.

The Association recognises the importance of all stakeholders in delivering its strategy and long-term business sustainability. Our customers are at the forefront of all that we do and a key factor in any decision taken by the Board.

On a monthly basis, the Board receives an update from the Customer Outcomes Meeting, attended by the Executive Team and Senior Management. The Customer Outcomes dashboard is an innovative tool which enables users to drill down to a granular level and contains key performance indicators such as: feedback received from customers by way of service satisfaction scores; compliments and complaints data; along with customer retention figures and departmental service standards. Our employees understand our ethos to treat customers as they would wish to be treated themselves.

Our employees are the voice of WPA and provide our customers with excellent service at what is, very often, a difficult time for the customer. Our employee retention is excellent with average tenure of 9.9 years. We recognise that the strength of the Group is in the employees and by fostering closer teamwork we can continually improve the business. An external third-party company was engaged to carry out a Group staff survey; the results of this recognise WPA as an outstanding place to work evidenced by a Net Promoter Score of 45. The staff surveys follow from the Board's commitment to employee engagement and, whilst employee experience is a key consideration for the Board, it is subject to the oversight of the Personnel Committee.

Our supplier and business relationships are forged on fairness and with a view to maintaining long-standing and equal relationships. In line with our customer philosophy we treat our suppliers as we would wish to be treated ourselves – our analysis shows we pay 86.4% (2023: 82.8%) of invoices within 30 days. The approval of any material business relationship is a matter reserved for the Board.

The Board received regular updates on regulatory matters and requirements. Through the Risk Committee, the Board also stays apprised of changes on the horizon. Through the year, the Company has engaged with the regulators on succession planning and changes to the Board and Senior Management function holders.

Strategic Report continued

Key Decisions

As with the previous few years, the key business decisions in 2024 were determining the level at which premiums are increased to cover the increase in level of claims and costs.

Other key decisions in the normal course of business relate to insurance, operational and financial issues as these are the key risks faced by the Company. In making any such decision, the Board and its Advisory Committees pay due regard to stakeholder interests and promoting the long-term success of the Company.

This report was approved for issue by the Board of Directors and signed on its behalf by:



Nathan Irwin *Chief Executive*
27 March 2025

Directors' Report

Directors' interests

At no time during the year did any of the Directors have a material interest in a significant contract with the Company or any of its subsidiaries. During the year the Company held qualified third-party liability insurance on behalf of the Directors and Officers. Details of related party transactions are shown in note 19.

Director independence considerations are set out on page 26.

Donations

During 2024 no political donations were made, or expenditure incurred (2023: none).

WPA committed to a donation of £250,000 (2023: £nil) to The WPA Foundation, a charitable company registered in England and Wales with the objective to promote healthy activity amongst the young, encourage the preservation of good health and change children's perception as to their personal lifetime opportunities.

Employees

The Company is fully committed to developing all employees to achieve its business objectives and is proud of providing a place of opportunity through its training and development programmes.

Employees at all levels are aware of the broad aims and objectives of the organisation and are provided with information on all matters concerning them. This is facilitated by the Employee Voice – this forum reports to the Personnel Committee, the Chairman of which is a Non-Executive Director who provides updates to the Board. The Board also receives the results of the Staff Survey. The Board views employees as stakeholders and considers employee interests when making decisions. For example, the recognition of employees' needs in terms of working from the offices or from home.

There is full involvement and communication of the Company's performance through Company meetings, monthly quality statistics and the partnership-for-excellence reward scheme. The Company meetings cover updates on a range of topics, including an update from the staff survey, health and wellbeing updates, and the financial and economic factors affecting the performance of the business.

The Company is an equal opportunities employer. As part of this policy the Company gives full and fair consideration to applications for employment made by disabled persons. Full regard is given to training, career development and promotion of disabled persons recruited into the Company or becoming disabled during their employment.

The Board is committed to supporting all staff in balancing their personal responsibilities with work commitments; accordingly, approximately 27% of the workforce have chosen to utilise part-time working and overall, 47% of the workforce have taken advantage of flexible hours arrangements.

Directors' Report

Customers and Suppliers

Customers remained at the forefront of the Board's decision making, through consideration of insurance, operational and financial issues. Decisions made by the Board during the year, including the managing of claim costs and the application of premium increases, were all with the aim of returning the insurance activities to a modest surplus which sustains the long-term capital strength of the business for the long-term benefit of customers.

Our ethos of treating others as we would wish to be treated also extends to our suppliers. This can be measured in a practical sense by the high percentage of invoices we pay within 30 days, as noted in the Strategic Report.

Energy and Carbon Information



WPA continues to recognise the impact of its activities on the environment through careful measurement of emissions and initiatives to actively reduce both emissions and waste.

WPA retains certification as a Carbon Neutral company by investing in CO2 balance gold standard Verified Carbon projects to offset emissions. WPA is also independently certified by the British Standards Institute to ISO14001, the Environmental Management Standard which provides a plan, manage, monitor framework for setting the Company's environmental objectives and commitment to continual improvement.

Partnering with Abricon Limited, Certified Energy Specialists, WPA has completed the Environment Agency reporting for its ESOSA (Energy Saving Opportunity Assessment), including data collection of energy usage information, energy audit including savings opportunities and submission of findings. WPA will act on the recommendations to maximise benefits, tying those into ISO14001 objectives for 2025.

Activities to improve carbon footprint

Projects to upgrade the heating boilers and the replacement of lighting to LED's at WPA's head office were completed in 2024. The installation of Solar PV & battery storage will conclude in Spring 2025, providing 20%+ of the electricity consumed at the Company's head office and reducing reliance on use of a diesel generator, in case of loss of power from the grid.

All Company vehicles are fully electric or hybrid and there is a vehicle lease scheme for staff on the same basis, alongside the Company offering a cycle to work scheme and bicycle servicing.



WPA promotes the recharging of electric and plug-in hybrid vehicles at Head Office where charging points are available for use by staff and visitors alike.

Directors' Report continued

Energy and Carbon Information continued

2024 SECR Highlights

The Company's efforts have resulted in a 9.2% reduction in emissions equating to 24 tonnes of CO₂e less impact on the environment.

Looking at normalised emissions, based on an intensity ratio of CO₂e to earned premium a significant reduction of 0.33 tonnes CO₂e/£m was achieved, resulting in a Total Carbon Intensity measure of 1.40 tonnes CO₂e/£m.

Energy Consumption (kWh)	2024	2023
Gas	389,405	413,743
Fuel Oil	80,527	76,850
Electricity	612,209	717,289
Transport Fuel	52,139	90,996

Greenhouse Gas Emissions (CO₂e)

Scope 1 – includes direct GHG emissions from sources that are owned or controlled by the Company such as natural gas combustion and Company owned vehicles.

Tonnes of CO ₂	2024	2023
Gas Combustion	71	76
Fuel-Oil Combustion	22	20
Fuel (company owned Transport)	7	10
	100	106

Scope 2 – these are indirect GHG emissions from the consumption of purchased electricity, heat or steam.

Tonnes of CO ₂	2024	2023
Electricity Consumption	127	154

Directors' Report continued

Energy and Carbon Information continued

Scope 3 – This scope includes indirect emissions from business travel. WPA has opted not to include optional reporting for example of waste disposal, staff commuting and well to tank emissions.

Tonnes of CO2	2024	2023
Business Travel (privately owned transport)	11	2
Gross total emissions	238 tonnes CO2e	262 tonnes CO2e
Net total emissions*	76 tonnes CO2e	106 tonnes CO2e

*Reduction for renewable energy generated on site and for using 'green' energy.

Greenhouse Gas Emissions relative to KPI

Normalised against insurance revenue, measured in tonne CO2e/£m.

	2024	2023
Scope 1	0.59	0.70
Scope 2	0.75	1.02
Scope 3	0.06	0.01
	1.40	1.73

Quantification and Reporting Methodology

To calculate quantities of carbon emissions this report predominantly uses the UK Government's 2024 conversion factors for carbon reporting as published.

The assessment has been completed in accordance with the World Business Council for Sustainable Development (WBCSD) and World Resources Institute's (WRI) Greenhouse Gas (GHG) Protocol; a corporate accounting and reporting standard. This protocol is considered current best practice for corporate and organisational GHG emissions reporting. GHG emissions have been reported by the three WBCSD/WRI Scopes.

Directors' Report continued

Statement of disclosure of information to the auditors

The Directors confirm, at the date of this report and so far as each of them is aware, that firstly, there is no information relevant to the audit of the Group's consolidated and Company's financial statements for the year ended 31 December 2024 of which the auditors are unaware; and secondly, they have taken all steps that ought to have been undertaken as part of the duties of a director to ensure awareness of any audit information and to establish that the Group's and Company's auditors are aware of that information. This confirmation is given and shall be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Independent auditors

PricewaterhouseCoopers LLP have been appointed as the Group auditors for the financial year beginning 1 January 2024.

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Report and Accounts 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 UK-adopted International Accounting Standards.

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 Parent Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- i. Select suitable accounting policies and then apply them consistently;
- ii. State whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- iii. Make judgements and accounting estimates that are reasonable and prudent; and
- iv. Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business.

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

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

Directors' Report continued

The Directors are responsible for the maintenance and integrity of the Parent Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

This report should be read in conjunction with the Strategic Report as a number of requirements, such as principal risks and uncertainties and the future outlook, are disclosed therein.

This report was approved for issue by the Board of Directors and signed on its behalf by:



Nathan Irwin *Chief Executive*
27 March 2025

Board of Directors and Principal Officers

Independent Non-Executive Chairman



Andrew Chapman ACII

Appointed: April 2022

Andy was appointed to the Board in April 2022 and as Chairman in January 2025. Andy was previously the chief executive of The Exeter for 16 years prior to his retirement in 2021. Andy is a Chartered Insurer and former chair of the Association of Financial Mutuals, the trade body that represents the mutuals sector, and former panel member of the Financial Conduct Authority's Smaller Practitioner Panel. Andy also is chair of the board of trustees of the Northbrook Community Trust.

Independent Non-Executive Directors



Anne Obey OBE FCA

Appointed: October 2020

Anne was appointed to the Board in 2020. She chairs the Audit Committee and became Senior Independent Director in 2024. Anne is a qualified chartered accountant and was formerly Director of Financial Reporting at the Nationwide Building Society, Anne is a governor of Coventry University and chairs the Board of Trustees for the Centre for Sustainable Energy.



Craig Gentle BA ACA

Appointed: May 2024

Craig was appointed to the Board as a Non-Executive Director in May 2024. Until September 2024 Craig was the CFO at St James Place Plc, a role he held from January 2018. Prior to joining St James Place, Craig spent over 20 years at PricewaterhouseCoopers LLP including 12 years as a Partner. Craig is also a trustee of Bristol Music Trust.



Jasper Gill FRCS MBA Chief Medical Officer

Appointed: February 2019

Jasper was appointed to the Board in February 2019 as a Non-Executive Director, becoming WPA's Chief Medical Officer in March 2020. He is a consultant surgeon who has held a number of senior medical management posts in the NHS, latterly as associate medical director for surgery, anaesthesia, theatres and critical care.



Rosalind Johnson MA

Appointed: June 2020

Rosalind was appointed to the Board in 2020 as a Non-Executive Director having previously been employed as WPA's Legal Director and Company Secretary from 1990 until her retirement in 2014. A qualified solicitor and mediator, Rosalind has over 30 years of legal experience.



Robert Lee MA FIA C.Act

Appointed: October 2009

Rob was appointed to the Board in 2009 as a Non-Executive Director and as Chairman of the Risk Committee in 2014. He was previously a director at AXA Life and has experience of actuarial committees both in the UK and overseas.

Board of Directors and Principal Officers

Independent Non-Executive Directors continued



Camilla Pierrepont BA

Appointed: June 2023

Camilla was appointed to the Board in June 2023 as a Non-Executive Director. Camilla is the chief strategy officer and head of investor relations at Taylor Maritime and has over 20 years' experience in various strategy and investment roles. Camilla started her career as an analyst at Monitor Deloitte (London).



Rob Watkin BSc FIA

Appointed: May 2024

Rob was appointed to the Board in May 2024 as a Non-Executive Director. Rob is a practising pensions actuary and a partner at Isio Group Limited. Rob has over 20 years of experience advising clients globally on actuarial and financial matters, having started his career at KPMG.

Chief Executive



Nathan Irwin FCA

Appointed: April 2013

Nathan was appointed as Chief Executive in August 2019, having previously served as the Association's Chief Financial Officer for six years. Nathan was previously a director at PwC, specialising in financial services.

Executive Directors



Donna Eavis FCMA *Chief Actuary and Chief Financial Officer*

Appointed: January 2025

Donna has been with WPA for over 20 years, firstly as the Finance Manager, then Head of Finance and recently promoted to Chief Financial Officer. Prior to WPA, Donna worked in a number of finance roles around the UK including Debenhams, the University of Surrey and the Robert Gordon University.



James Searle *Chief Operating Officer*

Appointed: May 2023

Jim joined the Board in May 2023, Jim has been at WPA for 7 years, first as Chief Information Officer and then, for the last 3 years, as Chief Operating Officer. Previously, Jim was a partner at the consultancy company Control Risks and, before that, an officer in the Army.



Sharon Shier Dip CII *Chief Customer Officer*

Appointed: January 2025

Sharon was appointed to the Board in January 2025. Sharon joined WPA in 1992 and has held numerous roles across the business including General Manager of Retail and Head of Product Development. More recently she was Head of Retail and Commercial, before her promotion to Chief Customer Officer.

Board of Directors and Principal Officers continued

Executive Directors continued



Mark Southern *Sales and Marketing Director*

Appointed: March 2020

Mark joined WPA in 2008 and has held a number of roles across the business. He is currently the Sales and Marketing Director with responsibility for distribution across WPA. He is also the Chief Executive of the Group's health insurance intermediary, WPA Healthcare Practice Plc. Prior to joining WPA, Mark was a Royal Marines commando officer.

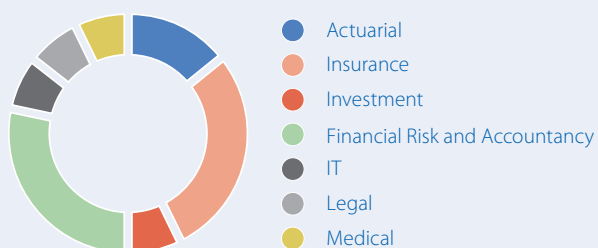


Peter Venables *FCA Chief Risk Officer*

Appointed: March 2020

Pete joined the Board as Chief Risk Officer in March 2020. Prior to joining WPA, Pete was a director at PwC, where he spent 14 years specialising in financial services within the UK and in Hong Kong. During this time, he gained extensive experience across insurance, banking and asset management.

Board Skills



Director and Principal Officer Position Changes

Appointments:

- Craig Gentle – Independent Non-Executive Director, 9 May 2024
- Rob Watkin – Independent Non-Executive Director, 9 May 2024
- Donna Eavis – Executive Director, 1 January 2025
- Sharon Shier – Executive Director, 1 January 2025

Retirements:

- John Pugh – Independent Non-Executive Director, 9 May 2024
- Rod Bramston – Executive Director, 31 December 2024
- Brian Goodman – Executive Director, 31 December 2024
- The Rt Hon The Earl of Cromer – 23 January 2025

Board Changes

There were no other changes to the composition of the Board during 2024 and up to the date of signing.

In accordance with its Articles of Association, WPA maintains a greater number of Non-Executive than Executive Directors.

Company Secretary



Kimberley Bell *LLB (Hons)*

Kimberley joined WPA in 2016 and was appointed as Company Secretary in 2023. Kimberley qualified as a solicitor in 2010.

Board of Directors and Principal Officers continued

Directors and Officers of
subsidiaries not listed above

Theresa Attree *Cert CII*
Jenna Bishop *Cert CII*
Jeremy Blackman *Cert CII*
Neil Davidson *ACMA, CMIIA*
Brian Goodman *BSc (Hons)*
Deborah Goodman *FCCA*
Neville Kavarana *MBA*
Russell Moore
Andrew Pye *FCCA*
Clare Sampson
Lakshmi Seelam
Denize Spierenburg *Cert CII*
Ruth Tancock *Cert CII*
Katy Trowell *Cert CII*
Ellis Turley *Cert CII*

Chief Actuary

Donna Eavis *FCMA*

Statutory Auditors

PricewaterhouseCoopers LLP

Bankers

National Westminster Bank Plc

Committee Members

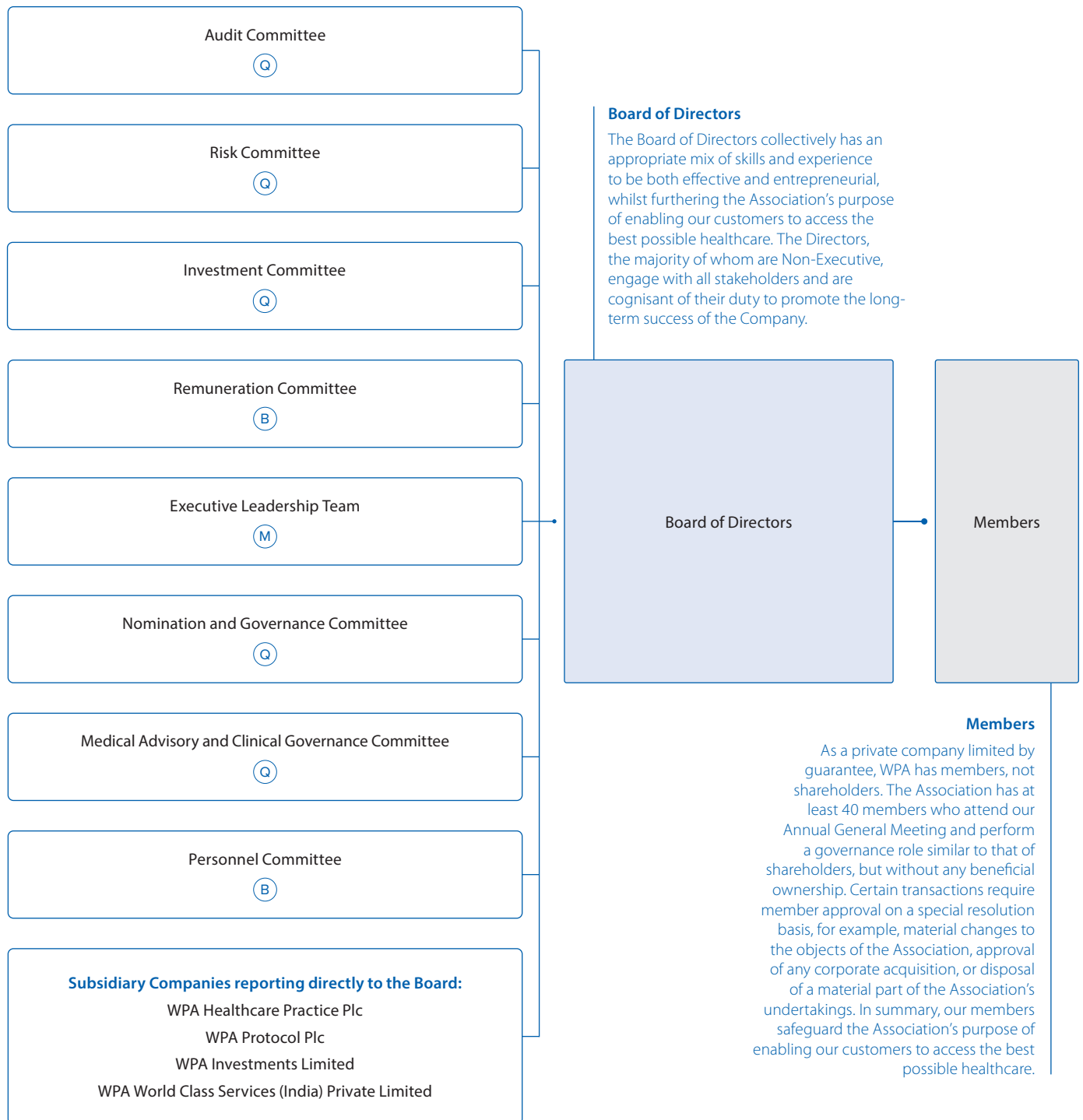
For Committee composition, please see the relevant Committee within the Corporate Governance section from page 25 onwards.

Board of Directors Attendance Register 2024

	Board excluding AGM	Audit	Risk	Remuneration	Nomination and Governance
Executive					
Nathan Irwin	5 of 6	–	–	2 of 2	3 of 3
Rod Bramston (retired 31 December 2024)	6 of 6	–	–	–	–
Brian Goodman (retired 31 December 2024)	5 of 6	–	–	–	–
James Searle	6 of 6	–	–	–	–
Mark Southern	6 of 6	–	–	–	–
Peter Venables	6 of 6	–	–	–	–
Non-Executive					
Lord Cromer (retired 23 January 2025)	5 of 6	–	–	2 of 2	3 of 3
Andy Chapman	6 of 6	–	–	2 of 2	3 of 3
Craig Gentle (appointed 9 May 2024)	4 of 4	–	–	1 of 1	1 of 1
Jasper Gill	6 of 6	–	–	2 of 2	3 of 3
Rosalind Johnson	5 of 6	–	3 of 3	–	–
Rob Lee	6 of 6	5 of 5	3 of 3	–	–
Anne Obey	6 of 6	5 of 5	3 of 3	2 of 2	3 of 3
Camilla Pierrepont	6 of 6	4 of 5	–	–	–
John Pugh (retired 9 May 2024)	3 of 3	2 of 2	1 of 1	–	1 of 1
Rob Watkin (appointed 9 May 2024)	4 of 4	3 of 3	2 of 2	–	–

Note: Donna Eavis and Sharon Shier were appointed to the Board on 1 January 2025 so do not appear in the above table.

System of Governance



Board of Directors

The Board of Directors collectively has an appropriate mix of skills and experience to be both effective and entrepreneurial, whilst furthering the Association's purpose of enabling our customers to access the best possible healthcare. The Directors, the majority of whom are Non-Executive, engage with all stakeholders and are cognisant of their duty to promote the long-term success of the Company.

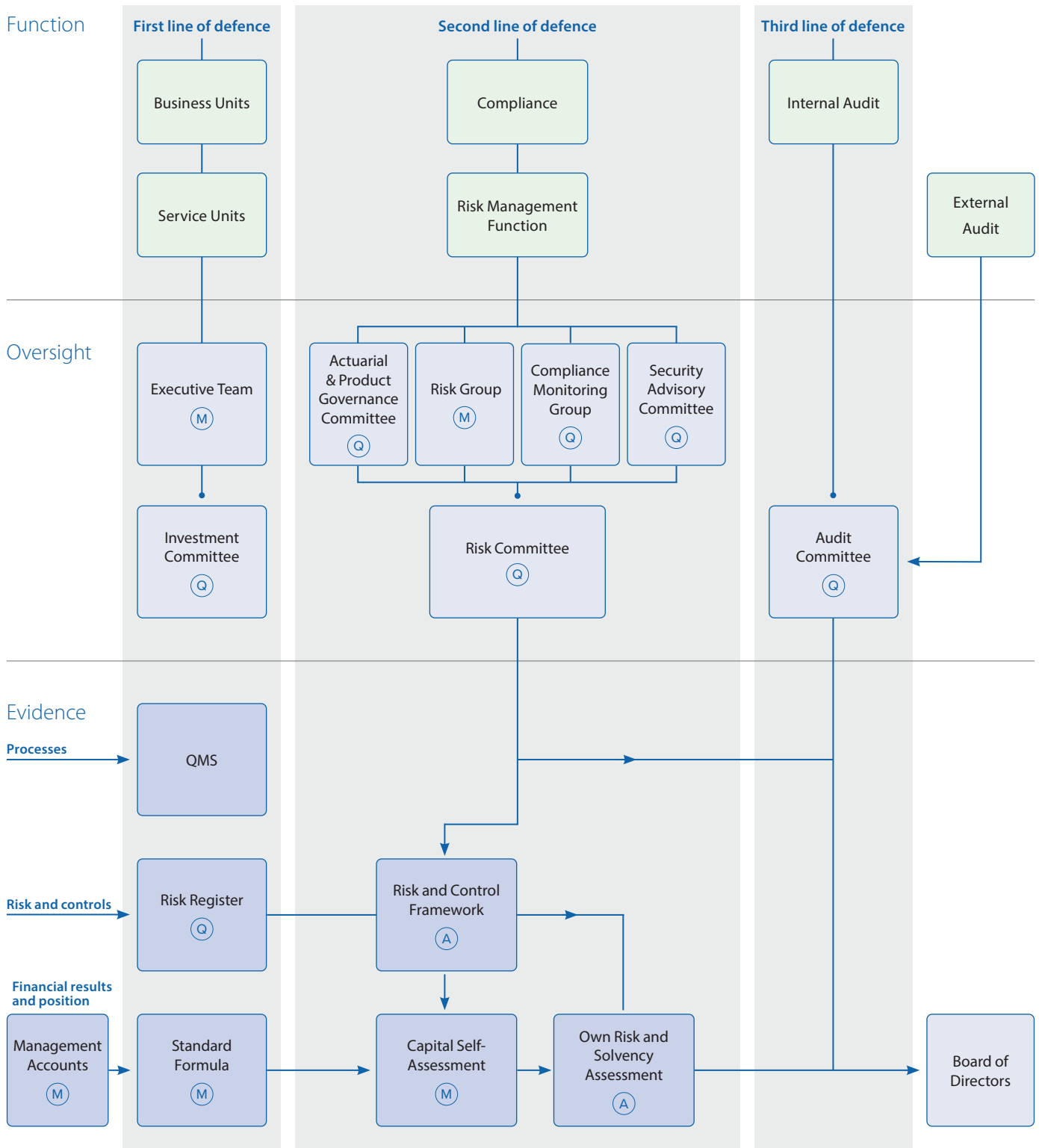
Members

As a private company limited by guarantee, WPA has members, not shareholders. The Association has at least 40 members who attend our Annual General Meeting and perform a governance role similar to that of shareholders, but without any beneficial ownership. Certain transactions require member approval on a special resolution basis, for example, material changes to the objects of the Association, approval of any corporate acquisition, or disposal of a material part of the Association's undertakings. In summary, our members safeguard the Association's purpose of enabling our customers to access the best possible healthcare.

- (A) = Annual meetings
- (M) = Monthly meetings
- (Q) = Quarterly meetings
- (B) = Biannual meetings

System of Governance continued

The system of governance is designed to enable the Board to lead with three lines of defence, evidence and oversight of functions.



□ = Function | □ = Committee | □ = Documents

Corporate Governance

The Board, comprising Executive and Non-Executive Directors, has responsibility for the overall leadership and direction of WPA including determining the strategic direction of the Group to include values and culture. Collectively, the Board is responsible for the Group's system of corporate governance. The Association recognises that good and effective corporate governance is key to the long-term success of the Association. We consider the FRC's UK Corporate Governance Code 2024 a good starting point, however, as a private company limited by guarantee, without shareholders, not all of the provisions and principles apply. Accordingly, the Association adopts and complies with its adapted Code of Corporate Governance, which mirrors the FRC's 2024 Code in so far as it applies.

The Independent Non-Executive Directors are greater in number than the Executive and, with their particularly wide experience, their role is to bring independent judgement to the Board. Annually, the Nomination and Governance Committee, chaired by the Chairman of the Board, considers independence. Each of the Non-Executive Directors are reviewed against the seven independence criteria at provision 10 of the FRC's Code. The following explanations are provided:

- For Non-Executive Directors who were previously employees of the Association either:
 - the requisite period of time elapsed before their appointment to the Board as a Non-Executive; or
 - the Board considered that given the short-term nature of WPA's insurance contracts sufficient time had elapsed for them to be considered independent.
- For one Non-Executive Director who is a member of the defined benefit pension scheme, it had been fully funded and all benefits are now secured by an annuity with an insurance company and thus does not present a material conflict of interest between the Scheme and WPA. This potential conflict is acknowledged and, should a pension scheme matter arise, the Non-Executive Director will absent themselves from discussions. This is documented each year as part of their signed independence declaration.
- For one Non-Executive Director who previously undertook a role as an advisor to the business this role was noted as not causing a conflict and not impeding independence.
- Each Director is required annually to declare any other interests. These are disclosed to the Board and approved only when it accepts there are appropriate safeguards to mitigate any potential conflict.
- Although tenure is an important independence consideration, the Board considers the preservation of the Association's values and culture along with an individual's personal integrity to be of paramount importance. These attributes, along with continued demonstration of effective challenge both inside and outside meetings, demonstrate independence. The Board considers a mix of tenure aids the effectiveness of the Board.

With the above explanations accepted, the Board considers all of the Non-Executive Directors to be independent.

Corporate Governance continued

The structure and composition of the Board is kept under review and the Board, with input from the Nomination and Governance Committee which monitors the Association's succession plan, considers the identification and nomination of new Directors and the continuation of existing Directors in office.

A meeting of the Independent Non-Executives, both with and without the Chairman, is held annually. The Independent Non-Executive Directors have access to any information they require and, as part of their role, regularly spend time engaging with staff in all parts of the business including the observation of the Group's management committees.

The Board is aware of its stakeholders and engages with them, taking into consideration, when appropriate, their views when making decisions. As highlighted, in addition to its Code of Corporate Governance, the Board has a Schedule of Matters specifically reserved to it, which can only be amended by the Board itself and which is reviewed annually. The Statement of Principles (Terms of Reference) for each of the Board's Advisory Committees ensure that reserved matters are correctly referred to the Board for decision.

There is a formal procedure for the Board's Advisory Committees and each Director to obtain independent professional advice at the Company's expense, should this be necessary in the exercise or furtherance of their duties.

The Company is regulated by the PRA and the FCA as a general insurer. The Board and Senior Management are regularly briefed on existing and proposed regulation. The Company routinely monitors its compliance with regulatory requirements at all levels and reports the findings formally to the Audit and Risk Committees. Both the Audit and Risk Committees each give due consideration to all relevant laws and regulations, along with the provisions of the FCA and PRA and any other applicable rules, as appropriate.

Further, and amongst its other duties, the Risk Committee is responsible for supporting the Board through an oversight role in ensuring that: the WPA Group remains compliant with relevant legislation and regulation; and the insurance activities do not expose the WPA Group to significant adverse financial results. The Audit Committee complements this by holding responsibility for reviewing the systems in place to ensure the Group's compliance with the regulatory reporting requirements of the FCA and PRA. Each of these Committees in turn report to the Board.

Corporate Governance continued

Governance Framework

The Board reviews the Group's strategic plans and objectives at least annually and approves budgets and plans in light of these. The Board, following challenge and review by the Risk Committee, formally approves the risk appetite statements and related policies and the assessment of risk and appropriate controls. There are detailed financial control procedures, applicable across the business; the Board receives regular reports on financial and operational matters. These include monthly ORSA snapshots, Customer Outcomes information and reports on financial performance both against the approved business plan and by comparison with the previous year and reporting on investment performance, liquidity and solvency.

The Board has always received a mixture of written and verbal updates. During 2024:

- Whilst all meetings have been held in person, the Board retained the flexibility to meet virtually when required as permitted under the Association's Articles of Association. The ability to meet virtually also extends to the various Advisory Committees as required.
- Board papers continued to contain written updates, both from Advisory Committee Chairs and the Executive, to ensure that the Board's time can be effectively used and that the Non-Executive Directors can adequately challenge the Executive.

The Board Advisory Committees are set out on page 21. They each have a written Statement of Principles, which clearly define authorities and responsibilities.

The minutes of all the Board Advisory Committees are placed on the agenda of the Board. Committee remit and membership are kept under review by the Nomination and Governance Committee at least annually. As appropriate, the Committees comprise members who are not directors, where they bring a particular expertise.

Board Effectiveness Review

Following the appointment of Andy Chapman as Chairman in January 2025, the Board plans to conduct an external board effectiveness review before the end of the year.

Corporate Governance continued

Audit Committee

Anne Obey *OBE FCA Chair*

Robert Lee *MA FIA*

Camilla Pierrepont *BA*

Robert Watkin *BSc FIA*

John Pugh *(retired May 2024)*

The Committee meets the requirement that at least one member of the Committee has recent and relevant financial experience and the Committee as a whole has competence relevant to the sector in which the Association operates.

The Audit Committee meets at least four times annually and comprises Independent Non-Executive Directors. Senior and Executive Management attend the Audit Committee meetings by invitation. The Chief Executive, Chief Financial Officer, Chief Risk Officer, Head of Internal Audit and a representative of the external auditors are standing attendees of the committee.

The members of the Committee regularly meet privately with the internal and external auditors and have informal meetings with Senior and Executive Management throughout the course of the year. The Committee members ensure that an independent and professional relationship is maintained with the auditors.

The Audit Committee's remit extends across the WPA Group and includes oversight of Senior and Executive Management, internal audit and external audit along with any other assurance providers.

The Committee undertook its annual internal effectiveness review. This concluded that the Committee is effective with recommendations noted and completed within the year. Recommendations included the production of a year-end process and timetable to ensure meeting papers are timely; and to include Committee members earlier in the internal audit planning meetings.

Work of the Audit Committee

The Audit Committee monitors the integrity of the financial statements and reviews any significant financial reporting judgements contained in them. In accordance with the formal Schedule of Matters Reserved for the Board, the Committee provides advice to the Board regarding approval of the Annual Report and Accounts and the Solvency and Financial Condition Report (SFCR), following the Committee's detailed review of both reports.

The Solvency Capital Requirement is subject to audit by PricewaterhouseCoopers LLP as part of the audit of these financial statements, and this is overseen by the Audit Committee. The internal Compliance team were also asked to perform a compliance monitoring review to confirm the completeness of disclosures included in the Solvency and Financial Condition Report as required by the rules. The SFCR is published on the WPA website.

Corporate Governance continued

Audit Committee continued

The Audit Committee reviews the annual financial statements before submission to the Board focusing particularly on:

- Critical accounting policies and practices, and any changes in them;
- Major judgemental areas;
- Clarity of disclosures;
- Significant adjustments resulting from the audit, where applicable;
- Going concern assumption; and
- Compliance with accounting standards and other legal requirements.

The Committee discusses reports provided by the external auditors ensure that there are no material unresolved issues which could affect the truth and fairness of the financial statements.

The liability for incurred claims is the most significant estimate in the financial statements. It provides for the ultimate cost of settling all claims incurred in the year which are not settled at the balance sheet date. The significance of the estimate means that it comes under close scrutiny by the Audit Committee at the time of reviewing the accounts, as well as reviewing the outturn of claims from the previous year at points throughout the year to assess whether changes to methodologies or processes may be required.

Internal Audit

The Audit Committee monitors the effectiveness of, and reviews the results of work carried out by, the internal audit function for the WPA Group. The in-house internal audit function has operated effectively during the year. A new Head of Internal Audit was appointed on the 1 January 2025.

Internal audit contributes to the internal controls of the Association, providing assurance to the Committee as to the effectiveness of controls. The Committee reviews and approves the internal audit programme and subsequent reports, and ensures that the function is independent, adequately resourced and has appropriate standing within the WPA Group.

During 2024 internal audits covered claims, new business pricing in the large corporate area, the underwriting procedures and the renewals process for retail and corporate customers, alongside the process for onboarding new employees, a review of management information, the presentation of environmental reporting, the effectiveness of the controls' attestation process, and cyber and information security. There were no material or pervasive issues identified in any of the reports.

The Committee is satisfied that the internal audit work undertaken made a positive contribution towards ensuring that the WPA Group has appropriate controls, governance and risk management processes in place. The objective findings and recommendations help to maintain the high business practice standards of the WPA Group.

Corporate Governance continued

Audit Committee continued

External Audit

The Committee assists the Board in ensuring that the external audit is conducted in a thorough, objective and cost-effective manner. The Committee annually assesses the effectiveness of the audit process and the external auditor's independence and objectivity taking into account relevant law, regulation and the Financial Reporting Council's Ethical Standard for Auditors. The nature and extent of any proposed non-audit work to be carried out by the external auditors requires the Committee's approval. Should the Committee authorise any non-audit services it would first satisfy itself that the proposed services do not impair the external auditors' objectivity or independence.

The only non-audit service undertaken during 2024 by the external auditors was the assurance obtained on the Group's International Standard on Assurance Engagements report.

The Committee reviews the appointment and fees of the external auditors each year and confirmed that they do still continue to represent value for money. In conducting this review, audit quality was the Committee's primary concern and we do not have any concerns with the quality of the audit performed by PricewaterhouseCoopers LLP.

The Committee holds a formal private meeting at least once a year with the internal and external auditors.

In summary, for 2024 the Committee recommended, and the Board was satisfied that both the internal and external audit services were effective.

Oversight of internal controls

The Committee provides objective oversight of the effectiveness of the Group's financial and operational internal control framework, systems and processes, and has reported on these matters to the Board.

Corporate Governance continued

Risk Committee

Robert Lee MA FIA *Chair*

John Pugh FCA *(retired 9 May 2024)*

Anne Obey OBE FCA

Rosalind Johnson MA

Robert Watkin BSc FIA

The Risk Committee meets at least four times annually and comprises Independent Non-Executive Directors; Senior and Executive Management attend Committee meetings by invitation. The Risk Committee meet at least annually in private session with the Chief Risk Officer and Head of Compliance, and separately with the Actuarial Function Holder.

The Risk Committee acts as a steward of the Risk Management Framework for the WPA Group and provides objective oversight of the risk management process with regard to risk identification, assessment, appetite, strategy and management. The Risk Committee has oversight of Senior and Executive Management and receives reports from the Regulatory Compliance Group, the Distribution Monitoring Group, the Risk Group, the Security Advisory Committee and the Actuarial and Product Governance Committee.

The Risk Committee supports the Board in ensuring WPA remains compliant with relevant legislation, advises the Board on the appropriateness of the ORSA, the Risk Appetite Statements and promotes a risk awareness culture throughout the WPA Group. The Committee receives assurance from a variety of sources provided by both dedicated WPA staff and professional third-party organisations. The Board retains overall responsibility for internal control and the identification and management of business risk.

Work of the Risk Committee

The Risk Committee is apprised of, and considers, strategic and emerging risks, for example the impact of any government or regulatory changes and has processes in place to assess and adapt to any such change. Where appropriate, the Committee will also hold specific deep dive sessions to allow for further discussion and review of the key risk areas or documentation.

Cyber security remains a key risk faced by all businesses and WPA is no exception. The Group has a dedicated Security Advisory Committee which is an Executive Committee that reports to the Risk Committee on a regular basis. The Security Advisory Committee have external advisors to provide assistance to the Non-Executive Directors and provide independent challenge to the business. The Board is apprised of cyber security risks and continues to monitor and adapt to the threat presented by this ever-changing area.

There have been no ORSA trigger events during 2024. The ORSA was reported to the Committee and Board in March.

Corporate Governance continued

Risk Committee continued

In line with the PRA's aim to ensure that operational resilience is a pillar of prudential supervision of equal importance to financial resilience, the Committee has ensured that operational resilience is a focus for the business and the Board. The Group's adherence to the ISO Standard on Business Continuity and its accreditation (certified by the British Standards Institute (BSI)) brings an effective discipline for planning for potentially disruptive events alongside compliance with the regulatory requirements for operational resilience.

For 2024, the Risk Committee reported to the Board that it is has been satisfied that the risk management processes of the WPA Group continue to operate effectively.

Risk Management

The Board and Senior Management are responsible for the identification and evaluation of key risks applicable to the Group, whether from internal or external sources.

The assessment of risk is kept under regular review by the Risk Committee and includes governance, conduct, insurance, operations, financial (including market, climate related, credit and liquidity), pensions and other risks related to the achievement of the Group's business objectives.

The implementation and management of the internal control and risk management programme has been delegated to the Chief Risk Officer. Control policies and procedures are clearly set out in the Group's Risk Management Framework which captures the risks faced by the business together with the related risk appetite, mitigating controls and the monitoring procedures that provide regular oversight and review. The risk and controls are subject to at least a quarterly review. The Risk Management Framework reviews are captured in the ORSA and reported on a regular basis to the Board.

The Risk Committee monitors the effectiveness of the Group's Risk Management and associated Control Processes and reports on this annually to the Board.

Corporate Governance continued

Investment Committee

Peter Venables *FCA Chair*

Nathan Irwin *FCA*

The Rt Hon The Earl of Cromer *(retired January 2025)*

Donna Eavis *FCMA*

Henry Kenyon *FCA*

Andrew Pye *FCCA*

The Investment Committee operates under a specific mandate from the Board, which includes clear guidelines based on the objectives of the Group and emphasis is placed on communicating these to all appointed investment managers. The overriding aim of the investment strategy is to comfortably maintain the Group's capital to meet regulatory requirements, and secondarily to preserve the real value of the portfolio.

The Schedule of Matters Reserved for the Board, together with the Committee's Statement of Principles, provides an effective authority and reporting framework for the Committee.

Medical Advisory and Clinical Governance Committee

The Medical Advisory and Clinical Governance Committee is made up of consultants and specialists who provide advice to the Board and Senior Management on any medical matters related to private medical insurance. It advises on developments in medicine and medical treatments, on appropriate levels of benefit and related professional fees, on specialists' recognition and clinical governance in private practice and on rules applied to medical matters in the Group's insurance and administration contracts.

The Chief Medical Officer as Committee Chairman reports to the Board on a quarterly basis and provides his opinion on whether the business has continued to operate in a fair and ethical manner.

Corporate Governance continued

Nomination and Governance Committee

Andy Chapman *Chair (appointed January 2025)*

The Rt Hon The Earl of Cromer *Chair (retired January 2025)*

Jasper Gill *FRCS MBA*

Nathan Irwin *FCA*

Anne Obey *OBE FCA*

John Pugh *FCA (retired May 2024)*

Responsibility

The Nomination and Governance Committee leads the process for appointments to:

- The Board;
- Board Advisory Committees;
- Positions captured under the Senior Managers and Certification Regime; and
- Subsidiaries within the WPA Group.

During 2024, the Committee met on three occasions.

Members

As WPA has no share capital or shareholders, overarching governance is provided by members, each of whom has an individual liability limited to £100. In accordance with the Articles of Association, the appointment of members is a matter for the Board upon the recommendation of the Nomination and Governance Committee and subject to final ratification by the members in a General Meeting. The Committee keeps member composition under review, using a criterion approach to future appointments.

At the General Meeting, which was held with members in attendance and via proxy through the Chairman, seven members were re-appointed in accordance with the retirement provisions of the Articles of Association, and two additional members were appointed. There is a requirement for a minimum number of 40 members and with the changes in composition throughout 2024, the current number is 50.

Board Composition

In addition to appointments, the Committee is responsible for maintaining an orderly succession plan; the Committee has kept under review the Executive and Non-Executive appointments, before the date of signing these accounts, has also overseen the succession of Chair. The Committee has an established Board Diversity and Inclusion Policy and takes this into account when considering appointments and dealing with succession. The Board Diversity and Inclusion Policy, reviewed annually, is published on the WPA website. In summary, skills, experience and knowledge are the principal factors taken into consideration to ensure that the purpose of the Company is preserved and furthered.

Corporate Governance continued

Nomination and Governance Committee continued

Appointments and Retirements

Throughout 2024, the Committee had oversight of the succession plan and proposed new appointments.

All the Directors listed on pages 19 to 22 served as Board members throughout 2024, with the exception of Craig Gentle and Rob Watkin who were appointed on 9 May 2024. On 1 January 2025, Donna Eavis and Sharon Shier were appointed as Executive Directors to the Board.

In addition, John Pugh retired from the Board on 9 May 2024. During his time at WPA as a Non-Executive Director, John undertook the roles of Senior Independent Director and Chair of the Audit Committee.

Rod Bramston retired from the Board as an Executive Director on 31 December 2024. Rod has been employed at WPA for over 20 years and during his tenure led the retail and commercial SME sectors as well as fulfilling the role of Chief Underwriting Officer.

Brian Goodman retired from the Board as an Executive Director on 31 December 2024. Brian has over 30 years of experience across a range of functions within WPA and also held the position of Chief Executive of the Group's specialist healthcare administrator, WPA Protocol Plc. Brian will continue to be a key member of the Executive Leadership Team.

The Rt Hon The Earl of Cromer retired from the Board and his role as Chairman on 23 January 2025. Lord Cromer was appointed to the Board as a Non-Executive Director in 2004 and subsequently appointed as Chairman in 2009, leading the Board for over 15 years.

We would like to extend our gratitude to the Directors who have retired during this year. Their dedication, leadership, and invaluable contributions have significantly shaped the Company's success and growth.

Board Advisory Committees

It is within the remit of the Committee to make recommendations regarding the composition of the Board's Advisory Committees. It does this with reference to the succession plan to ensure the appropriate skill and experience are present and demonstrated by each Committee. During 2024:

- Anne Obey and Andy Chapman joined the Nomination and Governance Committee.
- Craig Gentle joined the Remuneration Committee and Nomination and Governance Committee.
- Rob Watkin joined the Audit Committee and Risk Committee.
- Catherine Jones and Clare Sampson joined the Personnel Committee.

These appointments were made in accordance with the succession plan.

Subsidiary Governance

The Committee has oversight of all subsidiaries within the WPA Group. Details of changes in subsidiary Directors are captured in the subsidiary annual report and accounts.

Corporate Governance continued

Nomination and Governance Committee continued

Gender Balance

As at 31 December 2024 there were 424 employees: 67% female and 33% male. Management comprising Executive Directors, including the Executive Team and Senior Managers, are split 47% female and 53% male. A large proportion of direct reports to Senior Management are female and are considered within the succession plan to ensure a diverse pipeline.

WPA produces and publishes, on the WPA website, a Gender Pay Report annually in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. WPA acknowledges that there is a gender pay gap, the primary reason being the effect of the Executive Directors of the Board at the time of the last report being male.

WPA supports all individuals equally and is committed to developing a diverse and supportive work environment, where our employees can grow and develop to their full potential.

Other Governance Matters

The Board reviewed and approved the schedule of formal matters for its approval and the Statements of Principles for its sub-committees. The Statement of Principles have, in so far as is permitted by a company without shareholders, been closely aligned to the FRC's 2024 Code of Corporate Governance. The corporate governance section of the WPA website gives disclosure of WPA's culture, value, senior people and governance arrangements.

During the year the Nomination and Governance Committee also made recommendations to the Board in respect of a new Chief Risk Officer, Chief Underwriting Officer, Head of Compliance and Head of Internal Audit. These changes had formed part of the succession planning process with the planned retirement of Executive Directors in mind and the necessary reallocation of roles.

The Committee had oversight and management of the planning in respect of the application process for the replacement Chair of the Board. Andy Chapman was successfully appointed, subject to regulatory approval, following Board approval on 28 January 2025.

In light of Andy Chapman being appointed as Chair of the Board he will step down as Chair of the Remuneration Committee once the Board has approved an appropriate replacement, and regulatory approval has been applied for.

The composition of the Medical Advisory and Clinical Governance Committee (MACGC) has been kept under review and a future potential candidate identified to join this Committee.

Looking Forward

The Board expects to make new appointments within the governance structure in line with its succession plan over the coming year. The appointment of new candidates is planned in advance of individuals retiring to allow adequate opportunity for handover and induction.

Corporate Governance continued

Remuneration Committee

Andy Chapman *Chair (appointed 1 January 2024)*

The Rt Hon The Earl of Cromer *(retired 23 January 2025)*

Craig Gentle *BA ACA*

Jasper Gill *FRCS MBA*

Anne Obey *OBE FCA*

The Remuneration Committee's primary objective is to support and promote the culture, strategy and long-term success of WPA. The Remuneration Committee has delegated responsibility for determining the remuneration policy for:

- The Board – Executive Directors;
- Senior Management Positions including the Executive Team; and
- Subsidiaries within the WPA Group including:
 - WPA Healthcare Practice Plc; and
 - WPA Protocol Plc.

The Committee is comprised of Non-Executive Directors considered to be independent. In 2024, the Chairman of the Board, who was considered independent upon appointment, was a member but not Chair of the Committee.

During 2024, the Committee met on two occasions.

The Committee undertook a review of the salaries and fees payable to Executive and Non-Executive Directors and made changes where appropriate.

Remuneration Policy

The Committee has established a Remuneration Policy which is designed to support strategy and promote the long-term sustainable success of the Company. The Committee has delegated responsibility for setting the remuneration of Executive Directors and the Chair of the Board. Workforce remuneration is reviewed by the Committee along with the alignment of incentives and rewards with culture. These factors are taken into consideration when setting the Executive Director Remuneration Policy which is aligned to the purpose and values and the successful delivery of the long-term strategy.

The Committee reviews the Policy for the remuneration of Non-Executive Directors but does not set the remuneration or any element of the remuneration package of Non-Executive Directors. Non-Executive Director remuneration is approved by the Executive Directors, subject to final ratification of the members in a General Meeting.

The Committee ensures that no individual is involved in setting their own remuneration.

Corporate Governance continued

Remuneration Committee continued

Executive Director and Senior Management Remuneration

The remuneration of Executive Directors is comprised of:

- Base salary – the core element of remuneration set to attract, fairly reward and retain Executive Directors and is reflective of their role and contribution.
- Short-term Incentive Plan – a plan designed to reward the successful delivery of the Company’s strategy and major projects, based on a number of factors including customer satisfaction, risk management, quality metrics, strategic plan delivery and financial results. Payments are based on performance and are always proportional and aligned to culture.
- Long-term Incentive Plan – a plan making payments of a percentage of salary dependent upon the performance of the business over a four-year period to recognise the long-term success of the Company including metrics around culture, ethos, reputation and financial stability.
- Pension contributions are set as a percentage of base salary.

The remuneration of Senior Management mirrors that of Executive Directors. In accordance with WPA’s culture and ethos, bonus and incentive schemes are proportionate to base salary.

Recognising Excellence

The Remuneration Committee is committed to ensuring that excellence is recognised and that superior performance is rewarded by appropriate measures to avoid formulaic outcomes. Short-term incentives are reviewed regularly to ensure that the basis, targets and payments are fair, balanced and serve the needs of WPA.

Long-term Performance

The Remuneration Committee acts as the steward of the long-term incentive plan on behalf of the Board, including the making of any notional allocations and authorising the release of any payments at the end of the given allocation period. The plan and its continuation are approved by the Board.

Employee Remuneration

Employees’ base salary comprises the same elements as those for Executive Directors, albeit reflective of the role performed. The base salary was reviewed during 2024. A 4% cost of living increase of earnings, was applied to all employees in April 2024 with a minimum inflationary increase of at least £1,000. All employees of WPA can qualify for a Partnership for Excellence Scheme which is a percentage of base salary paid at the end of the year set with regard to the performance of the Company.

Non-Executive Director Remuneration

The remuneration of Non-Executive Directors is set and approved by the Board (Non-Executive Directors abstaining) upon the recommendation of the Committee and is then subject to final ratification by the members of WPA in General Meeting. As WPA is a private company limited by guarantee, the members of WPA are not remunerated but they have a limited nominal liability. Non-Executive Director remuneration reflects the time commitment and responsibilities of the role. No share options in WPA or any other WPA Group company are included as part of the remuneration package.

Corporate Governance continued

Remuneration Committee continued

The Non-Executive Directors confirm, as part of their annual independence declaration that they:

- Do not participate in any performance related remuneration scheme;
- Only receive their Non-Executive Director and any associated Committee fee from WPA;
- Are not dependent on their income received from WPA.

Benefits

All staff, after a qualifying period are entitled to enrol themselves and their family members in the health and wellbeing benefits provided by WPA. WPA operates a Corporate Healthcare Trust and a cash plan product for staff and their families. All staff are provided with a defined contribution pension provision. Pension contributions are set in relation to basic salary only. In addition, the maternity and paternity provisions for employees along with the menopause policy were kept under review. The Health & Wellbeing hub content is continually enhanced to increase wellbeing at work through signposting.

A salary sacrifice car scheme is available to all employees with two or more years' service. The scheme gives colleagues access to fully electric and plug-in vehicles with less than 75 g/km CO₂.

In line with the company car policy, all newly purchased company cars should be electric or hybrid.

Control clawback provisions for Executive Directors and Senior Management are extant with service contracts. The clawback provisions provide for three years of recovery in line with the short-tail nature of the insurance business.

Corporate Governance continued

Personnel Committee

Jasper Gill *FRCS MBA Chair*

Neil Davidson *ACMA CMIIA*

Nathan Irwin *FCA*

Catherine Jones *LLB (Hons)*

Anne Obey *OBE FCA Non-Executive*

Clare Sampson

Tracy Sheen *MA FCIPD*

Ellis Turley *Cert CII*

The Personnel Committee met twice during 2024.

The Personnel Committee reviews and monitors the development and maintenance of effective human resource strategies. The Group has rigorous recruitment and selection procedures, coupled with induction, further training and regular assessments of all employees.

The Committee reviews human resource strategies and practices for compliance with current employment legislation, to ensure structured training in both business specific skills and, where appropriate, personal development. The Committee also has oversight of the Gender Pay Report and the Modern Slavery Statement.

The Committee is responsible for fostering the Company culture, including the diverse and equal opportunities culture. The Committee reviews the learning and development opportunities to both support the business and the employees to grow as individuals. Health and wellbeing initiatives are encouraged by the Committee.

Employees views are represented via the Employee Voice committee. The Employee Voice consists of elected staff members from across the business and service units who meet at least quarterly. The minutes are circulated to all staff members and received by the Personnel Committee, further, a representative of the Employee Voice attends the Personnel Committee.

For several years, we have undertaken an externally facilitated employee survey for the Group employees, recognising that employee engagement is fundamental to the ongoing success of the Company. The employee Net Promoter Score, being the way of establishing the level of advocacy an employee has with their employing organisation is 'outstanding' with a score of 45. To put the figures into context a score between 20 to 40 is 'very good' and 41 and above is 'outstanding'. The results were reviewed in detail by the Personnel Committee and the Board and shared with all staff.

The Committee also oversees the work of the Health and Safety Committee.

Independent Auditor's Report to the members of Western Provident Association Limited

Report on the audit of the financial statements

Opinion

In our opinion, Western Provident Association Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2024 and of the group's profit and the group's and company's cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Accounts 2024 (the "Annual Report"), which comprise: the Consolidated and Parent Company Statements of Financial Position as at 31 December 2024; the Consolidated Income Statement; the Consolidated Statement of Comprehensive Income; the Consolidated and Parent Company Statements of Changes in Equity; the Consolidated and Parent Company Statements of Cash Flows for the year then ended; the Accounting Policies; and the notes to the financial statements.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in note 5, we have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Independent Auditor's Report continued

Our audit approach

Overview

Audit scope

- Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risk of material misstatement at the Group level. Audit work to respond to the risks of material misstatement was performed by a single Group audit engagement team.

Key audit matters

- Liability for incurred claims (Group and Parent).

Materiality

- Overall Group materiality: £1.7m based on 1% of insurance revenue.
- Overall Company materiality: £1.6m based on 1% of insurance revenue (capped at 95% of Group materiality).
- Performance materiality: £1.3m (Group) and £1.2m (Company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Key audit matter – liability for incurred claims (Group and Parent)

As set out in II f (i) and III (a) of the Accounting Policies and note 1, the liability for incurred claims is a key area of estimation uncertainty within the financial statements. This is consistent with the focus of the Audit Committee as noted in their report.

As at 31 December 2024, the liability for incurred claims constituted £17.2m of the insurance contract liabilities within the statement of financial position. The calculation of the insurance contract liabilities is comprised of the present value of future cash flows and an immaterial risk adjustment. The present value of future cash flows is calculated using a chain ladder model to derive the best estimate of future cash flows with manual overlays included for any specific scenarios that existed as at the period end. An allocation of expenses for servicing these claims is included within the present value of future cash flows.

The most significant element of the present value of future cash flows is the liabilities determined using the chain ladder model. Management has made the assumption within this calculation that 1 year of historic claims paid data is appropriate to project future claims development ('development factor').

As a result of the magnitude of the balance, and the estimation uncertainty involved, we have determined the calculation of the liability for incurred claims to be a Key Audit Matter.

Independent Auditor's Report continued

How our audit addressed the key audit matter

We have performed the following procedures:

- Independently recalculated the output of management's chain ladder model using the source claims data;
- Obtained, reviewed and challenged managements assessment of the appropriateness of the 1 year development factor;
- Performed independent sensitivity analysis over the development factor and evaluated the impact of using different periods;
- Assessed the appropriateness of manual overlays included within the present value of future cash flows;
- Reviewed the allocation of expenses included within the present value of future cash flows; and
- Reviewed the disclosures included within the financial statements for appropriateness and compliance with the accounting requirements.

As a result of the work performed, we have concluded that the liability for incurred claims and corresponding disclosure is appropriate.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

The group predominantly operates in the UK with a single immaterial subsidiary registered in India. All UK companies are subject to common controls and processes and managed by a common management team, overseen by the Audit Committee.

We focused our Group audit scope on the parent company which was subject to a full-scope audit which accounts for 99.7% of group net assets. Our Group audit also included the audit of trading subsidiaries in the United Kingdom.

The Group Engagement Team, including the Group Engagement Leader is also the Engagement Team for all in scope subsidiaries which includes the Group's UK trading subsidiaries. At the Group level we also performed procedures over the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to a full audit.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the group and company financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the group's and company's financial statements.

Independent Auditor's Report continued

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
Overall materiality	£1.7m	£1.6m
How we determined it	1% of insurance revenue	1% of insurance revenue (capped at 95% of Group materiality)
Rationale for the benchmark applied	As a not-for-profit organisation, there are no shareholder interests in profits of the Group. We have used insurance revenue, as it aligns to the organisations strategy to grow the business and is a key measure of the Group's size and activity.	As a not-for-profit organisation, there are no shareholder interests in profits of the Company. We have used insurance revenue, as it aligns to the organisations strategy to grow the business and is a key measure of the Company's size and activity.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was £85,000 and £1,600,000. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to £1.3m for the group financial statements and £1.2m for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £80,000 (group audit) and £78,000 (company audit) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Independent Auditor's Report continued

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- Obtained management's going concern assessment and challenged the rationale for downside scenarios adopted and material assumptions made using our knowledge of the Group and Company business performance, review of regulatory correspondence and obtaining further corroborating evidence;
- Reviewed management's assessment of the regulatory solvency coverage and liquidity including reviewing the Group's Own Risk and Solvency Assessment ('ORSA') to support the assessment made by management and the key risks impacting the group and company;
- Evaluated information obtained during the course of the audit and publicly available market information to identify any evidence that would contradict management's assessment of going concern; and
- Assess the appropriateness of going concern disclosures included within the financial statements.

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's and the 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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Independent Auditor's Report continued

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

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

In preparing the financial statements, the directors are responsible for assessing the group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

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.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of regulatory principles, such as those governed by the Prudential Regulation Authority and the Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of fraudulent journals and bias within accounting estimates to manipulate the results of the company. Audit procedures performed by the engagement team included:

- Enquiries of the Board, Internal Audit, Risk, those charged with governance and management to identify any instances of non-compliance with laws and regulations;
- Reviewing minutes of meetings of those charged with governance, internal audit reports and regulatory correspondence where applicable;
- Designing and performing audit procedures to incorporate unpredictability around the nature, timing and extent of our testing;
- Review and challenge key accounting estimates and judgements in respect of insurance contract liabilities (see key audit matter); and
- Perform substantive testing of a sample of journal postings, including unusual transactions and exceptional items across the Group targeted on higher risk transactions.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Independent Auditor's Report continued

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the members on 29 May 2024 to audit the financial statements for the year ended 31 December 2024 and subsequent financial periods. This is therefore our first year of uninterrupted engagement.



Thomas Ferguson *Senior Statutory Auditor*
for and on behalf of PricewaterhouseCoopersLLP
Chartered Accountants and Statutory Auditors
Bristol
27 March 2025

Consolidated Statements

Consolidated Income Statement for the year ended 31 December	Note	2024	2023
		(£'000)	(£'000)
Insurance revenue	1	170,162	147,868
Insurance service expenses	1	(156,833)	(157,248)
Insurance service result		13,329	(9,380)
Administration income	2	7,081	6,327
Net investment income	3	10,398	7,195
Net insurance, Administration and investment result		30,808	4,142
Other operating and administrative expenses	4(a)	(18,128)	(15,268)
Investment management expense		(58)	(38)
Corporate Social Responsibility donations	4(b)	(250)	(10)
Profit/(loss) before income tax		12,372	(11,175)
Income tax expense	6	(2,698)	3,000
Profit/(loss) for the year		9,674	(8,175)

Consolidated Statement of Comprehensive Income for the year ended 31 December 2024	Note	2024	2023
		(£'000)	(£'000)
Profit/(loss) for the financial year		9,674	(8,175)
Remeasurements of post-employment benefit obligations, net of tax	17	(3,905)	(1,000)
Currency translation differences, net of tax		36	(38)
Total comprehensive income/(expense) for the year		5,805	(9,213)

Consolidated Statements continued

Consolidated Statement of Financial Position		31-Dec 2024	31-Dec 2023
	Note	(£'000)	(£'000)
Assets			
Non-current assets			
Post-employment benefits	17	2,947	8,997
Deferred tax	7	7,535	7,996
Intangible assets	9	302	1,481
Property, plant and equipment	10	4,860	4,505
Investment property	11	2,315	2,762
Investment assets	12	181,329	166,186
		199,288	191,927
Current assets			
Corporation tax recoverable		61	169
Other receivables		271	739
Prepayments and accrued income		2,241	1,447
Cash and cash equivalents		8,624	5,806
		11,197	8,161
Total assets		210,485	200,088
Equity and liabilities			
Equity			
Reserves		165,401	159,596
Non-current liabilities			
Post-employment benefits	17	144	144
Derivative liabilities	13	1,057	12
		1,201	156
Current liabilities			
Insurance contract liabilities	1	33,512	33,912
Other payables	13	9,415	6,424
Current tax liabilities		956	–
		43,883	40,336
Total equity and liabilities		210,485	200,088

Consolidated Statements continued

Consolidated Statement of Changes in Equity for the year ended 31 December 2024	Note	Retained earnings	Currency translation differences	Reserves
		(£'000)	(£'000)	(£'000)
At 1 January 2023		169,041	(232)	168,809
Loss for the year		(8,175)	–	(8,175)
Other comprehensive expense				
– Post-employment actuarial loss, net of tax	17	(1,000)	–	(1,000)
– Currency translation differences, net of tax		–	(38)	(38)
At 31 December 2023		159,866	(270)	159,596
Profit for the year		9,674	–	9,674
Other comprehensive expense				
– Post-employment actuarial loss, net of tax	17	(3,905)	–	(3,905)
– Currency translation differences, net of tax		–	36	36
At 31 December 2024		165,635	(234)	165,401

Consolidated Statement of Cash Flows for the year ended 31 December	Note	2024	2023
		(£'000)	(£'000)
Cash flows from operating activities			
Cash generated from/(used by) operations	14	8,415	(6,755)
Net tax paid		–	(51)
Net tax recovered		129	413
Purchase of financial assets		(200,269)	(129,444)
Receipts from financial assets		196,029	137,316
Net cash from operating activities		4,304	1,479
Cash flows from investing activities			
Purchase of intangible assets		(138)	(706)
Purchases of property, plant and equipment		(1,219)	(636)
Proceeds from sales of property, plant and equipment		34	–
Net cash used in investing activities		(1,323)	(1,342)
Cash flows from financing activities			
Payment of lease liabilities		(199)	(224)
Net cash used in financing activities		(199)	(224)
Net increase/(decrease) in cash and cash equivalents		2,782	(87)
Cash and cash equivalents at beginning of year		5,806	5,931
Currency translation differences		36	(38)
Cash and cash equivalents at end of year		8,624	5,806

Parent Company Statements

Parent Company Statement of Financial Position	Note	31-Dec 2024 (£'000)	31-Dec 2023 (£'000)
Assets			
Non-current assets			
Post-employment benefits	17	2,947	8,997
Deferred Tax	7	7,534	7,996
Investments in Group undertakings	8	934	934
Intangible assets	9	302	538
Property, plant and equipment	10	4,769	4,281
Investment assets	12	181,329	166,185
		<u>197,815</u>	<u>188,931</u>
Current assets			
Amounts owed by Group undertakings		4,110	5,027
Other receivables		114	606
Prepayments and accrued income		1,688	1,314
Cash and cash equivalents		4,827	2,146
		<u>10,739</u>	<u>9,093</u>
Total assets		208,554	198,024
Equity and liabilities			
Equity			
Reserves		164,950	159,143
Non-current liabilities			
Post-employment benefits	17	144	144
Derivative liabilities	13	1,057	12
		<u>1,201</u>	<u>156</u>
Current liabilities			
Insurance contract liabilities	1	33,512	33,912
Other payables	13	7,935	4,813
Current tax liabilities		956	–
		<u>42,403</u>	<u>38,725</u>
Total equity and liabilities		208,554	198,024

The Company is domiciled and incorporated in the United Kingdom and registered in England and Wales under number 00475557.

The accounts on pages 59 to 85 were approved by the Board of Directors on 27 March 2025 and were signed on its behalf by:



Nathan Irwin *Chief Executive*



Donna Eavis *Chief Financial Officer*

Parent Company Statements continued

Parent Company Statement of Changes in Equity for the year ended 31 December 2024	Note	Retained earnings	Reserves
		(£'000)	(£'000)
At 1 January 2023		167,944	167,944
Loss for the year		(7,801)	(7,801)
Other comprehensive expense			
Pension scheme actuarial loss, net of tax	17	(1,000)	(1,000)
At 31 December 2023		159,143	159,143
Profit for the year		9,712	9,712
Other comprehensive expense			
Pension scheme actuarial loss, net of tax	17	(3,905)	(3,905)
At 31 December 2024		164,950	164,950

Parent Company Statement of Cash Flows for the year ended 31 December	Note	2024	2023
		(£'000)	(£'000)
Cash flows from operating activities			
Cash generated from/(used by) operations	14	6,812	(9,631)
Tax recovered		–	259
Purchase of investment assets		(200,269)	(129,444)
Receipts from investment assets		196,029	137,316
Net cash from/(used in) operating activities		2,572	(1,500)
Cash flows from investing activities			
Purchase of intangible assets		–	(261)
Purchases of property, plant and equipment		(1,195)	(636)
Proceeds from sales of property, plant and equipment		34	–
Dividend received from subsidiaries		1,345	2,215
Net cash from investing activities		184	1,318
Cash flows from financing activities			
Payment of lease liabilities		(75)	(86)
Net cash used in financing activities		(75)	(86)
Net increase/(decrease) in cash and cash equivalents		2,681	(268)
Cash and cash equivalents at beginning of year		2,146	2,414
Cash and cash equivalents at end of year		4,827	2,146

Accounting Policies

I. Basis of presentation

The Group and Parent Company financial statements have been prepared in accordance with UK adopted International Accounting standards ('UK adopted IAS') and the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. As permitted by Section 408 of the Companies Act 2006, no Income Statement of the Parent Company is presented. The presentation and functional currency of these financial statements is pounds Sterling.

II. Basis of accounting

These consolidated financial statements are prepared on the going concern basis in accordance with the Companies Act 2006 and UK adopted IAS as defined by International Accounting Standard 1. They have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, financial assets and financial liabilities (including derivative instruments) at fair value through income. The preparation of financial statements in conformity with UK adopted IAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in section III Significant estimates and judgements.

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries, drawn up to 31 December 2024. Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Accounting policies of the subsidiaries are consistent with the accounting policies adopted by the Group. The Group has consistently applied its accounting policies to all periods presented in these consolidated financial statements, updated for the application of new and amended accounting standards as set out in (a). The principal accounting policies are set out below.

(a) New and amended accounting standards

There are no new or amended accounting standards that have had a material impact on these financial statements or expected to have a material impact in the future.

(b) Insurance revenue

Insurance revenue is accounted for under IFRS 17: Insurance Contracts. In line with the standard insurance revenue has been recognised under the Premium Allocation Approach (PAA) which is a simplified method of recognition for contracts which have a duration of 12 months or less. Under the PAA method insurance revenue represents the premiums earned by the Company in the year in relation to the contracts in force. Where an insurance contract includes a distinct component for the administration of claims and there is no insurance risk, the fees charged for this service have been recognised as administration income rather than insurance revenue. The premiums are either recognised over the passage of time of the contract on a straight-line basis or in line with the release of the service expense dependent on the nature of the obligation under the contract. All premiums relate to medical insurance and are written in the United Kingdom, Channel Islands or the Isle of Man.

Groups of insurance contracts are recognised from the earliest of the following dates:

- The beginning of the coverage period of the group of contracts;
- The date when the first payment from a policyholder in the group becomes due (in the absence of a contractual due date, this is deemed to be when the first payment is received); or
- The date when a group of contracts becomes onerous.

An insurance contract is derecognised when, and only when, the contract is:

- Extinguished (when the obligation specified in the insurance contract expires or is discharged or cancelled); or
- The contract is modified and meets the requirement under IFRS 17 to be derecognised and recognised as a new contract.

(c) Administration income

Administration income represents amounts receivable under healthcare administration contracts with corporate clients and fees for administering claims in relation to insurance contracts where there is no insurance risk in relation to the administration and there is a distinct administration fee. The Group applies IFRS 15 'Revenue from contracts with customers', whereby the revenue value is determined by the transaction price within the terms of the contract. The revenue is recognised in line with the performance obligations under the contract which is the administration of claims. As the administration of claims can occur after the end of the contract, a proportion of the revenue is also recognised after the end of the contract.

Accounting Policies continued

(d) Acquisition costs

Acquisition costs, representing direct and indirect expenses relating to the sale of new insurance business are expensed as incurred as permitted under IFRS 17.

(e) Insurance service expenses

Insurance service expenses include the following:

- Claims incurred;
- Expenses incurred which are directly attributable to insurance services;
- A proportion of company overhead needed to support the servicing of insurance contracts;
- Acquisition cash flows as incurred;
- Changes that relate to past service (i.e. changes in the Liability for Incurred Claims); and
- Changes that relate to future service (i.e. changes in the loss component).

Claims incurred represent the total cost of treatment received by policyholders during the financial year. Claims incurred comprise claims in respect of treatment paid in the year and changes in provisions for outstanding claims, including provisions for claims incurred but not reported.

Expenses incurred which are directly attributable to insurance services represent expenses which have been incurred by the business in relation to administration of policies and claims handling.

(f) Insurance liabilities

(i) Liability for incurred claims (LIC)

Provision is made at the year-end for the ultimate cost of settling all claims incurred but not settled at the balance sheet date, including the cost of claims incurred but not reported. The LIC also includes the estimated costs directly attributable to servicing and settling the claims plus a risk adjustment. No allowance is made for the discounting on the basis that substantially all claims are settled within 12 months of being incurred.

The value of claims paid prior to the balance sheet date and the average claims settlement period during the year, by product, is projected to estimate the total costs of outstanding claims, including claims incurred but not reported. Allowance is made for changes or uncertainties, which may create distortions in the underlying statistics, or changes in the business, which may cause the cost of unsettled claims to increase or reduce. A risk adjustment is applied to the LIC to make allowance for non-financial risk. The risk adjustment is calculated with reference to historic deviations in claim settlements with the calculation being performed to achieve a 75th percentile confidence level.

A primary aim of the Company is to ensure that the LIC is adequate to meet all such costs. The provision is monitored regularly to ensure that no pattern of adverse run-off deviation emerges. However, given the inherent uncertainty in establishing provision for claims, it is likely that the final outcome will prove to be different from the original liability established.

(ii) Liability for remaining coverage (LRC)

On initial recognition the LRC is the amount of the premiums, if any, received at initial recognition. For subsequent periods the LRC represents the proportion of premiums received in the year that relate to the unexpired term of policies in force at the year-end date, either as a result of the passage of time or based on the timing of the release of the insurance service expense depending on the contract. No allowance is made for discounting on the basis that all premiums are received within 12 months of the service being provided

Insurance premium tax (IPT) payable is also included in the calculation of the LRC.

Accounting Policies continued

(g) Leases

The Group applies IFRS 16: Leases. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use. Where a lease exists, the lease is recognised as a 'right of use asset' with the recognition of a corresponding, lease liability being recorded in other payables on the Consolidated Statement of Financial Position.

Right of use assets are property rental and IT hardware, shown within property, plant and equipment and the corresponding lease liabilities within other payables. Right of use assets are initially measured at cost, being the present value of any lease commitments and dilapidation provisions less residual value, and subsequently measured at cost less accumulated depreciation on a straight-line basis less impairment losses. The lease liabilities are initially measured at present value of the lease payments that are not paid at that date discounted by the rate implicit in the lease. Subsequently, the lease liabilities are adjusted for interest and lease payments.

On the Statement of Cash Flows, lease payments are split into a principal and interest portion and presented as financing and operating cash flows respectively.

(h) Financial assets and liabilities

Financial assets and liabilities are accounted for under IFRS 9: Financial Instruments. Assets in the investment portfolio whose values are reflected in the financial statements at market value are categorised as 'fair value through profit and loss' (FVTPL), with changes in their valuation being recognised in the Income Statement. Gains or losses on FVTPL assets held at the balance sheet date are recorded in unrealised investment gains or losses; Gains and losses on disposal are recorded in realised investment gains or losses. Trade and other payables/receivables are recognised at amortised cost less an allowance for Expected Credit Losses (ECL). Those assets acquired with the intention of being held to maturity are separately categorised as such and carried at amortised cost, less an allowance for ECL using the effective interest rate method.

FVTPL assets that are traded in an active market are valued at bid price on the last stock exchange trading day of the year. The fair value of other financial assets for which there is no quoted market price is determined by a variety of methods including net asset values provided by fund administrators, and recent transactions. Directly held listed equities that are not actively traded are held at fair value, based on a range of inputs including the weighted average cost of shares issued, recent market transactions and company specific information. Dividends on equity investments and other investment income are accounted for when receivable.

From time to time the Company holds futures and options derivative instruments and forward currency contracts. These securities are held to hedge exposures in equity markets, assets or transactions denominated in foreign currencies. All derivatives are recognised at fair value through profit and loss.

The Group assesses on a forward-looking basis the ECL associated with debt instrument assets carried at amortised cost. An allowance for such losses is recognised at each reporting date. The measurement of the ECL reflects reasonable and supportable information that is available without undue cost or effort at the reporting date above past events, current conditions and forecasts of future economic conditions.

Investment assets include cash and money market funds held by the investment manager for the purpose of investment.

(i) Cash and cash equivalents

Cash and cash equivalents comprise operational cash held in bank accounts and cash in hand.

(j) Investments in Group undertakings

In the Statement of Financial Position for the Parent Company, investments in Group undertakings are stated at cost or at deemed cost, less allowance for impairment. Where a subsidiary undertaking Statement of Financial Position reports a net liability position, provision is made against any inter-company balances due only to the extent that they are deemed irrecoverable.

(k) Foreign currencies

The results and financial position of overseas subsidiaries are translated at the average exchange rate throughout the year and at the closing position date respectively. All resulting exchange rate differences are recognised as a separate component of equity.

Accounting Policies continued

(l) Intangible assets

Intangible assets are capitalised and amortised by equal annual instalments over their estimated useful lives, which for software assets is between two and five years depending on the asset, less allowances for impairment. The software assets comprise all directly attributable costs necessary to enable the asset to be used within the business. Amortisation is shown within operating and administrative expenses on the Income Statement. Intangible assets are subject to an annual impairment assessment performed at the year-end date which assesses whether the assets recoverable amount is in excess of their carrying value. When an impairment is identified, the asset is reduced to its recoverable amount and the impairment loss is included in administrative expenses in the income statement.

(m) Property, plant and equipment

All properties held at the balance sheet date that are not treated as investment property are occupied by the Company and other Group companies. The properties are held as freehold or with a leasehold interest and accounted for under the revaluation model whereby the property is subject to depreciation throughout the year but revalued to fair value at the year-end date with the valuation being performed by an independent specialist. Increases in the carrying amount, greater than the value at the date of recognition, arising on revaluation of land and buildings are credited to the revaluation surplus in reserves. Decreases that offset previous increases of the same asset are recognised in other comprehensive income. All other changes in carrying value are charged to the Income Statement. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the Income Statement and depreciation based on the asset's original cost, net of any related deferred income tax, is transferred from the revaluation surplus to retained earnings. It is the Group's practice to maintain these properties to a high standard with the costs of maintenance charged to the Income Statement. Plant and equipment are held at cost less depreciation.

Tangible assets are capitalised and depreciated by equal annual instalments over their estimated useful lives. The periods generally applicable are:

Buildings	= 50 years
Furniture and fittings	= 6 years
Motor vehicles	= 4 years
Computer equipment	= 3 years

(n) Investment property

Investment property is valued annually by independent specialists. Investment property is held at fair value.

(o) Tax

Current tax is payable based on taxable profit for the year and tax rates which are enacted as at the balance sheet date.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The tax effects of carry-forwards of unused losses or unused tax credits are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

(p) Post-employment benefits

The Group has a defined benefit pension scheme (the 'Scheme'), which closed to future accrual on 31 December 2015, and also makes contributions to Group Personal Pensions. The net pension asset or liability recognised in the Statement of Financial Position is the fair value of the Scheme's assets less the present value of the Scheme's liabilities. Under the Scheme rules the Company has an unconditional right to any surplus within the defined benefit pension scheme on the winding up of the Scheme. Therefore, if the pension scheme is assessed as being in a net asset position the asset is recognised in the statement of Financial Position.

Accounting Policies continued

The pension cost for the Scheme is analysed between current service cost, past service cost and net return on pension scheme. Past service costs, relating to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits, are recognised in the Income Statement on a straight-line basis over the period in which the increases in benefits vest. The interest charge and interest income are recognised on a net basis and shown within the investment return.

The actuarial gains and losses which arise from a valuation and from updating the latest actuarial valuation to reflect conditions at the balance sheet date are taken to the Statement of Comprehensive Income for the period, net of the attributable deferred taxation. Deferred tax arises due to timing differences between accounting treatment and tax treatment. Contributions to Group Personal Pensions are recognised through the Income Statement when due.

Provision is made for the present value of expected costs of providing medical insurance to former employees.

III. Significant estimates and judgements

(a) Key sources of estimation uncertainty

Liability for incurred claims (LIC). The calculation of the LIC requires an estimate of the future payments that will be made in respect of treatments incurred prior to the balance sheet date which have not yet been notified, together with the estimated cost of expenses directly attributable to servicing those claims and contracts. The primary assumption in developing the estimate relates to the pattern of claims paid which are expected to be consistent with recently observed experience and trends. The process of claims reserving involves selecting a reserving methodology and an appropriate look back period on which to base the best estimate of the future payments for incurred claims.

The model used is the chain ladder methodology, which is weighted towards more recent development patterns. There is significant uncertainty and judgement required, and an overriding assumption that the past provides a reasonable basis for future payment patterns and judgement is required in determining the data and patterns that are appropriate. A risk adjustment is included in the calculation of the LIC to account for the uncertainty about the amount and timing of the cash flows that arise from non-financial risk under the insurance contracts.

There are a number of variables within the claims reserve calculation as detailed in (f) of the accounting policies. The calculation of the best estimate is based on data from the chain ladder report. It is possible to adjust the volume of data, which is averaged, based on timespan, used within the chain ladder report. The shortest-term timespan under consideration was four months and the longest was two years, this produced a range (non-linear) of best estimates from £10.9m to £12.0m (2023: £12.3m to £13.2m). In 2024 a one-year timespan was deemed appropriate due to treatment availability and payment patterns during the year (2023: 1 year timespan).

Property valuation. The valuation of properties is based on a range of assumptions and estimates, with reference to empirical experience of the local property market. The properties have been valued by independent valuers. The fair value of the investment properties held by the Group was determined using methodology based on recent market transactions of similar properties which have been adjusted for the specific characteristics of the properties. The valuation techniques include inputs for the investment properties that are unobservable. Sensitivity analysis for the property valuation is shown in note 10.

Pension valuation. There are a number of assumptions associated with the valuation of the Pension Scheme, as detailed in note 17.

(b) Critical accounting judgements

Level of aggregation. IFRS 17 requires insurance contracts to be broken down into portfolios where each portfolio represents a collection of contracts which have similar risks and are managed together. An assessment has been made of the insurance policies sold by the Group and it has been concluded that, although different products are sold, all products are related to health insurance and are therefore subject to similar risks which the Company manages together across the products, and as a result it has been concluded that there is a single portfolio of contracts.

Contracts outside the scope of IFRS 17. The Company is party to contracts where the insurance risk has been fully mitigated through a linked facultative reinsurance contract. Where this is the case, the Directors have concluded that there is no insurance risk to the Company either in relation to the original contract or the reinsurance contract and therefore these contracts have not been accounted for under IFRS 17.

Notes to the Accounts

for the year ended 31 December 2024

1 Disclosures for insurance contracts

	2024 (£'000)	2023 (£'000)
(a) Insurance contract assets and liabilities		
Group and Company		
Insurance contract liabilities	33,512	33,912
Balance at 31 December	33,512	33,912

(b) Reconciliation of the liability for remaining coverage and the liability for incurred claims

Group and Company

	Liability for Remaining Coverage	Liability for Incurred Claims	Liability for Incurred Claims	Total
	Excluding loss component	Present value of future cashflows	Risk adjustment for non- financial risk	
	(£'000)	(£'000)	(£'000)	(£'000)
Insurance contract liability at 1 January 2023	14,413	13,589	919	28,921
Insurance revenue	(147,868)	–	–	(147,868)
Insurance service expenses				
Incurred claims and directly attributable expenses	–	158,705	(569)	158,333
Changes that relate to past service - adjustments to LIC	–	(888)	–	(885)
Insurance service expense	–	157,817	(569)	157,248
Insurance service result	(147,868)	157,817	(569)	9,380
Cash flows				
Premiums received	150,272	–	–	150,272
Claims and other directly attributable expenses paid	–	(154,661)	–	(154,661)
Total cash flows	150,272	(154,661)	–	(4,389)
Insurance contract liability at 31 December 2023	16,817	16,745	350	33,912

Notes to the Accounts continued

Group and Company

	Liability for Remaining Coverage	Liability for Incurred Claims	Liability for Incurred Claims	Total
	Excluding loss component	Present value of future cashflows	Risk adjustment for non- financial risk	
	(£'000)	(£'000)	(£'000)	(£'000)
Insurance contract liability at 1 January 2024	16,817	16,745	350	33,912
Insurance revenue	(170,162)	–	–	(170,162)
Insurance service expenses				
Incurred claims and directly attributable expenses	–	160,145	508	160,653
Changes that relate to past service - adjustments to LIC	–	(3,742)	(78)	(3,820)
Insurance service expense	–	156,403	430	156,833
Insurance service result	(170,162)	156,403	430	(13,329)
Cash flows				
Premiums received	171,924	–	–	171,924
Claims and other directly attributable expenses paid	–	(158,995)	–	(158,995)
Total cash flows	171,924	(158,995)	–	12,929
Insurance contract liability at 31 December 2024	18,579	14,153	780	33,512

2 Administration income

Other income represents non-insurance income for services provided to third parties. At the year-end £43k (2023: £30k) was due in relation to administration income and of the income received £1.4m (2023: £1.24m) was deferred to be recognised in line with the performance obligation.

3 Investment return

	2024 (£'000)	2023 (£'000)
Dividend income	1,644	2,088
Interest received	4,967	2,610
Rental income from investment property	170	213
Gains on cash exchange rate movements	137	1,520
	6,918	6,431
Net gains/(losses) on realisation of investments	901	(1,219)
Unrealised investment gains	2,297	1,857
Revaluation of investment property	–	(365)
	10,116	6,704
Net interest on pension scheme	282	491
Total investment return	10,398	7,195

Notes to the Accounts continued

4 Net operating expenses

	2024 (£'000)	2023 (£'000)
(a) Other operating and administrative expenses		
Group and Company		
Administrative expenses	37,873	32,694
Commission	19,251	15,081
FSCS levy	223	367
Gross operating expenses	57,347	48,142
Expenses directly attributable to insurance contracts included in insurance service expense	(39,219)	(32,874)
Net operating expenses	18,128	15,268

(b) Corporate Social Responsibility donations

Donations to the WPA Foundation	250	–
Donations to other charitable activities	–	10
Total donations to benevolent and charitable activities	250	10

5 Profit/(loss) on ordinary activities before tax for the Group

	2024 (£'000)	2023 (£'000)
Profit/(loss) on ordinary activities before tax is stated after:		
Property revaluation	118	(821)
Amortisation	(236)	(292)
Depreciation on property, plant and equipment	(708)	(694)
(Loss)/profit on disposal of property, plant and equipment	(9)	40
Auditors' remuneration, inclusive of irrecoverable VAT, for:		
– Audit of the financial statements of the Company and Group	(396)	(495)
– Audit of the financial statements of the subsidiary companies	(80)	(65)
Non-audit fees		
– Other assurance work (ISAE3402)	(95)	(80)
Lease interest	(9)	(16)

Notes to the Accounts continued

6 Tax

(a) Analysis of charge/(credit) in year	2024 (£'000)	2023 (£'000)
Group and Company		
UK corporation tax at 25% (2023: 23.5%)	956	–
Overseas tax	(21)	51
Total current tax	935	51
Deferred tax (note 7)		
– Origination and reversal of timing differences	1,997	(3,086)
– Adjustment for prior year	(23)	–
– Movement on post-employment benefits	(211)	35
Total deferred tax	1,763	(3,051)
Tax charge/(credit) for the current year	2,698	(3,000)

The main rate of UK corporation tax increased from 19% to 25% on 1 April 2023 resulting in an effective rate for the year of 25% (2023: weighted average rate of 23.5%).

(b) Factors affecting the tax credit for the year

A reconciliation of the tax charge for the year to the charge that would result from applying the standard UK corporation tax rate to the profit before tax is given below:

	2024 (£'000)	2023 (£'000)
Profit/(loss) before tax	12,372	(11,175)
Notional charge/(credit) at UK corporation tax rate of 25% (2023: 23.5%)	3,093	(2,626)
Franked investment income not taxable	(412)	(492)
Permanent timing differences	107	293
Items outside the scope of UK tax	(41)	(20)
Tax relating to overseas subsidiaries	(21)	51
Changes in tax rates	–	(160)
Deferred tax: prior year	(28)	(46)
Tax on loss on ordinary activities	2,698	(3,000)

(c) Factors that may affect future tax charges

The principal rate of UK corporation tax increased from 19% to 25% from 1 April 2023. There are no other factors affecting future charges.

Notes to the Accounts continued

(d) Analysis of tax credit relating to components of other comprehensive income

	2024 (£'000)			2023 (£'000)		
	Before tax	Tax credit	After tax	Before tax	Tax charge	After tax
Currency translation differences	–	–	–	(38)	–	(38)
Movement on pension scheme	(5,207)	1,302	(3,905)	(1,421)	421	(1,000)
Other comprehensive income	(5,207)	1,302	(3,905)	(1,459)	421	(1,038)

All tax credits relate to deferred tax.

7 Deferred tax

	Pension scheme	Trading losses	Post-employment medical benefits	Other	Total
Group	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
At 1 January 2023	(2,635)	6,854	40	265	4,524
Movement in provision recognised in Income Statement	(35)	3,129	(4)	(39)	3,051
Movement in provision recognised in other comprehensive expense	421	–	–	–	421
At 31 December 2023	(2,249)	9,983	36	226	7,996
Movement in provision recognised in Income Statement	211	(2,192)	–	218	(1,763)
Movement in provision recognised in other comprehensive expense	1,302	–	–	–	1,302
At 31 December 2024	(736)	7,791	36	444	7,535

Company

At 1 January 2023	(2,635)	6,854	40	265	4,524
Movement in provision recognised in Income Statement	(35)	3,129	(4)	(39)	3,051
Movement in provision recognised in other comprehensive expense	421	–	–	–	421
At 31 December 2023	(2,249)	9,983	36	226	7,996
Movement in provision recognised in Income Statement	211	(2,192)	–	217	(1,764)
Movement in provision recognised in other comprehensive expense	1,302	–	–	–	1,302
At 31 December 2024	(736)	7,791	36	443	7,534

Notes to the Accounts continued

If the freehold property was sold at its current market value there would be a capital loss of £6,420,000 (2023: £6,410,000). There is a deferred tax asset of £1,606,000 (2023: £1,597,000) related to this capital loss, which has not been recognised, because there is no intention to sell the asset.

At the balance sheet date, the Group has a potential deferred tax asset of £330,455 (2023: £330,455) in respect of contingent capital losses on investment property. This asset has not been recognised on the basis that future profits against which these losses could be offset are not expected to be generated.

The main rate of UK corporation tax increased from 19% to 25% on 1 April 2023 resulting in an effective rate for the year of 25% (2023: weighted average rate of 23.5%). Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

Notes to the Accounts continued

8 Investment in Group undertakings

	2024 (£'000)	2023 (£'000)
Shares at cost	934	934

WPA Ltd is the ultimate Parent Company of the Group. The following companies are directly and wholly owned subsidiaries of the ultimate Parent Company, except for WPA Investments (Development) Limited, which is directly and wholly owned by WPA Investments Limited and therefore indirectly owned by the Parent Company. All are included within the consolidation. Each company is registered in England under the number shown against each one and has capital comprising £1 ordinary shares in issue, except where shown otherwise:

Name of subsidiary undertaking	Nature of business	Notes
WPA Healthcare Practice Plc	Insurance intermediary company (No. 07320330) (capital comprises £5 ordinary shares in issue)	
WPA Investments Limited	Investment company (No. 02591944)	
WPA Protocol Plc	Claims and administration services company (No. 02755175)	
WPA World Class Service (India) Private Ltd*	Data processing company (No. U72400KA2007PTC041954) (a company registered in India with capital comprising INR10 ordinary shares)	
WPA Health Trustee Limited	Trustee company (No. 04562414)	Exempt from preparing individual accounts under S394a of the Companies Act 2006
WPA Pension Trustees Limited	Trustee company (No. 04710981)	Exempt from filing individual accounts under S448a of the Companies Act 2006.
Delos IT Solutions Limited	Dormant company (No. 10458139)	Exempt from preparing individual accounts under S394a of the Companies Act 2006
Self-Pay Limited	Dormant company (No. 04174987)	Exempt from preparing individual accounts under S394a of the Companies Act 2006
Stoploss Insurance Services Limited	Dormant company (No. 03831968)	Exempt from preparing individual accounts under S394a of the Companies Act 2006
WPA Insurance Services Limited	Dormant company (No. 02593389)	Exempt from preparing individual accounts under S394a of the Companies Act 2006
WPA Investments (Development) Limited	Dormant company (No. 02593390)	Exempt from preparing individual accounts under S394a of the Companies Act 2006
WPA Property Services Limited	Dormant company (No. 11110094).	Exempt from preparing individual accounts under S394a of the Companies Act 2006
XS Health Limited	Dormant company (No. 03926481)	Exempt from preparing individual accounts under S394a of the Companies Act 2006
XS Insurance Services Limited	Dormant company (No. 03783854)	Exempt from preparing individual accounts under S394a of the Companies Act 2006

*31 March accounting year-end in line with fiscal regulations in India.

All subsidiaries are accounted for in accordance with IFRS 1, using deemed cost. The deemed cost was the value reported in the accounts in accordance with UK GAAP. All other subsidiaries are held at cost.

Notes to the Accounts continued

9 Intangible assets

Group	Software (£'000)	Total (£'000)
Cost or valuation		
At 1 January 2023	4,530	4,530
Additions	706	706
At 31 December 2023	5,236	5,236
Additions	138	138
Disposals	(1,045)	(1,045)
At 31 December 2024	4,329	4,329
Amortisation		
At 1 January 2023	3,463	3,463
Provided in the year	292	292
At 31 December 2023	3,755	3,755
Provided in the year	272	272
At 31 December 2024	4,027	4,027
Net book value at 31 December 2023	1,481	1,481
Net book value at 31 December 2024	302	302

Company	Software (£'000)	Total (£'000)
Cost or valuation		
At 1 January 2023	4,032	4,032
Additions	261	261
At 31 December 2023	4,293	4,293
Additions	–	–
At 31 December 2024	4,293	4,293
Amortisation		
At 1 January 2023	3,463	3,463
Provided in the year	292	292
At 31 December 2023	3,755	3,755
Provided in the year	236	236
At 31 December 2024	3,991	3,991
Net book value at 31 December 2023	538	538
Net book value at 31 December 2024	302	302

Notes to the Accounts continued

10 Property, plant and equipment	Freehold property	Furniture and fittings	Computer equipment	Motor vehicles	Right of use assets	Total
Group	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
Cost or valuation						
At 1 January 2023	4,525	2,432	2,563	476	1,081	11,077
Additions	–	311	57	268	57	693
Disposals	–	(48)	(288)	(49)	(129)	(514)
Revaluation	(456)	(28)	(29)	(7)	168	(352)
At 31 December 2023	4,069	2,667	2,303	688	1,177	10,904
Additions	558	369	106	135	54	1,222
Disposals	–	(151)	(10)	(140)	(734)	(1,035)
Revaluation	118	–	–	–	–	118
At 31 December 2024	4,745	2,885	2,399	683	497	11,209
Depreciation						
At 1 January 2023	884	2,106	2,380	282	469	6,121
Provided in the year	169	93	122	112	198	694
Revaluation	–	(45)	(23)	(2)	110	40
Elimination in respect of disposals	–	(1)	(288)	(39)	(128)	(456)
At 31 December 2023	1,053	2,153	2,191	353	649	6,399
Provided in the year	158	163	87	122	178	708
Elimination in respect of disposals	–	(151)	(10)	(131)	(466)	(758)
At 31 December 2024	1,211	2,165	2,268	344	361	6,349
Net book value at 31 December 2023	3,016	514	112	335	528	4,505
Net book value at 31 December 2024	3,534	720	131	339	136	4,860

Notes to the Accounts continued

	Leasehold property	Furniture and fittings	Computer equipment	Motor vehicles	Right of use assets	Total
Company	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
Cost or valuation						
At 1 January 2023	4,509	2,249	2,384	436	456	10,034
Additions	–	311	57	268	44	680
Disposals	–	(48)	(288)	(49)	–	(385)
Revaluation	(456)	–	–	–	348	(108)
At 31 December 2023	4,053	2,512	2,153	655	848	10,221
Additions	558	369	126	137	54	1,244
Disposals	–	(151)	(12)	(140)	(734)	(1,037)
Revaluation	118	–	–	–	–	118
At 31 December 2024	4,729	2,730	2,267	652	168	10,546
Depreciation						
At 1 January 2023	884	1,935	2,231	266	143	5,459
Provided in the year	169	89	104	108	71	541
Revaluation	–	–	–	–	268	268
Elimination in respect of disposals	–	(1)	(288)	(39)	–	(328)
At 31 December 2023	1,053	2,023	2,047	335	482	5,940
Provided in the year	158	170	90	114	65	597
Revaluation	–	–	–	–	–	–
Elimination in respect of disposals	–	(151)	(12)	(131)	(466)	(760)
At 31 December 2024	1,211	2,042	2,125	318	81	5,777
Net book value at 31 December 2023	3,000	489	106	320	366	4,281
Net book value at 31 December 2024	3,518	688	142	334	87	4,769

Leases are held using the revaluation method under IFRS 16. The Parent Company leases its office premises from WPA Investments Limited on a long leasehold agreement. The rental income is on a fixed payment basis and the remaining lease term runs until 2116. The contractual obligation to keep and maintain the property in a good, tenantable state of decorative repair remains with the Parent Company. The other right of use assets include: the rental of property for WPA World Class Service (India) Private Ltd on a three year lease, and equipment for WPA Healthcare Practice Plc, also on a three year lease.

The properties were valued on 31 December 2024 at open market value for existing use by independent valuers Hartnell Taylor Cook, Chartered Surveyors and Valuers, in accordance with the Royal Institution of Chartered Surveyors Appraisal and Valuation Manual. Valuations include simplifying assumptions. The fair value of the properties was determined using a methodology based on recent market transactions of similar properties, which have been adjusted for the specific characteristics of the properties held by the Group. If the properties had not been revalued they would have been included at the historical cost of £9,942,000 and cost less depreciation of £3,799,960 (2023: £3,449,960).

The Level 3 fair value measurement used for properties are those that are derived from a valuation technique that include inputs for the asset that are unobservable. A 5% increase in market value would result in an increase of £176,000; a 5% decrease in market value would have the opposite impact.

Depreciation is shown in operating and administrative expenses.

Notes to the Accounts continued

11 Investment property

Investment property is measured at fair value, determined using methodology based on recent market transactions of similar properties, which have been adjusted for the specific characteristics of the property held by the Group. The valuation technique includes inputs for the investment properties that are unobservable.

Rental income from investment property of £0.2m (2023: £0.2m) was received in the year; maintenance costs from rental property generating rental income were £14K for the year (2023: £14K). The property was valued on 31 December 2024 by Hartnell Taylor Cook LLP, Chartered Surveyors and Valuers, as detailed in note 10. Investment property is categorised as level 3 within the fair value hierarchy.

Group	2024 (£'000)	2023 (£'000)
At 1 January	2,762	3,169
Amortisation of lease incentive	–	(42)
Transfer to prepayments	(447)	–
Movement in fair value	–	(365)
At 31 December	2,315	2,762

12 Investment assets

Group and Company	Carrying value	
	2024 (£'000)	2023 (£'000)
Collective investment funds – Equities	32,415	33,079
Collective investment funds – Money market funds	19,561	3,011
Forward currency contracts	78	563
Deposits with credit institutions at floating rates	2,015	4,659
Cash collateral	1,633	250
Government issued securities	103,007	98,303
Debt and other fixed income securities	22,620	26,321
	181,329	166,186

Forward currency contracts were taken out during the year to hedge against part of the exposure to US Dollars, Japanese Yen and Euros in the investment portfolio. The contracts held at the year-end had a maturity date of 31 January 2025. Contracts in a loss position, totalling £1,057,000 in 2024 (2023: £12,000) are shown separately as a liability. The cash collateral represents the initial margin supporting the forward currency contracts and is settled daily in line with the derivatives.

Notes to the Accounts continued

13 Financial assets and financial liabilities

This note provides information about the Group and Company's financial instruments.

The table below presents an analysis of the fair value of the classes of financial assets and liabilities as at the end of the reporting period split between the valuation methods adopted for the asset/liability class with a description of the basis of valuation also included below:

- (i) Amortised cost: assets where the expected cashflows are solely payments of principal and interest on an outstanding principal amount, and do not meet the definition of held for trading in IFRS 9, or are not managed on a fair value basis;
- (ii) Fair value through income statement ('FVTPL'): assets which are valued at fair value with any movements in the valuation being accounted for through the income statement.

Financial assets and liabilities as at 31 December 2023	Group			Company		
	Amortised cost	FVTPL	Total	Amortised cost	FVTPL	Total
	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
Investment						
– Debt securities	124,624	–	124,624	124,624	–	124,624
– Collective investment schemes – Equities	–	33,079	33,079	–	33,079	33,079
– Collective investment schemes – Money market funds	–	3,011	3,011	–	3,011	3,011
Derivative financial instruments	–	563	563	–	563	563
Other receivables	739	–	739	606	–	606
Amounts owed by Group undertakings	–	–	–	5,027	–	5,027
Cash and cash equivalents	–	10,715	10,715	–	7,055	7,055
Total financial assets	125,363	47,368	172,731	130,257	43,708	173,965
Derivative financial instruments	–	12	12	–	12	12
Other payables	6,424	–	6,424	4,813	–	4,813
Total financial liabilities	6,424	12	6,436	4,813	12	4,825

Notes to the Accounts continued

Financial assets and liabilities as at 31 December 2024	Group			Company		
	Amortised cost	FVTPL	Total	Amortised cost	FVTPL	Total
	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
Investment assets						
– Debt securities	125,627	–	125,627	125,627	–	125,627
– Collective investment schemes – Equities	–	32,415	32,415	–	32,415	32,415
– Collective investment schemes – Money market funds	–	19,561	19,561	–	19,561	19,561
Derivative financial instruments	–	78	78	–	78	78
Other receivables	271	–	271	114	–	114
Amounts owed by Group undertakings	–	–	–	4,110	–	4,110
Cash and cash equivalents	–	12,272	12,272	–	8,474	8,474
Total financial assets	125,898	64,326	190,224	129,851	60,528	190,379
Derivative financial instruments	–	1,057	1,057	–	1,057	1,057
Other payables	9,415	–	9,415	7,935	–	7,935
Total financial liabilities	9,415	1,057	10,472	7,935	1,057	8,992

13(a) Expected credit loss

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for Other receivables and Amounts owed by Group undertakings.

To measure the expected credit losses for other receivables the balances are grouped based on days past due and then multiplied by a loss rate for that group based on previous experience of loss rates.

No loss allowance has been recognised on the balances at the year-end and the expected credit losses are immaterial.

Notes to the Accounts continued

14 Notes to the Statement of Cash Flows

	2024 (£'000)	2023 (£'000)
Group		
Profit/(loss) before tax	12,372	(11,175)
Adjustments for:		
– Amortisation	272	335
– Depreciation	708	718
– (Profit)/loss on disposal of property, plant and equipment	(9)	39
– Impairment of tangible asset	1,045	–
– Adjustment for IFRS 16	448	204
– Pension scheme administration costs	1,125	350
– Net interest on pension scheme	(282)	(491)
– (Increase)/decrease on revaluation of property, plant and equipment	(118)	456
– Decrease on revaluation of investment property	–	365
– Gains on investments	(10,456)	(3,377)
Operational cash flows before movements in working capital	5,105	(12,576)
Decrease in other receivables	468	912
Increase in prepayments and accrued income	(794)	(42)
(Decrease)/increase in insurance contract liabilities	(400)	4,991
Decrease in derivative financial instruments	1,045	(134)
Increase in other payables (excluding lease liabilities)	2,991	94
Cash generated from/(used by) operations	8,415	(6,755)

	2024 (£'000)	2023 (£'000)
Company		
Profit/(loss) before tax	12,431	(10,852)
Adjustments for:		
– Amortisation	236	292
– Depreciation	597	575
– Loss/(profit) on disposal of property, plant and equipment	(20)	40
– Adjustment for IFRS 16	288	(53)
– Pension scheme administration costs	1,125	350
– Net interest on pension scheme	(282)	(491)
– (Increase)/decrease on revaluation of property, plant and equipment	(118)	456
– Dividend from subsidiaries	(1,345)	(2,215)
– Gains on investments	(10,902)	(3,377)
Operational cash flows before movements in working capital	2,010	(15,275)
Decrease in amounts owed by Group undertakings	917	112
Decrease in other debtors	492	820
Increase in prepayments and accrued income	(374)	(38)
(Decrease)/increase in insurance contract liabilities	(400)	4,991
Decrease in derivative financial instruments	1,045	(134)
Increase/(decrease) in other payables	3,122	(107)
Cash generated from/(used by) operations	6,812	(9,631)

Notes to the Accounts continued

15 Employee information

	Group		Company	
	2024	2023	2024	2023
Monthly average number of persons (including Executive Directors) employed on permanent contracts	480	413	403	346
Monthly average FTE (including Executive Directors) employed on permanent contracts	425	372	350	307
	2024	2023	2024	2023
	(£'000)	(£'000)	(£'000)	(£'000)
Staff costs: Wages and salaries	18,014	15,875	17,347	15,304
Social security costs	1,930	1,673	1,871	1,674
Other pension costs	1,328	1,099	1,280	1,050
	21,272	18,647	20,498	18,028

16 Directors' emoluments

	2024	2023
	(£'000)	(£'000)
Group		
– Salary/fees	2,308	2,143
– Pension related benefits	320	303
– Benefits-in-kind	33	42
– Amounts payable under short-term incentive plans	452	213
– Amounts payable under long-term incentive plans	238	203
Aggregate emoluments	3,351	2,904
Highest paid Director		
– Salary	433	413
– Pension related benefits	87	83
– Benefits-in-kind	2	3
– Amounts payable under short-term incentive plans	122	67
– Amounts payable under long-term incentive plans	64	59
Aggregate emoluments for highest paid Director	708	625

There were eighteen Directors in the year (2023: sixteen), of which six received remuneration under long term incentive plans (2023: six) and six received pension related benefits (2023: six).

17 Post-employment benefits

The Group and Company has a defined benefit scheme (the Scheme) in the UK which is funded and the assets of which are held in separate trustee administered funds. The Scheme was closed to new entrants on 1 April 2004 and closed to future accrual on 31 December 2015.

The asset recognised in the consolidated Statement of Financial Position in respect of the Scheme is the fair value of Scheme assets less the present value of the defined benefit obligation at the end of the financial reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity that approximate to the terms of the related pension liability.

Notes to the Accounts continued

The latest statutory triennial actuarial valuation of the Scheme as at 31 December 2021 demonstrated that the minimum funding requirement was adequately covered at the time. The liabilities reflected in these accounts as at 31 December 2024 reflect the benefits set out in the ongoing formal actuarial valuation.

To develop the expected long-term rate of return on assets assumption, the Group and Company considers the current level of expected return on risk-free investments (primarily government bonds), the historical level of risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return on asset for each asset class is then weighted by the actual asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio.

In October 2018, the UK High Court ruled that defined benefits schemes should equalise pension benefits for men and women in relation to Guaranteed Minimum Pensions (GMPs). This is relevant to all UK defined benefit schemes with benefits earned between May 1990 and April 1997, including the Company Scheme. The Scheme Actuary has estimated the impact of equalising GMPs for the Scheme to be an increase of 1% of the Scheme liabilities; this is reflected in the liabilities shown below in both 2023 and 2024.

During the year the Pension Scheme purchased an annuity buy-in with an insurance company which has secured all future benefits of the scheme. The cost of the annuity buy-in was more than the corresponding liabilities valued under the IAS 19 basis which has resulted in a reduction of the surplus on the scheme. The difference in valuation has been recognised in return on plan assets in line with the standard.

The major assumptions used by the actuary were:

	2024	2023
Rate of increase of pensions in payment	3.16%	3.11%
Discount rate	5.45%	4.55%
Inflation assumption – RPI	3.25%	3.20%
– CPI	3.15%	3.10%
Members taking maximum lump sum	No allowance	No allowance
Proportions married	**	**
Expected return on Scheme assets	5.45%	4.55%

**Different tables for males and females. For male members it is assumed that 75% are married at age 60, tapering down to 60% at age 85, 39% at age 90. For female members it is assumed that 68% are married at age 60, tapering down to 24% at age 85 and 11% at age 90.

The weighted average duration of the defined benefit obligations is 13.1 years (2023: 14.6 years).

A 0.25% increase in the assumption made for discount rate would, in isolation, have decreased the valuation of Scheme liabilities by £739,000; a 0.25% reduction would have increased Scheme liabilities by a like amount. The assumptions for salary and pension increases are directly linked to inflation. A 0.25% increase in the inflation assumption would, in isolation, have increased Scheme liabilities by £491,000; a 0.25% decrease would have decreased the valuation of Scheme liabilities by a like amount. If mortality assumptions were to increase by one year this would increase the Scheme liabilities by £601,000. If the proportions married were to increase by 10% this would increase the Scheme liabilities by £297,000, a 10% decrease would decrease the Scheme liabilities by the same amount.

In February 2024 the Scheme purchased an annuity buy-in with an insurance company for all the liabilities in the Scheme totalling £28.1m. However it is not currently possible to quantify the resulting surplus in the Scheme as although the initial price for the annuity buy-in has been agreed, there is a requirement for data cleansing and GMP equalisation which will alter the final cost of the annuity. During 2024, with the Association's agreement, the Trustees granted a one-off discretionary pension increase on pensions in excess of GMP earned before 6 April 1997 which are currently in payment.

Notes to the Accounts continued

Weighted average life expectancy for mortality tables used to determine benefit obligations at:	2024		2023	
	Male	Female	Male	Female
Member age 60 (current life expectancy)	26.2	29.1	26.2	29.0
Member age 45 (life expectancy at age 60)	28.1	30.6	28.1	30.5

Scheme assets:	2024 (£'000)	2023 (£'000)
Gilts	–	33,991
Annuity policies	22,748	–
Other	2,633	96
Total market value of assets	25,381	34,087
Actuarial value of liabilities	(22,434)	(25,090)
Scheme asset	2,947	8,997
Related deferred tax liability	(737)	(2,249)
Net Scheme asset	2,210	6,748

Other Scheme assets represents a pooled investment vehicle, with underlying investments in cash and cash equivalents.

The Scheme asset is the gross Scheme asset, the related deferred tax liability results in a net Scheme asset of £2,210,000 (2023: £6,748,000).

The gilt assets are considered to be fair value level 1.

Analysis of net interest cost on the Scheme included within investment return (note 3)	2024 (£'000)	2023 (£'000)
Expected return on Scheme assets	1,427	1,647
Interest on Scheme liabilities	(1,145)	(1,156)
Net interest on the Scheme	282	491

Statement of Changes in Equity	2024 (£'000)	2023 (£'000)
Return on plan assets (excluding interest income)	(8,318)	(1,614)
Changes in assumptions	3,111	(69)
Actuarial loss recognised	(5,207)	(1,683)
Related deferred tax charge	1,302	421
Changes in equity	(3,905)	(1,262)

Notes to the Accounts continued

Movement in value of the Scheme during the year	2024	2023
Change in benefit obligation	(£'000)	(£'000)
Present value of benefit obligation at beginning of year	25,090	24,776
Past service cost (past discretionary increases)	372	–
Interest cost	1,145	1,156
Actuarial changes		
– Effect of changes in financial assumptions	(2,783)	(27)
– Effect of demographic adjustments	(28)	(415)
– Effect of experience adjustments	(300)	510
Benefits paid	(1,062)	(910)
Present value of benefit obligations at end of year	22,434	25,090

Change in Scheme assets	2024	2023
	(£'000)	(£'000)
Fair value of Scheme assets at beginning of year	34,087	35,314
Interest income	1,427	1,647
Return on Scheme assets (excluding interest income)	(8,318)	(1,614)
Benefits paid and transfers out	(1,062)	(910)
Scheme administration cost	(753)	(350)
Fair value of Scheme assets at end of year	25,381	34,087

Assets and liabilities	2024	2023
	(£'000)	(£'000)
Total market value of assets	25,381	34,087
Present value of Scheme liabilities	(22,434)	(25,090)
Scheme surplus	2,947	8,997

Notes to the Accounts continued

History of experience gains and losses	2024	2023
Return on Scheme assets	(32.8%)	(4.6%)
Experience gains/(losses) on Scheme liabilities	0.0%	0.0%

As the Scheme closed to future accrual on 31 December 2015, the Group and Company made no normal contributions during the year (2023: no normal contributions). During the year the Group and Company made no special contributions to the Scheme (2023: no special contributions to the Scheme).

Free or discounted medical insurance cover has been provided for retired employees. The provision is the estimated future cost of claims in excess of anticipated premiums. The costs of the cover are taken directly to the Income Statement and the provision required is updated annually. Given the inherent uncertainty in establishing the provision for claims, it is likely that the final outcome will prove to be different to the original liability established. The key assumptions underpinning the post employment medical benefit provision are the net increase of future premiums in excess of claims of 0.5% (2023: 0.5%) and the discount rate of 5.45% (2023: 4.55%). Mortality assumptions are taken from the S3PA tables with CMI 2020 projections and 1.5%/1.25% pa long-term rate for males/females (2023: S3PA tables CMI 2020 projections and 1.5%/1.25% pa long-term rate for males/females).

Group and Company	Pension Scheme surplus (£'000)	Post-employment medical provision (£'000)
At 1 January 2023	10,538	(406)
Movement in the year	(1,541)	262
At 31 December 2023	8,997	(144)
Movement in the year	(6,050)	–
At 31 December 2024	2,947	(144)

Since the IFRS transition date the cumulative gain recognised through the Statement of Comprehensive Income is £13,235,000 (2023: cumulative gain of £11,553,000).

For employees meeting the eligibility conditions, the Company operates a Group Personal Pension (GPP). The GPP provides the auto-enrolment solution for the Company and provides improved levels of contribution above the auto-enrolment requirements for staff with greater than five years of service. During the year contributions of £1,915,070 (2023: £1,754,000) were made to defined contribution schemes.

Notes to the Accounts continued

18 Commitments and contingent liabilities

	2024 (£'000)		2023 (£'000)	
	Group	Company	Group	Company
The future aggregate minimum lease payments under non-cancellable leases are as follows:				
– Within one year	101	37	226	99
– Between one and five years	39	40	348	286
– After five years	–	26	63	89
	140	103	637	474

There were no other contingent liabilities in the year (2023: no contingent liabilities).

The Group has leased a building to provide business continuity capabilities. Lease payments are on a fixed payment basis and no arrangements have been entered into for contingent payments. The remaining lease term runs until December 2029.

The Parent Company has guaranteed the liabilities of its dormant subsidiaries (including trustee companies) listed at Note 8, permitting them to be exempt from preparing and filing their accounts at Companies House. The Parent Company has confirmed that it will meet the current liabilities of WPA Investments Limited, for at least the next twelve months, in the event that the company is not able to meet them itself.

19 Related parties

a) Transactions with subsidiaries

The transactions between the Company and its subsidiaries are presented below. All transactions and balances with Group entities are eliminated on consolidation. All balances with trading subsidiaries are unsecured and there are no terms and conditions relating to them. Debts of dormant subsidiaries are guaranteed by the Parent Company.

Transactions in the year:	2024 (£'000)	2023 (£'000)
Administration charge by WPA Limited		
To WPA Protocol Plc	(2,765)	(2,451)
To WPA Healthcare Practice Plc	(12,925)	(12,682)
Administration charge to WPA Limited		
By WPA Investments Limited	225	203
By WPA Healthcare Practice Plc	14,247	13,965
By WPA World Class Service (India) Private Ltd	1,212	1,061
	(6)	96
Balances outstanding:		
Gross receivable by WPA Limited	4,268	5,046
Gross payable by WPA Limited	(158)	(19)
	4,110	5,027

Notes to the Accounts continued

b) Key management compensation

Key management personnel include all Parent Company Executive and Non-Executive Directors (see Note 16).

c) Other related parties

During the year the Company committed to making a donation of £250,000 to the WPA Foundation, a charitable company affiliated to the Group (2023: no donations). The objective of the Foundation is the promotion of good health in young people through supporting projects and working with communities and special-interest groups in the South West. The Company leases, on an arm's length basis, a property owned by the Foundation and paid lease costs in the year of £27,000 (2023: £52,000). Lord Cromer was a director of the WPA Foundation until January 2025.

The Company holds investments with a value of £8,333,000 (2023: £9,532,000) in the Pedder Street Asia Absolute Return Fund, a Hong Kong based Fund of which Lord Cromer is the chairman of the board of directors; the Company holds 14% (2023: 11%) of the fund.

The Company holds investments with a value of £nil (2023: £1,763,000) in The Far East Value Fund, an Asian collective investment fund of which Lord Cromer is one of the directors. The Company holds nil% (2023: 8%) of the fund.

Notes to the Accounts continued

20 Risk management

20.1 Financial risk management

The activities of the Group expose it to a variety of financial risks - market risk (including exchange rate, interest rate and price risks), credit risk and liquidity risk. The overall risk management programme of the Group focuses on the unpredictability of financial markets and seeks to minimise the potential adverse effects on the financial performance of the Group.

The Board has a formally approved statement of its Risk Appetite. The Investment Committee monitors the management of investment assets to ensure that they meet the aims and objectives set out in the statement of Risk Appetite; the investment managers report regularly to the Investment Committee to enable it to fulfil this role.

a) Market risk

The Group's primary market risk exposure is through the portfolio of collective investment funds, whose underlying assets are equities. From a solvency perspective the impact of market risk is eliminated through holding low risk investments, typically UK Government stocks and Treasury Bills, which meet solvency and current liabilities requirements. Equity risk is managed through the Investment Committee's careful selection of investment managers who have a sound track record and expertise in their chosen sector or geography. The portfolio is well diversified to protect against adverse market movements in any one segment.

The geographical equity exposure of the portfolio in collective investment equity funds at 31 December 2024 and 2023 were:

Geographical equity exposure	Number of funds	2024 (£'000)	Number of funds	2023 (£'000)
UK	2	6,396	3	11,591
Europe	–	–	1	2,131
US	2	6,918	–	–
Asia	4	14,933	5	15,982
Global	3	4,168	2	3,375
	11	32,415	11	33,079

Notes to the Accounts continued

The principal investment assets held at 31 December 2024 and 2023, analysed by their fair value hierarchy levels were:

		2024 (£'000)	2023 (£'000)
Group and Company			
Level 1	Deposits with credit institutions at floating rates	2,015	4,659
	Collective investment funds – Equities	20,243	19,632
	Collective investment funds – Money market funds	19,561	3,011
	Cash collateral	1,633	250
Level 2	Forward currency contracts	78	563
	Collective investment funds – Equities	12,172	13,447
At amortised cost			
Level 1	Government issued securities	103,007	98,303
	Debt and other fixed income securities	22,620	26,321
		181,329	166,186

Government issued securities, deposits with credit institutions at fixed rates, debt and other fixed income securities, loans and receivables and trade receivables are recognised on the balance sheet at amortised cost. The fair value of trade receivables and deposits with credit institutions at fixed rates are considered to be equivalent to the amortised cost. Whilst all the investments in the portfolio are susceptible to movements in interest rates, to a greater or lesser extent, the most directly affected are the fixed income and Government issued securities. The Group has 17 (2023: 24) direct corporate bond holdings and holdings in UK Government stocks and UK Treasury Bills. These instruments are intended to be held to maturity and thus these are held at amortised cost totalling £125.6m (2023: £124.6m) within these financial statements. The estimated fair value of these instruments is £124.2m (2023: £122.7m).

The Group and Company does not have any financial assets or liabilities, including the forward currency contracts used for hedging purposes, that are directly linked to any interbank offered rates (IBOR). Consequently, IBOR has had no impact on the Group and Company.

Notes to the Accounts continued

Fair value hierarchy

Level 1: Valued using unadjusted quoted prices in active markets for identical financial instruments. This category includes actively traded listed equity shares, money market funds, exchange-traded derivatives and UK Government stocks.

Level 2: Values are provided by the investment manager using techniques based significantly on observed market data, including net asset values. This level also includes over the counter derivatives.

Level 3: Valued using techniques incorporating information other than observable market data.

The underlying investments in equities, the majority of which are listed on recognised exchanges, are directly exposed to price risk, although this risk is mitigated to some extent by holding a diversified portfolio of funds.

The investment portfolio has exposure to foreign currencies through collective investment schemes invested in equities not denominated in Sterling, and through holding US Dollars. Forward currency contracts were taken out during the year to hedge against the majority of this exposure. For some Asian currencies, US Dollar forward contracts were used as a proxy to hedge the exposure. The Group holds small current account bank balances in Indian Rupees, which are primarily held for working capital purposes. The Group has a regular need to purchase Rupees to meet the operating expenses of WPA World Class Service Limited.

The largest single equity market to which the Company has exposure is the UK equity market. Using the FTSE 100 as a proxy for the UK equity portfolio, if this index were to fall by 200 points, the impact on asset values would be a reduction of £160,000 (2023: £300,000). If all equity values were to fall by 5% this would reduce asset values by £1,620,000 (2023: £1,650,000).

(b) Credit risk

Credit risk is defined to be the potential for loss that can occur as a result of impairment in the creditworthiness of an issuer or counterparty or a default by an issuer or counterparty on its contractual obligations. Credit risk also extends to encompass the exposure that the Group has to third parties, in particular to customers and to providers of reinsurance in the event that they are unable to meet their obligations. All financial instruments are subject to the expected credit loss model as required by IFRS 9.

Credit risk limits are intended to constrain the exposure to individual counterparties and issuers, types of counterparties and issuers, countries and types of financing collateral.

The Group assesses the creditworthiness of existing and potential customers, and institutional counterparties and determines Group-wide credit risk limits within an agreed risk framework. In addition, the Group reviews and monitors portfolio and other credit risk concentrations. Through the investment managers, the Group also performs ongoing monitoring of credit quality and investment-limit compliance to manage and mitigate credit risk. The Investment Committee sets limits on the exposure to an individual counterparty or issuer taking due account of the probability of it failing to fulfil its contractual obligations.

The Group manages its exposure to policyholder debtors through regular credit control procedures coupled with a stringent policy of holding claims payments until any overdue amounts are received from policyholders.

The largest single counterparty exposure is the UK Government stock of £103.0m (2023: £98.3m). The maximum duration of UK Government stock held at amortised cost is three years from the balance sheet date for the Group and Company.

No expected credit losses have been recognised against the investment assets held at the balance sheet date as the expected credit losses are highly immaterial.

Notes to the Accounts continued

(c) Liquidity risk

Liquidity risk relates to the management of the cash flow of the Group. Since the Group has no ability to raise equity funding externally, on account of its legal structure, liquidity risks relate principally to the Group being unable to liquidate an asset in a timely manner at a reasonable price. Such risks are therefore primarily concerned with the construction of the investment portfolio. The Group has no plans to raise capital through the issuance of loan notes nor does it rely on premium income to meet the current outgoings of the business, including claims.

Due to the construction of the investment portfolio and its highly liquid nature, liquidity risk is not regarded as a significant issue. Controls are in place to ensure that the situation does not deteriorate to a position where it could become such. As at the year-end the Group held sufficient liquid assets to cover current liabilities.

The following tables analyse the financial liabilities of the Group

	2024 (£'000)	2023 (£'000)
Insurance contract liabilities	33,512	33,912
Corporation tax	956	246
Other creditors	9,415	6,424
	43,883	40,582

The liabilities have the following maturity analysis:

	2023					
	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years
Insurance contract liabilities	33,912	–	–	–	–	–
Corporation tax	246	–	–	–	–	–
Other creditors (excluding lease liabilities)	5,761	–	–	–	–	–
Lease liabilities (undiscounted)	226	154	69	63	63	63
	40,145	154	69	63	63	63

	2024					
	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years
Insurance contract liabilities	33,512	–	–	–	–	–
Corporation tax	956	–	–	–	–	–
Other creditors (excluding lease liabilities)	9,337	–	–	–	–	–
Lease liabilities (undiscounted)	101	23	15	–	–	–
	43,906	23	15	–	–	–

Notes to the Accounts continued

The following tables analyse the financial liabilities of the Company	2024 (£'000)	2023 (£'000)
Insurance contract liabilities	33,512	33,912
Corporation tax	956	–
Other creditors (excluding lease liabilities)	7,935	4,813
	42,403	38,725

	2023					
	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years
Insurance contract liabilities	33,912	–	–	–	–	–
Corporation tax	246	–	–	–	–	–
Other creditors (excluding lease liabilities)	5,761	–	–	–	–	–
Lease liabilities (undiscounted)	130	43	6	–	–	–
	40,049	43	6	–	–	–

	2024					
	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years
Insurance contract liabilities	33,512	–	–	–	–	–
Corporation tax	956	–	–	–	–	–
Other creditors (excluding lease liabilities)	7,848	–	–	–	–	–
Lease liabilities (undiscounted)	37	23	15	–	–	–
	42,353	23	15	–	–	–

20.2 Insurance risk management

Medical insurance is short-tail business and thus the ultimate claims outcome of each year can be predicted with reasonable accuracy at the end of each accounting period. Adverse claims frequency or severity could result in short-term claims costs exceeding premium levels. Management regularly review underwriting ratios and take action as necessary to ensure that results within a financial year are aligned to the medium-term strategy of a modest surplus across the insurance portfolio. Policies' terms and premium rates are reviewed at least annually or more frequently where performance deviates from expectations. Contracts with major hospital networks are negotiated annually and when our customers require complex medical treatment we work with the healthcare providers to ensure that our policyholders obtain value for money. The financial strength of the business does not necessitate an extensive reinsurance arrangement. The reinsurance coverage during the year was limited to two facultative policies, which is shown in these financial statements as a non-IFRS 17 insurance contract, as a result of the interdependence between the primary and reinsurance contracts.

Notes to the Accounts continued

20.3 Capital risk management

The Company is limited by guarantee and therefore does not have to satisfy the appetite of shareholders for returns. The capital of the business comprises its entire accumulated reserves, as disclosed on the face of the Statement of Financial Position.

As a consequence of its legal structure, the Group has no recourse to external capital and therefore internally generated capital is of paramount importance. There is no significant dissipation of capital through major infrastructure projects: the Group owns the freehold to its office building and expenditure on capital projects is closely controlled. There are ongoing requirements to replace and upgrade IT equipment and other assets, but the costs of these additions are met out of regular cash flow. The Group has no plans for any significant capital expenditure in the foreseeable future.

The Board receive regular management information updates on the capital position when measured against the Solvency II Standard Formula and have approved the holistic risk management approach as captured in the ORSA. As at 31 December 2024 the Group's solvency coverage against the standard formula assessment was 397% (2023: 378% unaudited). Further information can be found in the Solvency & Financial Condition Report on the website - wpa.org.uk.

21 Future accounting disclosures

The following standards which have been issued but are not yet effective or endorsed for adoption in the UK are expected to have a material impact on the presentation of the Company's financial statements if they become effective:

- IFRS 18 Presentation and Disclosure in Financial Statements.

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The most significant changes under the standard are:

- Changes to the presentation of the statement of comprehensive income which will now include 'operating profit' and 'profit before financing and income tax' as subtotals and the allocation of income and expenses between operating, investing and financing activities.
- Requirement to disclose non-GAAP measures with a note to explain the how measure is calculated, why it is useful and how it reconciles to an IFRS measure.

IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements. The standard only applies where at the reporting date; it does not have public accountability; and its parent produces consolidated financial statements under IFRS Accounting Standards available for public use.

22 Post balance sheet events

In March 2025 an investment manager informed the Group that it has taken the decision to liquidate the assets of a fund in which the Group invests, with the aim of winding up the fund over the coming months. The decision was taken after considering the fund's investment strategy and the current economic environment. The majority of the fund is held in liquid assets and the return of capital to the Group is expected in the near future. There is no anticipated material financial impact.

Our standards are high

On an annual basis we are independently audited by the BSI certification body for four internationally recognised standards. These reflect our service excellence provided to our customers, whether big global employers, medium sized businesses or the many thousands of UK individuals and families.

Quality Management : ISO 9001:2015

The internationally recognised Standard for Quality Management systems placing emphasis on achieving customer satisfaction and continual improvement.

Business Continuity Management : ISO 22301:2019

A management system to restore our ability to supply critical services to an agreed level following a disruption to service.

Environmental Management : ISO 14001:2015

The internationally recognised Standard for Environmental Management systems – one of the highest benchmarks in environmental management and best practice.

Information Security Management : ISO 27001:2022

The benchmark for protecting valuable and sensitive customer information.



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