



Report and Accounts 2025

Western Provident Association Limited

For the year ended 31 December 2025



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 2025.

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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Chairman's Statement



Andy Chapman

I was delighted to be appointed as your Chairman in January 2025, taking over the reins of a business that has complete clarity on its purpose and ethos.

Our purpose is to enable the customers we serve to access the healthcare they need, both today and in the future; our ethos is to treat our customers as we would wish to be treated ourselves.

It is evident throughout the business that there is a strong collective identification of the way we work and what we do which is best encapsulated by the following:



We can evidence that customers come first through our excellent service credentials and incredibly low complaint levels.

Our staff survey demonstrates that WPA is a great place to work and the excellent work of the WPA Foundation shows that we play our part in the wider community. We are taking tangible steps to improve the impact we have on our environment. During 2025 we installed solar panels at our Head Office which reduces our electricity consumption by about a quarter.

It is my personal responsibility to ensure that the Board continues to govern the Association with integrity. The independent Board effectiveness review was completed in the final quarter of 2025, and confirms that this is the case and the Board is operating as an effective team.

The strategy for progressive organic growth for the benefit of our customers is well understood throughout the business. The 2025 results within this report show that we are delivering against this strategy, with an increase in customer numbers, whilst maintaining our high service standards and delivering a sound financial result that preserves our capital strength and ensures WPA's continued sustainability.

Chairman's Statement continued

2026 will mark 125 years since WPA's origins as the Reading Working People's Voluntary Hospital Contributory Fund. I am confident that we will continue to build on our heritage in the years ahead.

Finally, I would like to thank my fellow directors and all our staff both in the UK and India for their dedication and hard work throughout the year. I would also express my sincere thanks to you our customers for choosing WPA as your Healthcare Provider.

A handwritten signature in black ink, appearing to read 'Andy Chapman', written over a horizontal line.

Andy Chapman *Chairman*

26 March 2026

Chief Executive's Review



Nathan Irwin

WPA's purpose remains focused on enabling our customers to access the healthcare they need, both today and in the future.

We are not-for-profit and recognise that delivering on our purpose is our primary objective. Our strategy to deliver this is underpinned by progressive organic growth, maintaining a robust capital base and continuing to deliver outstanding customer service.

To ensure long-term sustainability, each year we aim to make a modest surplus on the insurance activities, which is reinvested into the business for the benefit of customers by improving our capabilities as well as strengthening the capital base. A strong capital base ensures that we have sufficient resources to cover the unexpected high claims years, which do happen from time to time, whilst providing capacity for growth and enabling economies of scale, which help moderate premium levels for the benefit of all of our customers.

I am pleased to report that we have delivered on each aspect of our strategy during 2025. Customer numbers have increased by 5%, with growth in each of the Retail, Commercial and Corporate Sectors. Overall the insurance activities report a surplus of £15.6m and the investment portfolio returned 6.8%. These results maintained a strong capital ratio at 382% (2024: 397%) and provide the platform to deliver combined success for the coming years.

Our service levels remain excellent and my sincere thanks go to our hardworking teams, who embrace the ethos of treating customers as we would wish to be treated ourselves.

We aim to keep WPA a great place to work so our people are motivated to look after our customers with compassion, empathy and understanding. We are proud that the employee net promoter score remained outstanding during the year.

The excellent results for 2025 enabled a charitable donation of £0.5m to the WPA Foundation. This will support their valuable work supporting families with profoundly ill children, as well as helping schools to get their kids active and set them up with healthy lifestyles.

Humans, by nature, will always require healthcare and will continually develop new technologies and techniques. We recognise our role in the UK's health ecosystem to support these ongoing improvements. We complement the services provided by the NHS, although 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 deliver their healthcare needs. WPA have been partnering with our customers since 1901 and we are well placed to continue to deliver outstanding value and service.



Nathan Irwin *Chief Executive*

26 March 2026

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 2025.

Strategy

WPA's strategy is 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. As a not-for-profit organisation we are focused on our purpose of enabling our customers to access the healthcare they need, both today and in the future. To ensure long-term sustainability each year we aim to make a modest surplus on the insurance activities, which is then reinvested into the business for the benefit of improving our capabilities as well as increasing the capital base to ensure long-term financial strength and resilience required for an insurance business of this nature.

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 125 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 surplus from 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 not-for-profit insurance company it is necessary to recognise that our financial strength supports, but does not subsidise, the promises made to our current customers.

Strategic Report continued

Review of 2025

2025 has been a hugely successful year for the Group, following 2024, the year which helped return the business to equilibrium. Customer numbers continue to increase in all divisions of the business, which diversifies risk alongside providing economies of scale for purchasing healthcare and spreading administration costs.

The insurance revenue of £192.3m (2024: £170.2m) for the year comprises premium from our renewing customers, in addition to premium from new customers on cover. There has been a 5% net increase in lives covered and administered.

Insurance service expenses of £176.7m (2024: £156.8m) have increased due to greater customer numbers and inflation, whilst increases in business acquisition costs reflect customer sales and renewals. The business continues to use the claims ratio (claims/revenue) as a key performance indicator, which has improved slightly to 67.5% (2024: 69.1). Our claims authorisation levels remained high at 96.8% (2024: 97.0%) of claims.

Overall, operating and administrative expenses have remained broadly static, moving from £18.1m to £17.4m year-on-year. Headcount continues to grow, in line with customer growth, to enable the business to achieve its high level of customer service; but as the business grows the fixed costs can be better absorbed across this increased customer base. During the year we continued to take advantage of the prevailing interest rates and maintained the risk levels in our portfolio with more than 80% of the portfolio in government debt, corporate bonds or cash. The remainder is 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 UK economic environment has continued to provide low-risk investment opportunities at an interest rate of around 4%. 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 equivalent rates of return. The overall returns from equities and commodities have been higher than those from fixed income reflecting the positive returns in the year from the UK, US and Asian markets as well as gold.

The primary objective of the portfolio is to preserve capital through achieving a return of CPI. The investment return for the year was 6.8%, 3.2% higher than our target return of CPI of 3.6%.

The insurance service result shows a profit for the year of £16.0m (2024: £13.3m) whilst the investment portfolio has returned £12.3m (2024: £10.3m) gross of expenses. After administration income of £8.0m (2024: £7.1m) and operating expenses of £18.4m (2024: £18.4m) are taken into account, the Group made a profit of £18.0m (2024: £12.4m) before tax. The business remains well capitalised with a Solvency Capital Requirement coverage ratio of 382% (2024: 397%). The decrease in coverage is primarily as a result of the increase in premiums, resulting in a higher capital requirement which is only partially offset by an increase in reserves. The total available capital is £201.3m (2024: £179.6m).

Strategic Report continued

Review of 2025 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

£192.3m (2024: £170.2m)

Combined operating ratio

96.9% (2024: 98.7%)

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

Solvency II SCR coverage

3.8 (2024: 4.0)

Available regulatory capital divided by standard formula capital requirement.

Net investment return

6.8% (2024: 6.0%)

Return as a percentage of investment assets.

Claims authorised

96.8% (2024: 97.0%)

Customer Numbers

475,389 (2024: 451,587)

Claims Ratio

67.5% (2024: 69.1%)

Ratio of net insurance claims to net insurance premium.

Insurance service result

£16.0m (2024: £13.3m)

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.

The success of 2025 for the insurance and administration parts of the business provide a strong base upon which to continue to grow, with the profit in the year bringing the business to a break-even position for the past five years. 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 structured with approximately 80% of the portfolio in lower-risk fixed return assets, which limits the downside risk, whilst taking advantage of positive returns from the remaining 20% in risk-seeking assets.

The business plan for the coming year recognises our strong service quality and provides for continued organic growth in customer numbers. For the commercial side of the business we expect employers will wish to retain staff using comprehensive benefit packages which include private medical insurance. The still 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 and will be dependent upon government decisions.

When completing the planning cycle for 2025 the expectation for UK inflation was considered. At the end of 2025 the Bank of England was anticipating returning to its target inflation level by mid 2026 which provides a stable cost base but could impact on the investment portfolio's medium-term returns from lower-risk, fixed income instruments. Any changes to the inflation assumption could impact the business, therefore management information will continue to be closely monitored. 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.

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 for review throughout the year. The principal risks affecting the business and how these risks are managed are set out below:

Insurance risk

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 medical advancements 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, and 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. 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.

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.

Financial risks

Market risk: The Group's primary market risk is through exposure to equity markets. This risk is managed through limiting the level of investment that can be held in equity type investments as a proportion of the total amount of investments. Government stock is held to a value equivalent to the solvency capital requirement. Cash and cash equivalents are held to cover our liquidity requirement also removing the market risk from the ability to meet cashflow needs. Equity risk is managed through the Investment Executive Committee's careful selection of funds 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. By holding a range of instruments from very low risk UK Government stock to higher risk equities, market risk is managed effectively and aims to produce an absolute return in most market scenarios.

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. 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 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. The pension scheme is expected to complete buy-out in 2026, removing all risk to the Group.

Strategic Report continued

Principal risks and uncertainties continued

Conduct Risk

The Group is exposed to conduct risk by the nature of being an insurance company with customer relationships to manage. It is required to comply with FCA and PRA regulation as well as wider UK Company regulations. The Group manages regulatory risk through its various management committees which focus on compliance with different areas of regulation. These committees either meet monthly or quarterly. These committees all report into the Risk Committee. Compliance with regulatory capital requirements is monitored monthly and reported to the Board monthly. Conduct risk is also managed through the Group's culture of honesty and transparency with an ethos to treat others as we wish to be treated ourselves.

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.

Strategic Report continued

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.

The evaluation considered the strength of the Group's balance sheet, noting that the Group has demonstrable liquid resources of £165m (2024: £146m) in excess of liabilities and that the regulatory solvency coverage stood at 382% (2024: 397%). 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.

During the last quarter of 2025, when our planning cycle was completed, the outlook for the UK, based on the Bank of England forecast, suggested low growth, reducing inflation and interest rates. This forecast was used to inform the short-term plan, resulting in a modest profit on the insurance business and a positive return from the investment portfolio. Due to the nature of our business and customer base, and the structure of the investment portfolio a net contribution is anticipated even with a degree of political or economic turbulence.

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.

Strategic Report continued

WPA and Section 172 of the Companies Act 2006 continued

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.

Stakeholders

As a private company, limited by guarantee, WPA does not have shareholders. WPA's main stakeholders are our customers, employees, suppliers, healthcare providers 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 8.9 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 56. 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 87.0% (2024: 86.4%) 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

WPA and Section 172 of the
Companies Act 2006 continued

Key Decisions

The key business decisions in 2025 were determining the level at which premiums and the customary and reasonable fees are set, negotiating agreements with hospital groups and determining the investment allocation.

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*
26 March 2026

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 Group 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 2025 no political donations were made, or expenditure incurred (2024: none).

WPA made a donation of £500,000 (2024: £250,000) 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. The WPA Foundation also provides assistance with transport costs to and from hospital for families based in the South West in financial distress with profoundly ill children.

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.

WPA is committed to fostering an equitable and inclusive culture in which every colleague and customer is treated fairly and with respect. We value and celebrate the diversity of our people, recognising that differences in background, experience and perspective strengthen our organisation and support better outcomes for our members and customers.

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.

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.

Directors' Report continued

Employees continued

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, 46% of the workforce have taken advantage of flexible hours arrangements.

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 claims costs and the application of premium increases, were all with the aim of maintaining 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 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.

Activities to improve carbon footprint WPA has an ESOS (Energy Saving Opportunity Scheme) Phase 3 action plan and during 2025 took the following measures to improve energy efficiency and reduce operation energy consumption were implements:

- i. The installation and commissioning of a 150kWp solar photovoltaic (PV) system at the main site in Taunton, allowing on-site electricity generation and reducing reliance on grid-supplied power.
- ii. Completion of a server room efficiency review, including assessment of cooling strategy and temperature setpoints to ensure optimal operational performance.
- iii. Continued transition of the vehicle fleet, with all pool and executive vehicles now electric or hybrid; with a vehicle lease scheme for staff on the same basis; and the continuation of the cycle to work scheme and bicycle servicing offering.
- iv. Ongoing behavioural and engagement initiatives to support more efficient energy use across the business.
- v. WPA continues to promote 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

2025 Streamlined Energy and Carbon Reporting (SECR) Highlights

The Company's efforts have resulted in an 8% reduction in emissions equating to just over 19 tonnes of CO₂e emissions (tCO₂e) less impact on the environment, despite running a second office in the Taunton area for much of the summer months, to accommodate building maintenance at our main site.

Using normalised emissions, based on an intensity ratio of tCO₂e to Insurance Revenue a significant reduction of 0.27 tonnes tCO₂e/£m was achieved during 2025, resulting in a Total Carbon Intensity measure of 1.11 tCO₂e/£m.

Energy consumption (kWh)	2025	2024
Stationary combustion gas/oil	427,924	469,932
Purchased electricity	633,611	596,758
Mobile combustion fleet and grey fleet	71,395	52,139
Total	1,132,930	1,118,829

Carbon emissions (tCO ₂ e)	2025	2024
Scope 1	71.24	99.55
Stationary combustion gas/oil	60.32	92.78
Mobile combustion fleet	10.92	6.77
Scope 2	112.14	126.95
Purchased electricity	112.14	126.95
Scope 3	34.95	10.89
Grey fleet	15.15	10.89
Energy supply – emissions prior to delivery	19.80	–
Total gross emissions	218.33	237.39

Our purchased electricity comes from renewable sources, where possible, and provides an offsetting market based adjustment of 100.36 tCO₂e, which leaves total net emission of 117.97 tCO₂e.

Directors' Report continued

Energy and carbon information continued

The definitions of greenhouse gas emissions are reported in accordance with Greenhouse Gas Protocol and are categorised as follows:

- Scope 1 – direct emissions from sources owned or controlled by the Company, including stationary combustion and mobile combustion.
- Scope 2 – indirect emissions from the consumption of purchased electricity.
- Scope 3 (voluntary) – selected indirect emissions relating to business travel in employee-owned or rental vehicles where the Company is responsible for purchasing the fuel.

Quantification and reporting methodology

The SECR has been completed in accordance with the requirements of the Companies and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

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 2025 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 were re-appointed as the Group's auditors for the financial year beginning 1 January 2025.

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.

Directors' Report continued

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Report and Accounts and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and the Company financial statements in accordance with UK-adopted international accounting standards. In preparing the Group and Company financial statements, the Directors have also elected to comply with International Financial Reporting Standards issued by the International Accounting Standards Board (IFRSs as issued by IASB).

Under company law, 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 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 and IFRSs issued by IASB 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 Company will continue in business.

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

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

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



Nathan Irwin *Chief Executive*

26 March 2026

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 appointed 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 is also a trustee 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 is Senior Independent Director. Anne is a Chartered Accountant and was previously Director of Financial Reporting at Nationwide Building Society. She is a governor of Coventry University and an independent member of the Audit and Risk Assurance Committee for the Department of Business and Trade, and is former Chair of Trustees of 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 PwC including 12 years as a partner. Craig is also a trustee of Bristol Music Trust.



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 continued

Independent Non-Executive Directors continued



Camilla Pierrepont BA

Appointed: June 2023

Camilla was appointed to the Board in 2023. Camilla is an Executive Director at Taylor Maritime, having been Chief Strategy Officer and Head of Investor Relations. She has over 20 years of experience in various strategy and investment roles. Camilla started her career as an analyst at Monitor Deloitte (London) after gaining a BA in Chinese Studies from Oxford University.



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.

Non-Executive Director



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.

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 25 years, firstly as the Finance Manager, then Head of Finance and 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 since 2016, 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.

Board of Directors and Principal Officers continued

Executive Directors continued



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.



Mark Southern *Distribution 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.

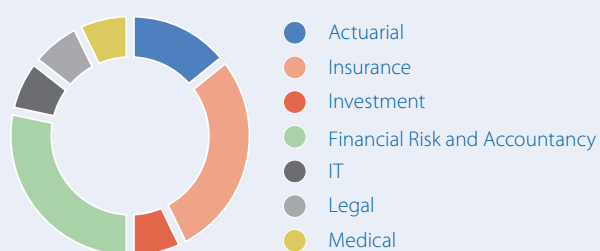


Peter Venables FCA *Chief Underwriting Officer*

Appointed: January 2025

Pete joined the Board as Chief Risk Officer in March 2020 and then in 2025 became Chief Underwriting Officer. 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:

- Donna Eavis – Executive Director, 1 January 2025
- Sharon Shier – Executive Director, 1 January 2025

Retirements:

- The Rt Hon The Earl of Cromer – 23 January 2025

Board Changes

There were no other changes to the composition of the Board during 2025 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

Andrew Pye FCCA
Brian Goodman BSc (Hons)
Clare Sampson
Deborah Goodman FCCA
Denize Spierenburg Cert CII
Ellis Turley Cert CII
Katy Trowell Cert CII
Jenna Bishop Cert CII
Jeremy Blackman Cert CII
Lakshmi Seelam
Neil Davidson ACMA, CMIIA
Neville Kavarana MBA
Ruth Tancock Cert CII
Theresa Attree Cert CII (retired October 2025)

Chief Actuary

Donna Eavis FCMA

Statutory Auditors

PricewaterhouseCoopers LLP

Bankers

National Westminster Bank Plc

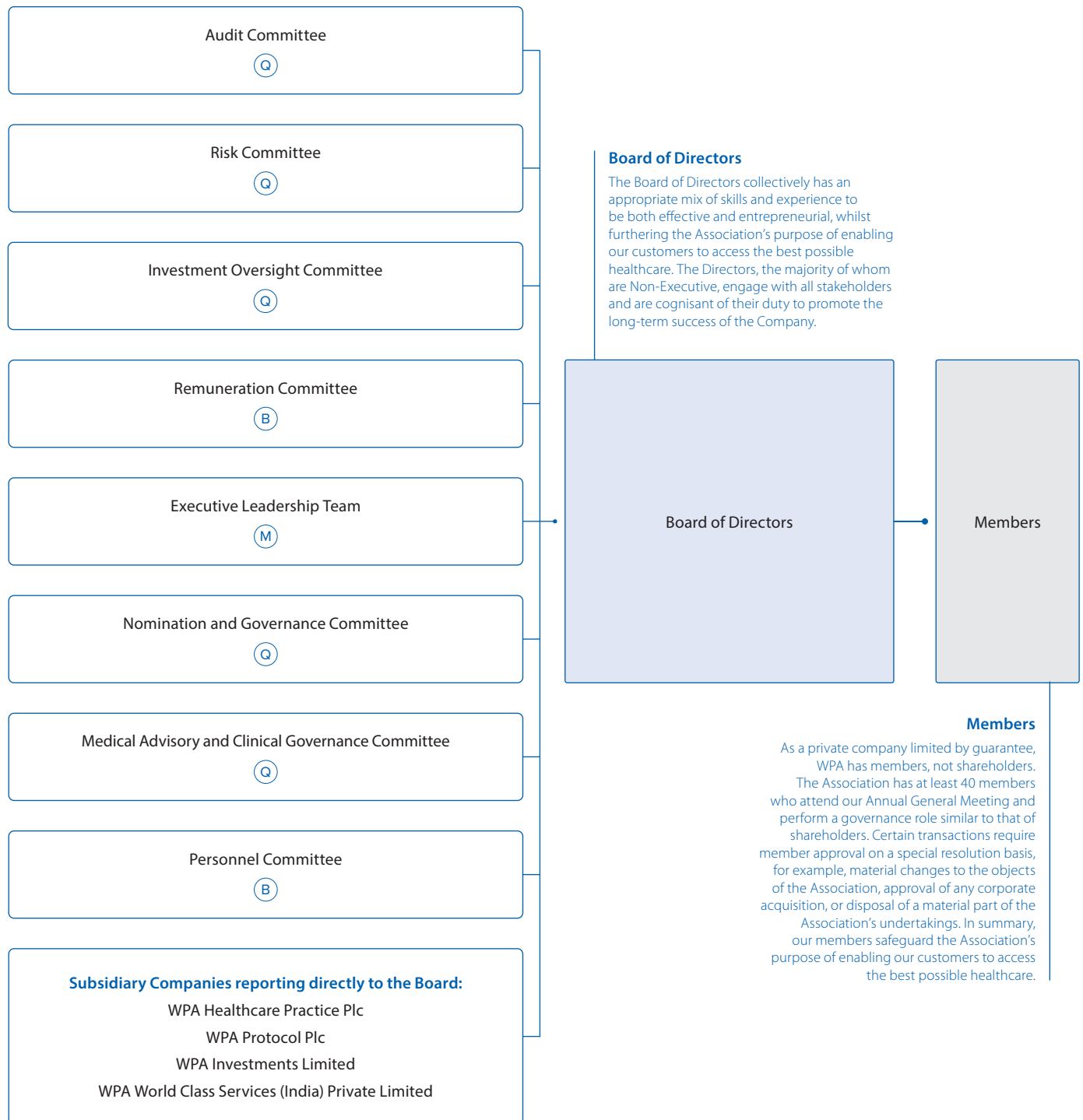
Committee Members

For Committee composition, please see the relevant Committee within the Corporate Governance section from page 26 onwards.

Board of Directors Attendance Register 2025

	Board excluding AGM	Audit	Risk	Remuneration	Nomination and Governance	Investment Oversight
Executive						
Donna Eavis	6 of 6	–	–	–	–	
Nathan Irwin	6 of 6	–	–	2 of 2	5 of 5	
James Searle	6 of 6	–	–	–	–	
Sharon Shier	6 of 6	–	–	–	–	
Mark Southern	6 of 6	–	–	–	–	
Peter Venables	6 of 6	–	–	–	–	
Non-Executive						
Lord Cromer (retired 23 January 2025)	0 of 1	–	–	–	–	
Andy Chapman	6 of 6	–	–	2 of 2	5 of 5	
Craig Gentle	6 of 6	–	–	2 of 2	5 of 5	2 of 2
Jasper Gill	6 of 6	–	–	2 of 2	4 of 5	
Rosalind Johnson	6 of 6	–	4 of 4	–	–	
Rob Lee	6 of 6	5 of 5	4 of 4	–	–	
Anne Obey	6 of 6	5 of 5	4 of 4	2 of 2	5 of 5	
Camilla Pierrepont	6 of 6	5 of 5	–	–	–	
Rob Watkin	6 of 6	5 of 5	4 of 4			2 of 2

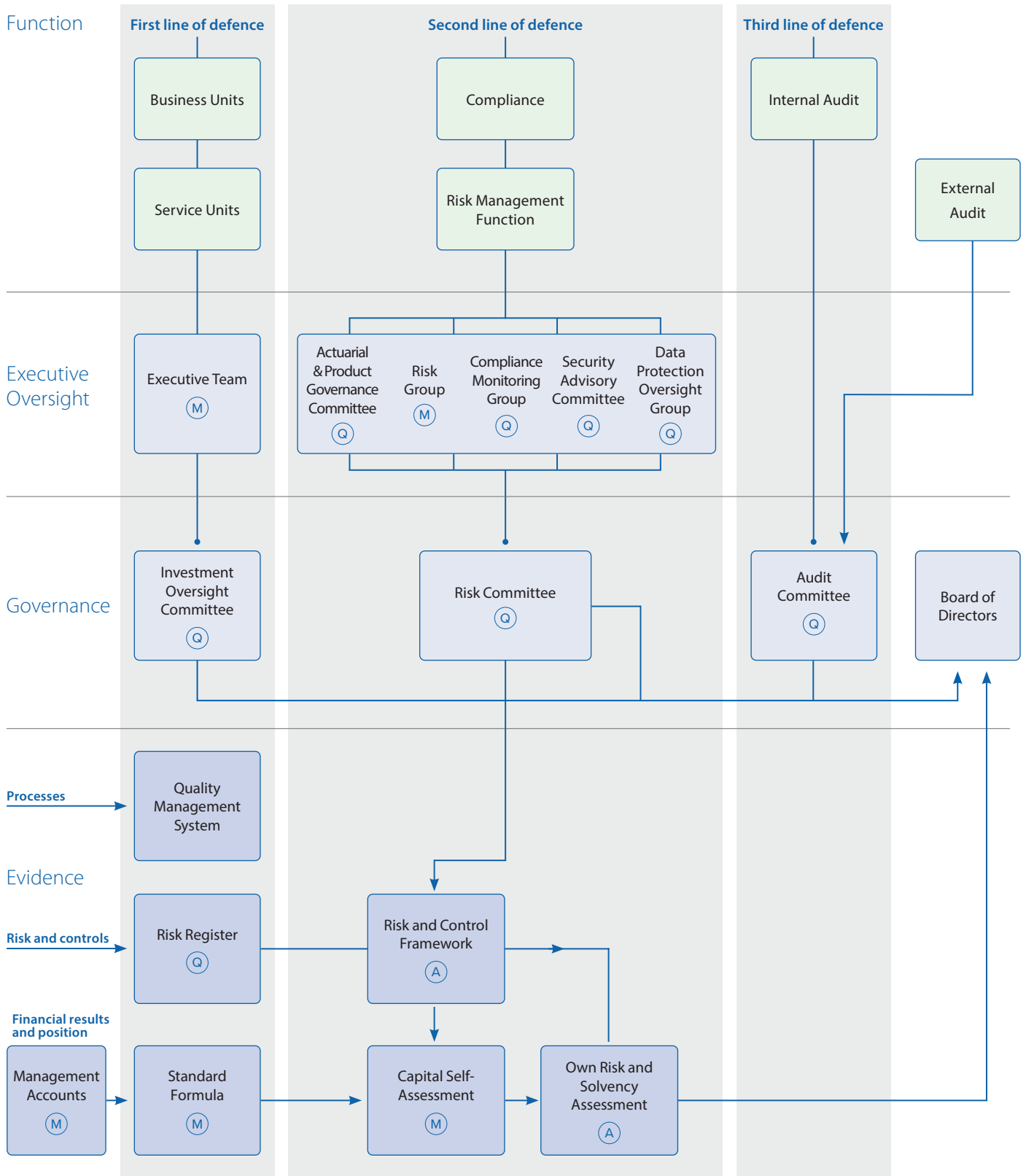
System of Governance



- (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 own adapted Code of Corporate Governance, which mirrors the FRC's 2024 Code in so far as it applies.

The 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 one Non-Executive Director who was previously an employee of the Association the requisite five year period of time elapsed before their appointment to the Board as a Non-Executive. Additionally, the Board considered that given the short-term nature of WPA's insurance contracts sufficient time had elapsed for them to be considered independent. As a result of their previous employment, they are a member of the defined benefit pension scheme which has 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.
- 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 with the exception of the Chief Medical Officer. The Chief Medical Officer is a practising consultant surgeon. His role on the Board is as a non-executive director who reports to the Chairman and provides the Board with oversight and observation of the management of complex claims as well as providing a perspective on developments in both the NHS and private sector.

Corporate Governance continued

The Chief Medical Officer chairs the Medical and Clinical Governance Committee, which comprises a range of practicing specialists who provide the Executive and Senior Management Team with medical advice in connection with assessing complex claims and emerging clinical practices. The Nomination and Governance Committee consider that it is important for the Chief Medical Officer to provide a non-executive perspective but recognises that the role is different to that of an independent Non-Executive Director due to the more frequent interaction with management.

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.

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 Non-Executives, both with and without the Chairman, is held annually. The Non-Executive Directors have access to any information they require and, as part of their role, regularly spend time engaging with employees 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. 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.

Corporate Governance continued

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. Both of these Committees in turn report to the Board.

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 2025:

- Whilst all meetings have been held in person, the Board retained the flexibility to meet virtually when required as permitted under the 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 26. They each have a written Statement of Principles (Terms of Reference), which clearly define authorities and responsibilities.

The minutes, or a verbal update, of all the Board Advisory Committees are provided to the Board. Committee remits and membership are kept under review by the Nomination and Governance Committee at least annually. As appropriate, the Committees include members who are not directors, where they bring a particular expertise.

Corporate Governance continued

Board Effectiveness Review

In the third quarter of 2025, the Board commissioned an external Board Effectiveness Review. The Chairman, Chief Executive and Company Secretary reviewed proposals from nine providers and met with a shortlist of three firms and presented their findings and recommendation to the Nomination and Governance Committee.

Lintstock were selected as the preferred provider. There was no existing connection between Lintstock and WPA or any WPA Board Member.

The Review began in September 2025 and, working with the Company Secretary, the Chair ensured that the external Reviewer had access to all requested documents including Board and Committee packs, minutes and Board governance documents.

Each Board Member engaged with the process and following completion of surveys, in late September, face to face interviews took place. In addition, the September Board Meeting and the September Risk and Audit Committee meetings were all observed.

The written Board Review was delivered to the Chairman and Chief Executive, before being delivered to the Board in November. The Board Review contained constructive and meaningful feedback and recommendations, split into the following categories: Composition and Dynamics; Stakeholder Oversight; Board Support; Focus of Meetings; Strategy; Risk and External Environment; and People and Succession. Each of the recommendations were reviewed at Board level and an action plan produced to manage the development of future actions.

In summary, all of the recommendations were categorised as minor, outlining the priority of the Board to preserve the positive dynamic that is already in place.

The conclusion of the key findings state that "The most common response when asking directors for the objectives of this Board Review was – to give the Board confidence that, in our professional judgement, it is pursuing the right path. On this we can deliver: it is."

The Board Effectiveness Review process was closed at the December Board Meeting with the Board being satisfied that each recommendation had been fully considered and that where appropriate, measures were in place to ensure progression of actions adopted.

Corporate Governance continued

Audit Committee

Anne Obey *OBE FCA Chair*

Camilla Pierrepont *BA*

Robert Lee *MA FIA*

Robert Watkin *BSc FIA*

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 mid-year, and was also included in the scope of the Board Effectiveness review undertaken in quarter 3. The conclusion from both of these reviews was that the Committee is effective, with a number of minor matters for consideration. These were the potential overlap of work between the Risk and Audit Committees; to tailor the timing of private meetings with the Internal and External Audit according to the stage in the cycle of work for discussion; to ensure that timing of internal audit planning enables Committee input to consideration of risk areas; and to formalise updates on future accounting and regulatory changes. All matters raised were addressed during the year.

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, International Standard on Assurance Engagements (ISAE 3402) Report and the Solvency and Financial Condition Report (SFCR), following the Committee's detailed review of these reports.

The Solvency II SCR coverage is subject to audit by PricewaterhouseCoopers LLP as part of the audit of these financial statements, and this is overseen by the Audit Committee. In 2024 the internal Compliance team performed a review to confirm the completeness of disclosures included in the Solvency and Financial Condition Report. There have been no changes to requirements for the SFCR since this review. 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 to 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 ensuring that there are no material unresolved issues which could affect the true and fair view 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 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.

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

During 2025 internal audits covered a number of areas relating to claims, such as processing, automated and manual checks, and compensation levels. There were also audits on the pricing of retail and commercial business; customer contact; information security; onboarding of retail customers; and financial crime controls. 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, to ensure that the proposed services do not impair the external auditors' objectivity or independence.

The only non-audit service undertaken during 2025 by the external auditors was the assurance on the Group's report in respect of the ISAE 3402. The report considers the Group's controls on customer money procedures.

The Committee reviews the appointment and fees of the external auditors each year and satisfied itself that the audit fee continues to represent value for money. In conducting this review, audit quality was the Committee's primary concern; the Committee was satisfied with the quality of the audit performed by PricewaterhouseCoopers LLP.

PricewaterhouseCoopers was appointed, following a tender process in 2022, for the Report & Accounts 2024 audit. It is anticipated that the next tender process will take place in 2032/2033, with no requirement to change auditor.

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

In summary, for 2025 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*

Rosalind Johnson *MA*

Anne Obey *OBE FCA*

Robert Watkin *BSc FIA*

The Risk Committee meets at least four times annually and comprises Independent Non-Executive Directors. Senior and Executive Management also attend Committee meetings by invitation. The Risk Committee holds three private sessions a year, one with the Chief Risk Officer, one with the Head of Compliance and the third 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, the Data Protection Oversight Group 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, Risk Management Framework 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. These risks are kept under close, regular review. 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 2025. The ORSA was reported and prepared for approval to the Committee and Board in March 2026.

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. In addition, climate risk and consumer duty are considered at each appropriate Board meeting, covered by the relevant Board champion. 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.

During the year the Committee has reviewed and challenged management's Solvent Exit Analysis which is due to come into force before the end of Q2 2026.

For 2025, 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 framework 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 Oversight Committee

Craig Gentle *BA ACA Chair (appointed July 2025)*

Robert Watkin *BSc FIA (appointed July 2025)*

The structure of the Investment Committee has been updated during the year with the Investment Oversight Committee being formed, of independent Non-Executive Directors, to provide governance oversight of the investment portfolio; whilst the Executive Investment Team run the portfolio on a day-to-day basis, indicating both future intentions and past actions to the Investment Oversight Committee. It operates under a specific mandate from the Board, which includes clear guidelines based on the objectives of the Group. 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.

Corporate Governance continued

Nomination and Governance Committee

Andy Chapman *Chair (appointed January 2025)*

Anne Obey *OBE FCA*

Craig Gentle *ACA*

Jasper Gill *FRCS MBA*

Nathan Irwin *FCA*

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

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 2025, the Committee met on five 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, six members were re-appointed in accordance with the retirement provisions of the Articles of Association, and four additional members were appointed. There is a requirement for a minimum number of 40 members and with the changes in composition throughout 2025, 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. The Board has agreed a group of skill sets required and the focus is on planning to ensure people are appointed to meet the skill sets to establish the required composition. In 2025, the Committee oversaw the succession of the Chair. An application process aligned with the requirements of the WPA Articles of Association was followed where all independent Non-Executive Directors were invited to apply for the role. Due process was followed and Andy Chapman was subsequently elected as the Chair, after receiving an unanimous vote from the whole Board. 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 by the Board, 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

There are no specific targets set. The recent Board Effectiveness Review endorsed the composition objectives.

Appointments and Retirements

Throughout 2025, 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 2025.

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. The Company would like to thank The Rt Hon The Earl of Cromer for his years of service.

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 2025:

- Craig Gentle was appointed as Chair of the Remuneration Committee.
- Craig Gentle and Rob Watkin joined the Investment Oversight Committee with Craig taking the role of Chair.
- Jeremy Blackman, Tara Gale and Amy Saber 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.

Gender Balance

As at 31 December 2025 there were 443 employees: 67% female and 33% male. Management, comprising Executive Directors, including the Executive Team and Senior Managers, are split 56% female and 44% 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 two-thirds 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.

Corporate Governance continued

Nomination and Governance Committee continued

Other Governance Matters

The Board reviewed and approved the schedule of formal matters for its approval and the Statements of Principles (Terms of Reference) 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.

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 appointed following Board approval on 28 January 2025.

During the year the Nomination and Governance Committee also made recommendations to the Board in respect of a new Chair of the Remuneration Committee and a new Head of Compliance. These changes had formed part of the succession planning process with the planned retirement or reallocation of roles in mind.

In light of Andy Chapman being appointed as Chair of the Board he stepped down as Chair of the Remuneration Committee and Craig Gentle was appointed as his successor in this role.

The composition of the Medical Advisory and Clinical Governance Committee (MACGC) has been kept under review.

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 (retired as Chair 28 January 2025)*

Anne Obey *OBE FCA*

Craig Gentle *BA ACA (appointed as Chair 27 March 2025)*

Jasper Gill *FRCS MBA*

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.

During 2025, 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.

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.

During the year the Remuneration Committee considered the appropriateness of the long-term incentive scheme and decided to lengthen the deferral period from 4 to 5 years and to increase the maximum permissible award for senior personnel. As a result of the changes, maximum variable remuneration has increased from 26% to 37%.

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 five-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. All staff, including Executive Directors, have the opportunity to join the WPA Group’s personal pension scheme. Employer’s contribution rates are reflective of tenure and grade.

Executive remuneration structures are designed to align to long-term success and sustainability of WPA as an organisation. Performance is assessed against the Board approved annual business plan, with a non-formulaic balanced approach to strategic, financial and operational objectives.

The ratio of the CEO’s pay to the median employee pay is 16, which compares to 54 on average in the FTSE 250. The remuneration committee is comfortable that the reported gender pay gap of 14% is not reflective of gender bias, but primarily as a result of the structural manner in which part-time working is reflected in the required calculations.

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.

The plan and its continuation are approved by the Board.

Control Malus and clawback provisions for Executive Directors and Senior Management are extant with service contracts. These provisions will apply in the event that there is reasonable evidence of misbehaviour; a material error on the part of the Executive Director or Senior Manager; or there has been a material failure of risk management in their area of responsibility. The malus and clawback provisions provide for three years of recovery in line with the short-tail nature of the insurance business. The provisions have not been utilised.

Corporate Governance continued

Remuneration Committee continued

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 was applied to all employees in April 2025. 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 a 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.

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.

Corporate Governance continued

Personnel Committee

Jasper Gill *FRCS MBA Non-Executive Chair*

Jeremy Blackman

Neil Davidson *ACMA CMIIA*

Tara Gale

Nathan Irwin *FCA*

Catherine Jones *LLB (Hons)*

Anne Obey *OBE FCA Non-Executive*

Amy Saber

Clare Sampson

Tracy Sheen *MA FCIPD*

Ellis Turley *Cert CII (retired from Committee in 2025)*

The Personnel Committee met twice during 2025.

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

The Committee reviews 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 56. 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 Auditors' 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 2025 and of the Group's and Company'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; 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 2025 (the "Annual Report"), which comprise:

- the Consolidated Statement of Financial Position as at 31 December 2025;
- the Parent Company Statement of Financial Position as at 31 December 2025;
- the Consolidated Income Statement for the year then ended;
- the Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated Statement of Changes in Equity for the year then ended;
- the Consolidated Statement of Cash Flows for the year then ended;
- the Parent Company Statement of Changes in Equity for the year then ended;
- the Parent Company Statement 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 Auditors' Report continued

Our audit approach

Overview

Audit scope

- Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Groupwide 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: £1.9m (2024: £1.7m) based on 1% of insurance revenue.
- Overall Company materiality: £1.8m (2024: £1.6m) based on 1% of insurance revenue (capped at 95% of Group materiality).
- Performance materiality: £1.4m (2024: £1.3m) (Group) and £1.3m (2024: £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. The key audit matters below are consistent with last year.

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

As set out in f (i) and III (a) of the Accounting Policies, 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 2025, the liability for incurred claims constituted £19.2m of the insurance contract liabilities within the statement of financial position. The calculation of the liability for incurred claims 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 out of model adjustments 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. The assumption within this calculation is 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 Auditors' Report continued

How our audit addressed the key audit matter

We have performed the following procedures:

- Performed an independent estimate of the most significant element of the future cashflows using historic claims data;
- Independently recalculated the output of the chain ladder model using the source claims data;
- Obtained, reviewed and challenged the assessment of the appropriateness of the 1 year development factor;
- Performed independent sensitivity analysis over the development factor and evaluated the impact of different periods;
- Assessed the appropriateness of out of model adjustments 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 98.7% 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's and Company's 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 Auditors' 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	£1.9m (2024: £1.7m)	£1.8m (2024: £1.6m)
How we determined it	1% of insurance revenue	1% of insurance revenue (capped at 95% of Group materiality)
Rationale for 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 £81,000 to £1,820,000. 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% (2024: 75%) of overall materiality, amounting to £1.4m (2024: £1.3m) for the Group financial statements and £1.3m (2024: £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 £96,000 (Group audit) (2024: £85,000) and £91,000 (Company audit) (2024: £81,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Independent Auditors' 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;
- 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
- Assessed 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 2025 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 Auditors' 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 challenging key accounting estimates and judgements in respect of insurance contract liabilities (see key audit matter); and
- Performing substantive testing of a sample of journal postings based on a fraud risk criteria.

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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using

Independent Auditors' Report continued

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

We were first appointed by the Company for the financial year ended 31 December 2024. Our uninterrupted engagement covers two financial years.



Thomas Ferguson *Senior Statutory Auditor*
for and on behalf of PricewaterhouseCoopersLLP
Chartered Accountants and Statutory Auditors
Bristol
26 March 2026

Consolidated Statements

Consolidated Income Statement for the year ended 31 December	Note	2025	2024
		(£'000)	(£'000)
Insurance revenue	1	192,347	170,162
Insurance service expenses	1	(176,335)	(156,833)
Insurance service result		16,012	13,329
Administration income	2	8,043	7,081
Net investment income	3	12,346	10,398
Net insurance, administration and investment result		36,401	30,808
Other operating and administrative expenses	4(a)	(17,822)	(18,128)
Investment management expense		(59)	(58)
Corporate Social Responsibility donations	4(b)	(501)	(250)
Profit before income tax		18,019	12,372
Income tax expense	6	(4,122)	(2,698)
Profit for the year		13,897	9,674

Consolidated Statement of Comprehensive Income for the year ended 31 December 2025	Note	2025	2024
		(£'000)	(£'000)
Profit for the financial year		13,897	9,674
Remeasurements of post-employment benefit obligations, net of tax	17	399	(3,905)
Currency translation differences, net of tax		(116)	36
Total comprehensive income for the year		14,180	5,805

Consolidated Statements continued

Consolidated Statement of Financial Position		31-Dec 2025	31-Dec 2024
	Note	(£'000)	(£'000)
Assets			
Non-current assets			
Post-employment benefits	17	2,328	2,947
Deferred tax	7	4,744	7,535
Intangible assets	9	113	302
Property, plant and equipment	10	5,542	4,860
Investment property	11	2,175	2,315
Investment assets	12	203,433	181,329
		218,335	199,288
Current assets			
Corporation tax recoverable		440	61
Other receivables		196	271
Prepayments and accrued income		2,447	2,241
Cash and cash equivalents		9,655	8,624
		12,738	11,197
Total assets		231,073	210,485
Equity and liabilities			
Equity			
Reserves		179,581	165,401
Non-current liabilities			
Post-employment benefits	17	144	144
Derivative liabilities		–	1,057
		144	1,201
Current liabilities			
Insurance contract liabilities	1	39,634	33,512
Other payables	13	11,714	9,415
Current tax liabilities		–	956
		51,348	43,883
Total equity and liabilities		231,073	210,485

Consolidated Statements continued

Consolidated Statement of Changes in Equity for the year ended 31 December 2025	Note	Retained earnings	Currency translation differences	Reserves
		(£'000)	(£'000)	(£'000)
At 1 January 2024		159,866	(270)	159,596
Profit for the year		9,674	–	9,674
Other comprehensive expense				
– Pension Scheme 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
Profit for the year		13,897	–	13,897
Other comprehensive expense				
– Pension Scheme actuarial gain, net of tax	17	399	–	399
– Currency translation differences, net of tax		–	(116)	(116)
At 31 December 2025		179,931	(350)	179,581

Consolidated Statement of Cash Flows for the year ended 31 December	Note	2025	2024
		(£'000)	(£'000)
Cash flows from operating activities			
Cash generated from operations	14	16,202	8,415
Net tax (paid)/recovered		(2,799)	129
Purchase of financial assets		(98,799)	(200,269)
Receipts from financial assets		87,734	196,029
Net cash from operating activities		2,338	4,304
Cash flows from investing activities			
Purchase of intangible assets		–	(138)
Purchases of property, plant and equipment		(1,111)	(1,219)
Proceeds from sales of property, plant and equipment		82	34
Net cash used in investing activities		(1,029)	(1,323)
Cash flows from financing activities			
Payment of lease liabilities		(162)	(199)
Net cash used in financing activities		(162)	(199)
Net increase in cash and cash equivalents		1,147	2,782
Cash and cash equivalents at beginning of year		8,624	5,806
Currency translation differences		(116)	36
Cash and cash equivalents at end of year		9,655	8,624

Parent Company Statements

Parent Company Statement of Financial Position for the year ended 31 December		31-Dec 2025	31-Dec 2024
	Note	(£'000)	(£'000)
Assets			
Non-current assets			
Post-employment benefits	17	2,328	2,947
Deferred tax	7	4,744	7,534
Investments in Group undertakings	8	934	934
Intangible assets	9	113	302
Property, plant and equipment	10	5,277	4,769
Financial assets	12	203,432	181,329
		216,828	197,815
Current assets			
Amounts owed by Group undertakings		4,642	4,110
Corporation tax recoverable		377	–
Other receivables		1	114
Prepayments and accrued income		1,886	1,688
Cash and cash equivalents		3,294	4,827
		10,200	10,739
Total assets		227,028	208,554
Equity and liabilities			
Equity			
Reserves		177,254	164,950
Non-current liabilities			
Post-employment benefits	17	144	144
Derivative liabilities	13	–	1,057
		144	1,201
Current liabilities			
Insurance contract liabilities	1	39,634	33,512
Other payables	13	9,996	7,935
Current tax liabilities		–	956
		49,630	42,403
Total equity and liabilities		227,028	208,554

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

The accounts on pages 50 to 85 were approved by the Board of Directors on 26 March 2026 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 2025	Note	Retained earnings	Reserves
		(£'000)	(£'000)
At 1 January 2024		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
Profit for the year		11,905	11,905
Other comprehensive expense			
Pension scheme actuarial gain, net of tax	17	399	399
At 31 December 2025		177,254	177,254

Parent Company Statement of Cash Flows for the year ended 31 December	Note	2025	2024
		(£'000)	(£'000)
Cash flows from operating activities			
Cash generated from operations	14	12,646	6,812
Tax paid		(2,753)	–
Purchase of financial assets		(98,799)	(200,269)
Receipts from financial assets		87,734	196,029
Net cash (used in)/from operating activities		(1,172)	2,572
Cash flows from investing activities			
Purchases of property, plant and equipment		(1,024)	(1,195)
Proceeds from sales of property, plant and equipment		20	34
Dividend received from subsidiaries		690	1,345
Net cash (used in)/from investing activities		(314)	184
Cash flows from financing activities			
Payment of lease liabilities		(47)	(75)
Net cash used in financing activities		(47)	(75)
Net (decrease)/increase in cash and cash equivalents		(1,533)	2,681
Cash and cash equivalents at beginning of year		4,827	2,146
Cash and cash equivalents at end of year		3,294	4,827

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 2025. 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, car scheme 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 carried forward 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 £10.1m to £12.3m (2024: £10.9m to £12.0m). In 2025 a one-year timespan was deemed appropriate due to treatment availability and payment patterns during the year (2024: 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 2025

1 Disclosures for insurance contracts

	2025 (£'000)	2024 (£'000)
(a) Insurance contract assets and liabilities		
Group and Company		
Insurance contract liabilities	39,634	33,512
Balance at 31 December	39,634	33,512

(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 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)
Total insurance service expenses	–	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

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 2025	18,579	14,153	780	33,512
Insurance revenue	(192,347)	–	–	(192,347)
Insurance service expenses				
Incurred claims and directly attributable expenses	–	179,411	141	179,552
Changes that relate to past service - adjustments to LIC	–	(3,049)	(168)	(3,217)
Total insurance service expenses	–	176,362	(27)	176,335
Insurance service result	(192,347)	176,362	(27)	(16,012)
Cash flows				
Premiums received	193,165	–	–	193,165
Claims and other directly attributable expenses paid	–	(171,031)	–	(171,031)
Total cash flows	193,165	(171,031)	–	22,134
Insurance contract liability at 31 December 2025	19,397	19,484	753	39,634

2 Administration income

Other income represents non-insurance income for services provided to third parties. At the year-end £123k (2024: £43k) was due in relation to administration income and of the income received £1.8m (2024: £1.4m) was deferred to be recognised in line with the performance obligation.

3 Investment return

	2025 (£'000)	2024 (£'000)
Dividend income	1,883	1,644
Interest received	4,928	4,967
Rental income from investment property	170	170
Gains on cash exchange rate movements	1,229	137
	8,210	6,918
Net gains on realisation of investments	3,134	901
Unrealised investment gains	1,017	2,297
Revaluation of investment property	(140)	–
	12,221	10,116
Net interest on pension scheme	125	282
Total investment return	12,346	10,398

Notes to the Accounts continued

4 Net operating expenses

	2025 (£'000)	2024 (£'000)
(a) Other operating and administrative expenses		
Group and Company		
Administrative expenses	41,755	37,873
Commission	22,415	19,251
FSCS levy	234	223
Gross operating expenses	64,404	57,347
Expenses directly attributable to insurance contracts included in insurance service expense	(46,582)	(39,219)
Net operating expenses	17,822	18,128
(b) Corporate Social Responsibility donations		
Donations to the WPA Foundation	500	250
Donations to other charitable activities	1	–
Total donations to charitable activities	501	250

5 Profit on ordinary activities before tax for the Group

	2025 (£'000)	2024 (£'000)
Profit on ordinary activities before tax is stated after:		
Property revaluation	93	118
Amortisation	(189)	(236)
Depreciation on property, plant and equipment	(874)	(708)
Loss on disposal of property, plant and equipment	(29)	(9)
Auditors' remuneration, inclusive of irrecoverable VAT, for:		
– Audit of the financial statements of the Company and Group	(341)	(396)
– Audit of the financial statements of the subsidiary companies	(79)	(80)
Non-audit fees		
– Other assurance work (ISAE 3402)	(86)	(95)
Lease interest	(5)	(9)

Notes to the Accounts continued

6 Tax

(a) Analysis of charge in year	2025 (£'000)	2024 (£'000)
Group and Company		
UK corporation tax at 25% (2024: 25%)	1,506	956
Adjustments for prior periods	(86)	–
Overseas tax	44	(21)
Total current tax	1,464	935
Deferred tax (note 7)		
– Origination and reversal of timing differences	2,899	1,997
– Adjustment for prior year	47	(23)
– Movement on post-employment benefits	(288)	(211)
Total deferred tax	2,658	1,763
Tax charge for the current year	4,122	2,698

The main rate of UK corporation tax 25% (2024: 25%).

(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:

	2025 (£'000)	2024 (£'000)
Profit before tax	18,019	12,372
Notional charge at UK corporation tax rate of 25% (2024: 25%)	4,505	3,093
Franked investment income not taxable	(473)	(412)
Permanent timing differences	129	107
Items outside the scope of UK tax	(44)	(41)
Tax relating to overseas subsidiaries	44	(21)
Changes in tax rates	(86)	–
Deferred tax: prior year	47	(28)
Tax on profit on ordinary activities	4,122	2,698

(c) Factors that may affect future tax charges

There are no factors affecting future charges.

Notes to the Accounts continued

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

	2025 (£'000)			2024 (£'000)		
	Before tax	Tax charge	After tax	Before tax	Tax credit	After tax
Movement on pension scheme	532	(133)	399	(5,207)	1,302	(3,905)
Other comprehensive income	532	(133)	399	(5,207)	1,302	(3,905)

All tax credits relate to deferred tax.

7 Deferred tax

Group	Pension scheme	Trading losses	Post-employment medical benefits	Other	Total
	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
At 1 January 2024	(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 income	1,302	–	–	–	1,302
At 31 December 2024	(736)	7,791	36	444	7,535
Movement in provision recognised in Income Statement	288	(2,669)	–	(277)	(2,658)
Movement in provision recognised in other comprehensive income	(133)	–	–	–	(133)
At 31 December 2025	(581)	5,122	36	167	4,744

Company

At 1 January 2024	(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 income	1,302	–	–	–	1,302
At 31 December 2024	(736)	7,791	36	443	7,534
Movement in provision recognised in Income Statement	288	(2,669)	–	(276)	(2,657)
Movement in provision recognised in other comprehensive income	(133)	–	–	–	(133)
At 31 December 2025	(581)	5,122	36	167	4,744

Notes to the Accounts continued

If the freehold property was sold at its current market value there would be a capital loss of £6,360,000 (2024: £6,420,000). There is a deferred tax asset of £1,590,000 (2024: £1,606,000) 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 (2024: £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 was 25% (2024: 25%). 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	2025 (£'000)	2024 (£'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 at Rivergate House, Blackbrook Park, Taunton 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 held at the IFRS transition date 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 2024	5,236	5,236
Additions	138	138
Disposals	(1,045)	(1,045)
At 31 December 2024	4,329	4,329
Additions	–	–
Disposals	–	–
At 31 December 2025	4,329	4,329
Amortisation		
At 1 January 2024	3,755	3,755
Provided in the year	272	272
At 31 December 2024	4,027	4,027
Provided in the year	189	189
At 31 December 2025	4,216	4,216
Net book value at 31 December 2024	302	302
Net book value at 31 December 2025	113	113

Company	Software (£'000)	Total (£'000)
Cost or valuation		
At 1 January 2024	4,293	4,293
Additions	–	–
At 31 December 2024	4,293	4,293
Additions	–	–
At 31 December 2025	4,293	4,293
Amortisation		
At 1 January 2024	3,755	3,755
Provided in the year	236	236
At 31 December 2024	3,991	3,991
Provided in the year	189	189
At 31 December 2025	4,180	4,180
Net book value at 31 December 2024	302	302
Net book value at 31 December 2025	113	113

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 2024	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
Additions	–	303	411	397	233	1,344
Disposals	–	(59)	(429)	(189)	(2)	(679)
Revaluation	233	–	–	–	–	233
At 31 December 2025	4,978	3,129	2,381	891	728	12,107
Depreciation						
At 1 January 2024	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
Provided in the year	169	200	139	216	150	874
Elimination in respect of disposals	–	(59)	(454)	(145)	–	(658)
At 31 December 2025	1,380	2,306	1,953	415	511	6,565
Net book value at 31 December 2024	3,534	720	131	339	136	4,860
Net book value at 31 December 2025	3,598	823	428	476	217	5,542

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 2024	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
Additions	–	292	335	397	41	1,065
Disposals	–	(50)	(457)	(189)	–	(696)
Revaluation	233	–	–	–	–	233
At 31 December 2025	4,962	2,972	2,145	860	209	11,148
Depreciation						
At 1 January 2024	1,053	2,023	2,047	335	482	5,940
Provided in the year	158	170	90	114	65	597
Elimination in respect of disposals	–	(151)	(12)	(131)	(466)	(760)
At 31 December 2024	1,211	2,042	2,125	318	81	5,777
Provided in the year	169	195	120	216	43	743
Elimination in respect of disposals	–	(50)	(454)	(145)	–	(649)
At 31 December 2025	1,380	2,187	1,791	389	124	5,871
Net book value at 31 December 2024	3,518	688	142	334	87	4,769
Net book value at 31 December 2025	3,582	785	354	471	85	5,277

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, tenable 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 cars leased for an employees car scheme.

The properties were valued on 31 December 2025 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 £3,592,000 (2024: £3,800,000).

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 £179,000; 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 (2024: £0.2m) was received in the year; maintenance costs from rental property generating rental income were £15K for the year (2024: costs of £14K). The property was valued on 31 December 2025 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	2025 (£'000)	2024 (£'000)
At 1 January	2,315	2,762
Transfer to prepayments	–	(447)
Movement in fair value	(140)	–
At 31 December	2,175	2,315

12 Investment assets

Group and Company	Carrying value	
	2025 (£'000)	2024 (£'000)
Collective investment funds – Equities	44,962	32,415
Collective investment funds – Money market funds	38,132	19,561
Forward currency contracts	354	78
Deposits with credit institutions at floating rates	1,400	2,015
Cash collateral	120	1,633
Government issued securities	87,347	103,007
Debt and other fixed income securities	31,118	22,620
	203,433	181,329

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 30 January 2026. Contracts in a loss position, totalling £87 in 2025 (2024: £1,057,000) 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 profit and loss ('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 2024	Group			Company		
	Amortised cost	FVTPL	Total	Amortised cost	FVTPL	Total
	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
Investment						
– 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	–	8,475	8,475
Total financial assets	125,898	64,326	190,224	129,851	60,529	190,380
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

Notes to the Accounts continued

Financial assets and liabilities as at 31 December 2025	Group			Company		
	Amortised cost	FVTPL	Total	Amortised cost	FVTPL	Total
	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
Investment assets						
– Debt securities	118,465	–	118,465	118,465	–	118,465
– Collective investment schemes – Equities	–	44,962	44,962	–	44,962	44,962
– Collective investment schemes – Bonds	–	–	–	–	–	–
– Collective investment schemes – Money market funds	–	38,132	38,132	–	38,132	38,132
Derivative financial instruments	–	354	354	–	354	354
Other receivables	196	–	196	1	–	1
Amounts owed by Group undertakings	–	–	–	4,642	–	4,642
Cash and cash equivalents	–	11,175	11,175	–	4,814	4,814
Total financial assets	118,661	94,623	213,284	123,108	88,262	211,370
Derivative financial instruments	–	–	–	–	–	–
Other payables	11,714	–	11,714	9,996	–	9,996
Total financial liabilities	11,714	–	11,714	9,996	–	9,996

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

	2025 (£'000)	2024 (£'000)
Group		
Profit before tax	18,019	12,372
Adjustments for:		
– Amortisation	189	272
– Depreciation	877	708
– Loss on disposal of property, plant and equipment	(31)	(9)
– Impairment of tangible asset	-	1,045
– Adjustment for IFRS 16	(103)	448
– Pension scheme administration costs	1,276	1,125
– Net interest on pension scheme	(125)	(282)
– Increase on revaluation of property, plant and equipment	(233)	(118)
– Decrease on revaluation of investment property	140	-
– Gains on investments	(11,040)	(10,456)
Operational cash flows before movements in working capital	8,969	5,105
Decrease in other receivables	75	468
Increase in prepayments and accrued income	(206)	(794)
Increase/(decrease) in insurance contract liabilities	6,122	(400)
(Decrease)/increase in derivative financial instruments	(1,057)	1,045
Increase in other payables (excluding lease liabilities)	2,299	2,991
Cash generated from operations	16,202	8,415

	2025 (£'000)	2024 (£'000)
Company		
Profit before tax	15,983	12,431
Adjustments for:		
– Amortisation	189	236
– Depreciation	743	597
– Loss on disposal of property, plant and equipment	29	(20)
– Adjustment for IFRS 16	5	288
– Pension scheme administration costs	1,276	1,125
– Net interest on pension scheme	(125)	(282)
– Increase on revaluation of property, plant and equipment	(233)	(118)
– Dividend from subsidiaries	(690)	(1,345)
– Gains on investments	(11,040)	(10,902)
Operational cash flows before movements in working capital	6,137	2,010
(Increase)/decrease in amounts owed by Group undertakings	(532)	917
Decrease in other debtors	113	492
Increase in prepayments and accrued income	(198)	(374)
Increase/(decrease) in insurance contract liabilities	6,122	(400)
(Decrease)/increase in derivative financial instruments	(1,057)	1,045
Increase in other payables	2,061	3,122
Cash generated from operations	12,646	6,812

Notes to the Accounts continued

15 Employee information

	Group		Company	
	2025	2024	2025	2024
Monthly average number of persons (including Executive Directors) employed on permanent contracts	503	480	420	403
Monthly average FTE (including Executive Directors) employed on permanent contracts	452	425	372	350
	2025	2024	2025	2024
	(£'000)	(£'000)	(£'000)	(£'000)
Staff costs: Wages and salaries	21,378	18,014	20,733	17,347
Social security costs	2,635	1,930	2,627	1,871
Other pension costs	1,553	1,328	1,494	1,280
	25,566	21,272	24,854	20,498

16 Directors' emoluments

	2025	2024
	(£'000)	(£'000)
Group		
– Salaries/fees	2,484	2,308
– Pension related benefits	377	320
– Benefits-in-kind	42	33
– Amounts payable under short-term incentive plans	441	452
– Amounts payable under long-term incentive plans	236	238
Aggregate emoluments	3,580	3,351
Highest paid Director		
– Salary	489	433
– Pension related benefits	98	87
– Benefits-in-kind	3	2
– Amounts payable under short-term incentive plans	119	122
– Amounts payable under long-term incentive plans	70	64
Aggregate emoluments for highest paid Director	779	708

There were fifteen Directors in the year (2024: seventeen), of which six received remuneration under long-term incentive plans (2024: six) and eight received pension related benefits (2024: 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

Notes to the Accounts continued

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.

The latest statutory triennial actuarial valuation of the Scheme as at 31 December 2024 demonstrated that the minimum funding requirement was adequately covered at the time. The liabilities reflected in these accounts as at 31 December 2025 reflect the benefits set out in the ongoing formal actuarial valuation.

The Scheme's assets comprise cash and a qualifying annuity insurance policy that exactly matches a portion of the Scheme's pension obligations. As required by IAS 19, the annuity policy is valued by reference to the present value of the associated liabilities, and no separate assumption is made for an expected return on the policy.

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 0.3% of the Scheme liabilities; this is reflected in the liabilities shown below in both 2024 and 2025.

In February 2024 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. This scheme is expected to complete the buy-out in 2026.

The major assumptions used by the actuary were:

	2025	2024
Rate of increase of pensions in payment	2.98%	3.16%
Discount rate	5.55%	5.45%
Inflation assumption – RPI	3.05%	3.25%
– CPI	2.95%	3.15%
Members taking maximum lump sum	No allowance	No allowance
Proportions married	**	**

**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 13.0 years (2024: 13.1 years).

A 0.25% increase in the assumption made for discount rate would, in isolation, have decreased the valuation of Scheme liabilities by £720,000; 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 £470,000; 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 £622,000. If the proportions married were to increase by 10% this would increase the Scheme liabilities by £312,000, 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 2025, with the Association's agreement, the Trustees granted a one-off future discretionary pension increase on pensions in excess of GMP which are currently in payment.

Notes to the Accounts continued

Weighted average life expectancy for mortality tables used to determine benefit obligations at:	2025		2024	
	Male	Female	Male	Female
Member age 60 (current life expectancy)	26.5	29.4	26.2	29.1
Member age 40 (life expectancy at age 60)	28.4	31.2	28.1	30.6

Scheme assets:	2025 (£'000)	2024 (£'000)
Gilts	–	–
Annuity policies	22,703	22,748
Other	2,062	2,633
Total market value of assets	24,765	25,381
Actuarial value of liabilities	(22,437)	(22,434)
Scheme asset	2,328	2,947
Related deferred tax liability	(582)	(737)
Net Scheme asset	1,746	2,210

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 £1,746,000 (2024: £2,210,000).

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)	2025 (£'000)	2024 (£'000)
Interest income on Scheme assets	1,336	1,427
Interest on Scheme liabilities	(1,211)	(1,145)
Net interest on the Scheme	125	282

Statement of Changes in Equity	2025 (£'000)	2024 (£'000)
Return on plan assets (excluding interest income)	(235)	(8,318)
Changes in liability assumptions	767	3,111
Actuarial gain/(loss) recognised	532	(5,207)
Related deferred tax (credit)/charge	(133)	1,302
Changes in equity	399	(3,905)

Notes to the Accounts continued

Movement in value of the Scheme during the year	2025	2024
Change in benefit obligation	(£'000)	(£'000)
Present value of benefit obligation at beginning of year	22,434	25,090
Past service cost (equalising GMPs)	674	372
Interest cost	1,211	1,145
Members' contributions		
Actuarial changes		
– Effect of changes in financial assumptions	(660)	(2,783)
– Effect of demographic adjustments	115	(28)
– Effect of experience adjustments	(222)	(300)
Benefits paid	(1,115)	(1,062)
Present value of benefit obligations at end of year	22,437	22,434
Change in Scheme assets	2025	2024
	(£'000)	(£'000)
Fair value of Scheme assets at beginning of year	25,381	34,087
Interest income	1,336	1,427
Return on Scheme assets (excluding interest income)	(235)	(8,318)
Benefits paid and transfers out	(1,115)	(1,062)
Scheme administration cost	(602)	(753)
Fair value of Scheme assets at end of year	24,765	25,381
Assets and liabilities	2025	2024
	(£'000)	(£'000)
Total market value of assets	24,765	25,381
Present value of Scheme liabilities	(22,437)	(22,434)
Scheme surplus	2,328	2,947

Notes to the Accounts continued

History of experience gains and losses	2025	2024
Return on Scheme assets	(0.9%)	(32.8%)
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 (2024: no normal contributions). During the year the Group and Company made no special contributions to the Scheme (2024: 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 0.0% (2024: 0.5%) and the discount rate of 5.55% (2024: 5.45%). Mortality assumptions are taken from the S3PA tables with CMI 2024 projections and 1.5%/1.25% pa long-term rate for males/females (2024: 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 2024	8,997	(144)
Movement in the year	(6,050)	–
At 31 December 2024	2,947	(144)
Movement in the year	(619)	–
At 31 December 2025	2,328	(144)

Since the IFRS transition date the cumulative gain recognised through the Statement of Comprehensive Income is £18,442,000 (2024: cumulative gain of £13,235,000).

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 £2,567,000 (2024: £1,915,000) were made to defined contribution schemes.

Notes to the Accounts continued

18 Commitments and contingent liabilities

	2025 (£'000)		2024 (£'000)	
	Group	Company	Group	Company
The future aggregate minimum lease payments under non-cancellable leases are as follows:				
– Within one year	113	44	101	37
– Between one and five years	125	35	39	40
– After five years	–	26	–	26
	238	105	140	103

There were no other contingent liabilities in the year (2024: no contingent liabilities).

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 party disclosures

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:	2025 (£'000)	2024 (£'000)
Administration charge by WPA Limited:		
To WPA Protocol Plc	(3,057)	(2,765)
To WPA Healthcare Practice Plc	(13,630)	(12,925)
Administration charge to WPA Limited:		
By WPA Investments Limited	200	225
By WPA Healthcare Practice Plc	15,023	14,247
By WPA World Class Service (India) Private Ltd	1,191	1,212
	(273)	(6)
Balances outstanding:		
Gross receivable by WPA Limited	4,718	4,268
Gross payable by WPA Limited	(76)	(158)
	4,642	4,110

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 £500,000 to the WPA Foundation, a charitable company affiliated to the Group (2024: £250,000). The objective of the Foundation is the promotion of good health in young people through supporting project and working with communities and special-interest groups in the South West and also assistance with transport costs to and from hospital for families based in the South West in financial distress with profoundly ill children.

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 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 2025 and 2024 were:

Geographical equity exposure	Number of funds	2025 (£'000)	Number of funds	2024 (£'000)
UK	2	10,831	2	6,396
Europe	1	5,554	0	–
US	2	9,017	2	6,918
Asia	3	7,495	4	14,933
Global	4	12,065	3	4,168
	12	44,962	11	32,415

Notes to the Accounts continued

The principal investment assets held at 31 December 2025 and 2024, analysed by their fair value hierarchy levels were:

		2025 (£'000)	2024 (£'000)
Group and Company			
Level 1	Deposits with credit institutions at floating rates	1,400	2,015
	Collective investment funds – Equities	41,300	20,243
	Collective investment funds – Money market funds	38,132	19,561
	Cash collateral	120	1,633
Level 2	Forward currency contracts	354	78
	Collective investment funds – Equities	3,662	12,172
Level 3	Equity	0	–
At amortised cost			
Level 1	Government issued securities	87,347	103,007
	Debt and other fixed income securities	31,118	22,620
		203,433	181,329

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 16 (2024: 17) 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 £118.5m (2024: £125.6m) within these financial statements. The estimated fair value of these instruments is £118.2m (2024: £124.2m).

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 £220,000 (2024: £160,000). If all equity values were to fall by 5% this would reduce asset values by £2,250,000 (2024: £1,620,000).

(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 £87.3m (2024: £103.0m). The maximum duration of UK Government stock held at amortised cost is three years from the balance sheet date.

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

	2025 (£'000)	2024 (£'000)
Insurance contract liabilities	39,634	33,512
Corporation tax	–	956
Other creditors	11,714	9,415
	51,348	42,403

The liabilities have the following maturity analysis:

	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)	9,276	–	–	–	–	–
Lease liabilities (undiscounted)	101	23	15	–	–	–
	43,845	23	15	–	–	–

	2025					
	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years
Insurance contract liabilities	39,634	–	–	–	–	–
Corporation tax	–	–	–	–	–	–
Other creditors (excluding lease liabilities)	11,645	–	–	–	–	–
Lease liabilities (undiscounted)	113	125	–	–	–	–
	51,392	125	–	–	–	–

Notes to the Accounts continued

The following tables analyse the financial liabilities of the Company

	2025 (£'000)	2024 (£'000)
Insurance contract liabilities	39,634	33,512
Corporation tax	0	956
Other creditors (excluding lease liabilities)	9,996	7,935
	49,630	42,403

	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)	7,860	–	–	–	–	–
Lease liabilities (undiscounted)	37	23	15	–	–	–
	42,365	23	15	–	–	–

	2025					
	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years
Insurance contract liabilities	39,634	–	–	–	–	–
Corporation tax	–	–	–	–	–	–
Other creditors (excluding lease liabilities)	9,910	–	–	–	–	–
Lease liabilities (undiscounted)	44	35	26	–	–	–
	49,588	35	26	–	–	–

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 break-even 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 receives 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 2025 the Group's solvency coverage against the standard formula assessment was 382% (2024: 397% 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 19 Subsidiaries without Public Accountability: Disclosures.

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

The defined benefit pension scheme initiated a buy-in February 2024 which saw the assets of the Scheme transferred to the insurer. The Association triggered wind up in January 2026. The administration of the Scheme moved to the insurer in March 2026, with the completion of the buy-out phase due shortly thereafter. At this point the Scheme liabilities, as shown in note 17, move to the insurer.

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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