Ecclesiastical Insurance Office public limited company announces results for the year ended 31 December 2024

Ecclesiastical Insurance Office public limited company (‘Ecclesiastical’ or ‘Ecclesiastical Insurance Office plc’), a specialist insurance group[1], today announces its 2024 full year results. A copy of the results will be available on the company’s website at www.ecclesiastical.com

Financial highlights

- We reported an outstanding set of results in 2024, with an overall profit before tax of £82.5m (2023: £44.8m). This included an investment result of £71.9m (2023: £57.5m) as markets were generally more positive compared to 2023.

- Gross written premiums (GWP)[2] rose 4.1% to £640.3m from £615.0m in 2023, driven by new business wins and supported by strong retention and rate strengthening.

- Underwriting profit[2] rose to £47.6m from £24.5m. 2024 was an exceptionally low year for claims, with no major losses and more benign weather experience in the UK compared to other territories. This is in stark contrast to 2023 when we suffered our largest ever UK loss with the devastating fire at St Mark’s Church in London. As the insurer of many iconic and irreplaceable buildings, a major loss or weather event can be a significant driver of our underwriting result. Australia reported a small underwriting loss[2] impacted by several factors, including an adverse development in prior year liability claims. Canada’s strong underwriting result highlighted the resilience of the portfolio and quality of underwriting action taken in recent years.

- The Group’s strong credit ratings with both Moody’s (A2 with stable outlook) and AM Best (A with stable outlook) were reaffirmed during the year. Our Solvency II regulatory capital position remains well above both regulatory requirements and our internal risk appetite.

Key achievements

- Ecclesiastical donated £36.5m to charity and good causes, including £8.0m in respect of 2023 performance, as part of its continued mission to contribute to the greater good of society. This means we have achieved the ambition set by our immediate parent company, Benefact Group[1], the third largest UK corporate donor over a decade[3], to give £250 million to good causes since 2014.

- Ecclesiastical continued its growth into new sectors with the launch of its Office Professions product, for office-based businesses providing professional services. It also widened its leisure appetite, following a successful launch in 2023, with leisure business accounting for 20% of open market new business last year.

- Ecclesiastical UK continues to lead the industry in service with 97% of customers satisfied with the service they receive from Ecclesiastical. For a fourth year running, independent research consultancy Gracechurch awarded Ecclesiastical its Outstanding Service Quality Marque for claims service.

- Ecclesiastical UK was again recognised as a world-class employer by Best Companies and Benefact Group was named among the top 50 large companies in the UK, supporting our ambition to be a destination employer. Our Canadian business was also named a Greater Toronto Top Employer for the seventh consecutive year.

- Our businesses continue to be recognised with prestigious awards including: First Place Gold Ribbon for the 20th consecutive time (Fairer Finance); Which? Best Buy for buildings and contents insurance; Risk Management Team of the Year (CIR Risk Management Awards).

Mark Hews, Group Chief Executive Officer of Ecclesiastical, said:

"I'm delighted to report excellent financial results for Ecclesiastical Insurance Office plc as we continued to deliver on our growth strategy. Our mission is to grow our business so that we can give more to good causes, and last year saw Ecclesiastical's owner Benefact Group give to more charities than ever before, helping to change countless lives for the better. Our financial performance means we've been able to achieve our ambitious giving target of £250m, through our own giving and donations to our ultimate charitable parent company, Benefact Trust. I want to say a heartfelt 'thank you' to everyone - colleagues, brokers, customers and partners - who has helped us reach this incredible milestone.

"Profits before tax rose to £82.5m, up from £44.8m in 2023. This included an insurance result of £83.5m (2023: £70.7m) and an investment result of £71.9m (2023: £57.5m). Underwriting profits[2] increased to £47.6m from £24.5m due to continued growth and a more stable claims environment due to lower-than-anticipated large losses and more benign weather conditions. This contrasts with 2023 when we had our single biggest loss in the UK with the devastating fire at St Mark's Church in London. Gross written premiums[2] (GWP) rose 4.1% to £640.6m from £615.0m in 2023, driven by new business wins and supported by strong retention and rate strengthening.

"In the UK, we continued to execute our growth strategy, by expanding into new sectors and growing in our specialist niches. We launched our new Office Professions product, for office-based businesses providing professional services, and widened our leisure appetite, following a successful launch in 2023. We continued to build our Schemes capability, onboarding several new schemes, and grew our Art & Private Client business.

"We're renowned as trusted specialists in our sectors, which is why brokers want to do business with us, and this was reflected in multiple award wins in 2024. To support our growth drive and maintain our edge as the leading insurer in our sectors, we successfully brought in new talent to the team, including high-profile external hires and internal promotions. Ecclesiastical UK was again recognised as a world-class employer by Best Companies, while Benefact Group was named among the top 50 best large companies to work for in the UK, supporting our ambition to be a destination employer in the insurance sector.

"I would like to thank all our teams for their hard work in 2024. We intend to keep up the momentum in 2025, delivering brilliant service, driving sales growth, and continuing to invest in our capabilities. By doing business with Ecclesiastical, you're helping to change lives, and build an incredible legacy for generations to come."

[1.] The 'Group' refers to Ecclesiastical Insurance Office plc together with its subsidiaries. The 'Benefact Group' and 'wider group' refers to Benefact Group plc, the immediate parent company of Ecclesiastical Insurance Office plc, together with its subsidiaries. The 'Benefact Trust' and 'the Trust' refers to Benefact Trust Limited, the ultimate parent undertaking of Ecclesiastical Insurance Office plc.

[2.] The Group uses Alternative Performance Measures (APMs) to help explain performance. More information on APMs is included in note 10 to this announcement.

[3.] DSC UK Guide to Company Giving 2017-26

ECCLESIASTICAL INSURANCE OFFICE PLC

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

The Company has now approved its annual report and accounts for 2024.

This Annual Financial Report announcement contains the information required to comply with the Disclosure and Transparency Rules, and extracts of the Strategic Report and Directors' Report forming part of the full financial statements.

The financial information set out below does not constitute the Company's statutory accounts for the year ended 31 December 2024. The annual report and accounts will be available on or before 17 April 2025 on the Company's website at www.ecclesiastical.com. Copies of the audited financial statements are also available from the registered office at Benefact House, 2000 Pioneer Avenue, Gloucester Business Park, Brockworth, Gloucester GL3 4AW.

A copy of the Company's statutory accounts for the year ended 31 December 2024 will be submitted to the National Storage Mechanism and will shortly be available for inspection at https://data.fca.org.uk/#/nsm/nationalstoragemechanism.

Group Chief Executive’s Review

A record-breaking year

2024 was a record-breaking year for the Ecclesiastical Group as we exceeded our profit targets, won more awards than ever before, and – most importantly – it enabled us to reach the fantastic milestone of donating £250m to good causes since 2014.

Through our giving, volunteering and charity support programmes, we helped change millions of lives for the better in communities across the UK, Ireland, Canada and Australia, providing vital support to those that need it most.

Who we are

The Ecclesiastical Group is part of the Benefact Group, which is owned by the charity Benefact Trust. The Group is an international group of financial services businesses with a purpose to contribute to the greater good of society.

Unlike many other companies, we’re motivated and inspired to grow our business so that we can give more to the host of incredible charities and organisations that work tirelessly and selflessly day in, day out to improve the lives of those most in need.

Charities like Emily’s Gift, a remarkable project supporting children with cancer in Gloucestershire. I recently joined founder and CEO Julie Kent to learn more about their impactful work, and how our donations have a made a difference to the charity – potentially saving lives, protecting more dreams, and holding more families together.

I also had the privilege of hosting our first ever Benefact Group Charity Heroes Awards at the iconic Tower of London. This was a humbling, energising and inspiring event where we recognised unsung heroes in the charity sector, and we heard how they are changing the world in which we live.

Grow more to give more

Our giving wouldn’t be possible without the continued success of our businesses, and I’m pleased to report the Group delivered an excellent result, posting a pre-tax profit of £82.5m.

In General Insurance, we reported an underwriting profit[1] of £47.6m, up 94.3% on the previous year. 2024 was an exceptionally low year for claims, with no major losses and relatively benign weather conditions in the UK compared to other territories. This is in stark contrast to 2023 when we suffered our largest ever UK loss with the devastating fire at St Mark’s Church in London. As the insurer of many iconic and irreplaceable buildings, a major loss or weather event can be a significant driver of our underwriting result[1]. Australia reported a small underwriting loss[1] impacted by several factors, including an adverse development in prior year liability claims. Canada’s strong underwriting result highlighted the resilience of the portfolio and quality of underwriting action taken in recent years.

Gross written premiums1 rose by 4.1% thanks to strong retention across our territories and excellent growth in the UK and Ireland, supported by good growth in existing customer segments and expansion into new sectors, including Leisure and Office Professions.

Building a movement for good

During the year we were able to give a record £36.5m to good causes. This includes amounts to our ultimate charitable owner, Benefact Trust Limited, of which £25.0m is in respect of 2024 performance and £8.0m in respect of 2023 performance.

This means we have achieved our ambition to give £250m to good causes since 2014. This is a remarkable achievement only made possible by the support of our customers, colleagues, brokers and partners. Thank you to everyone who has helped us to reach this giving milestone. Whether you realise it or not, you are supporting children with cancer, assisting the homeless, aiding those with mental health challenges, helping Ukrainian refugees, providing medical relief in Gaza, helping those suffering from climate change disasters, and so much more. In short, you are truly changing lives by doing business with us.

Delivering for our customers

Underpinning our charitable ethos is our unrelenting drive to do the right thing for our customers, and I’m incredibly proud that our specialist insurance businesses are recognised as leaders in their fields and are trusted by our customers.

In General Insurance, our UK claims team was awarded Outstanding Service Quality Marque for the fourth consecutive year by Gracechurch, demonstrating our commitment to excellent service. Ecclesiastical UK also retained top spot in the Fairer Finance rankings for an incredible 20th consecutive time and remains the most trusted insurer in the UK, with the happiest customers. The home insurance business was also awarded a ‘Which? Best Buy’ for both buildings and contents insurance. Our UK Risk Management team was also named Risk Management Team of the

Year at the CIR Risk Management Awards. Ecclesiastical Canada received the Excellence in Philanthropy & Community Service and P&C Insurer of the Year awards at Insurance Business Canada's Excellence Awards 2023.

We wouldn't achieve this recognition without the hard work of all our teams across our Group. There's no doubt it's been a demanding 12 months, but our colleagues have risen to the challenges head-on, and I want to extend my heartfelt thanks for all that they have accomplished.

Our Planet, Our Part

The threat from climate change is becoming ever greater. Last year was the hottest on record, surpassing the internationally agreed 1.5°C limit for the first time. Extreme weather is now commonplace and last year saw wildfires, hurricanes, flooding, hailstorms across all the territories we insure. Despite the extreme events, there has been relatively benign claims experience, particularly in the UK. I was in Canada last July and witnessed first-hand the devastation caused by climate change, when deadly fires ripped through Jasper National Park in Alberta, destroying hundreds of buildings (including many that we insured) and forcing the evacuation of the town of Jasper. I'm pleased we have received very positive feedback on the support we provided to all those customers affected, and that Benefact Trust Limited made a substantial donation to the communities affected by this disaster.

As a responsible insurer, we know we have an important part to play in protecting our planet. We are seeking to respond to climate change by addressing our carbon impact, while supporting customers and communities to tackle their climate challenges too.

To achieve this, we're decarbonising where we can, challenging and influencing who we invest in, supporting the customers we insure to become more climate resilient, and giving to charities making a big difference in all aspects of climate from biodiversity restoration to education in schools.

The Group's Responsible & Sustainable investment policy not only avoids investment in businesses that we believe cause social harm, such as fossil fuels, but also proactively seeks to invest in markets that have positive impacts, as well as considering environmental, social and governance factors in every investment case. Through our Climate Stewardship Plan we're also engaging with our highest emitters and holding companies to account by setting science-based targets.

Alongside this, we don't underwrite businesses that are involved in the extraction, production or investment of fossil fuels, heavy industry or commercial aviation, and we don't invest our premiums in businesses that we believe cause social harm.

We're reducing the impact of our operations and investing in highly assured charitable offset projects to enable us to be 'net negative' for our direct impact. With focus and innovation, we'll continue to find ways to reduce our carbon emissions and support our customers on our journey to net zero by 2040.

Destination employer

Our ambition is to build a world-class team, and I'm delighted that we once again achieved market-leading employee engagement scores in our independently run B-Heard surveys.

Our parent company, Benefact Group plc, maintained a two-star 'outstanding' rating, and a three-star 'World Class' UK accreditation. It was also named among the Top 50 large companies to work for in the UK by Best Companies, moving from 47 to 41 in the rankings.

Ecclesiastical Canada was also named a Greater Toronto Top Employer for the seventh consecutive year, while Ansvar Australia was named among the Top 50 workplaces for fathers in the Insurance Business Awards. Ecclesiastical Ireland received the Investors in Diversity Bronze Award.

As an ultimately charity-owned business with a unique and singular purpose to contribute to the greater good, we want to be a destination employer for people who want to make a difference in the world. A place where talented people work together in a collaborative and inclusive environment, helping to grow our business so that we can give more to good causes. A place where every colleague feels valued, respected and treated fairly. In short, we aim to provide life-changing careers that change lives.

Looking ahead

We delivered so much in 2024, and go into 2025 refreshed, with momentum, confidence and optimism. We have a real clarity of purpose as we push forward towards our strategic goals.

Inspired by the impact that our giving has on our beneficiaries, we are set to grow the business even further in 2025, with the aim of growing our giving. We've got a strong sales pipeline across our businesses providing opportunity for profitable growth, and we're ambitious and hungry to win new business.

This will see us continue our drive for profitable growth with stretching targets for our sales teams. In Ecclesiastical UK we will develop our new sectors, Leisure and Office Professions, and it will be another exciting year for Ansvar UK following its brand refresh.

While we drive up sales, we'll also maintain our focus on efficiency and effectiveness, making continuous improvements to our processes, products and services for the benefit of our customers.

Join our movement

As we celebrate the incredible milestone of giving £250m to good causes and set our ambitions for the future even higher, I want to say a heartfelt, sincere "thank you" to all our customers, business partners and dedicated colleagues for their exceptional support.

By doing business with our Group, you're helping us to grow so that we can give even more to good causes. I invite anyone reading this, whether as a potential colleague, customer or business partner, to come and join us and experience a different way of doing business. Together, with your support, we can build a Movement for Good and transform lives for the better.

[1.] The Group uses Alternative Performance Measures (APMs) to help explain performance. More information on APMs is included in note 10 to this announcement.

Group Chief Financial Officer's Review

I am pleased to present my first financial review since becoming Group Chief Financial Officer and am delighted to be able to outline an outstanding set of results. The Group is reporting a profit before tax of £82.5m (2023: £44.8m) which represents a stronger performance than expected and continued progress in the delivery of the Group's strategy. Critically, these results support our ambition to give more to good causes and we've now surpassed our target of giving £250m since 2014.

Overall profit was driven by both a strong net investment result of £71.9m (2023: £57.5m) and excellent trading performance with an insurance service result of £83.5m (2023: £70.7m). Gross written premium[1] increased by 4.1% to £640.3m (2023: £615.0m) as a result of new business and rate improvements. The Group recognised a net insurance financial loss of £6.9m (2023: £19.5m) due to the impact of discount rate unwinding, partly offset by gains as a result of increased discount rates.

The Group's strong credit ratings with both Moody's (A2 with stable outlook) and AM Best (A with stable outlook) were reaffirmed during the year and our Solvency II regulatory capital position remains well above both regulatory requirements and our risk appetite.

General insurance

Overall, the Group's underwriting businesses achieved particularly strong results in the year. We have continued to deliver growth in insurance revenue, building on the strength of our position in core segments and recent product launches in the UK. The increase in gross written premium[1] of 4.1% to £640.6m (2023: £615.0m) reflected excellent new business wins and rate strengthening. Underwriting experience has benefited from particularly benign weather claims and a more stable claims environment, resulting in an insurance service result of £72.7m (2023: £56.2m) and a Group Combined Operating Ratio (COR)[1] of 86.9% (2023: £70.7m, COR of 92.6%).

Our ongoing investment program, with a strong emphasis on advancing our technology platforms and supporting our colleagues, remains a key focus. These technological investments are crucial for driving our business growth and meeting our customers' long-term needs.

United Kingdom and Ireland

In the United Kingdom and Ireland, underwriting profits[1] rose to £53.6m (2023: £16.4m), driven by an unusually benign year for weather claims, large losses and higher associated profit commission. Gross written premium[1] grew by 9.3% (2023: 15.9%) to £436.9m (2023: £399.7m) driven by record new business wins and excellent retention levels, reinforcing the strength of our proposition.

Many of our core segments experienced double digit growth, with Art & Private Client and Schemes being particularly strong growth areas in 2024. In addition to the new Leisure product launch in 2023, which continues to be a success, 2024 saw a further launch of the Office Professions product.

Our strategy over the medium term is to continue to grow, while maintaining our strong underwriting discipline to increase the profit contribution to the Group. Our specialisms will continue to deepen through investment in people, technology and innovation together with the propositions, specialism and excellent service that our customers and broker partners value.

Australia

Our Australian business reported an underwriting loss[1] of AUD $6.3m (2023: AUD $9.6m loss). Gross written premium[1] fell by 3.9% in local currency to AUD $184.7m (2023: AUD $192.2m) primarily driven by robust portfolio management, with lapses to exit poor-performing accounts, lower retention in SME and mid-market portfolios and $2.7m of debt write-off. New business wins have been encouraging and aligned to core growth areas, with a positive outlook supported by significant investment in people during the course of 2024.

The underwriting loss[1] for the year has been impacted by several factors, including an adverse development in prior year liability claims and higher than expected historical physical and sexual abuse (PSA) claims. Current year performance has been encouraging, supported by favourable catastrophe experience and underwriting action over recent years. This has been partly offset by increased expenses, and a higher level of large losses in 2024.

Canada

Canada reported an underwriting profit[1] of CAD$23.9m (2023: CAD$25.0m). This slight reduction in profit was due to the impact of several significant events, such as the Jasper Wildfire in July and the 'Western Deep Freeze' weather event in January. Additionally, historic PSA reserves have been strengthened due to higher-than-expected development in prior-year claims. However, the strength of the result compared to the industry highlighted the resilience of the portfolio and quality of underwriting action taken in recent years, despite these large losses.

The size of our Canadian business has remained relatively consistent with the prior year, reporting gross written premium[1] of CAD$177.6m (2023: CAD$179.4m). This performance was driven by an enhanced distribution strategy, a strong focus on strategic accounts, and effective broker engagement. This was accomplished despite increased competition, softening market conditions, and active non-renewal of certain accounts.

Investments

The Group’s net investment result for the year was £71.9m (2023: £57.5m), as markets were generally more positive compared to 2023. The Group remains committed to its long-term investment philosophy, with a well-diversified and appropriately matched portfolio.

Investment income of £50.1m (2023: £42.9m) remained strong while fair value gains on financial instruments of £21.4m (2023: £19.6m) benefited from gains on an unlisted equity instrument and fair value gains on listed equities, partly offset by fair value losses on government bonds as interest rates increased.

The Group’s investment approach is a key part of our climate strategy, and you can find out more in our Responsible Business report within the Benefact Group Annual Report and Accounts.

Long-term business

Our life business, Ecclesiastical Life Limited, provides a product backing policies sold by the wider Group’s pre-paid funeral plan business as well as a legacy book of life insurance business, which remains closed to new business. Profit before tax was £1.4m for the year (2023: £1.2m), driven by lower claims and higher long term yields. Assets and liabilities in relation to the life insurance business remain well matched.

Outlook

Given ongoing geopolitical tensions and global uncertainty, market volatility is expected to continue. However, moderate growth and reducing inflation seem likely to improve market conditions over time, with a steady decline in interest rates also expected. In this context, the Group is committed to sustainable growth, supported by the inherent resilience of our businesses and well-established strategies in place. Our commitment to a resilient and long-term strategy underscores our dedication to delivering consistent value to our customers, even amidst market uncertainties.

Balance sheet and capital position

In the year, total shareholders’ equity decreased by £1.9m to £627.0m. Underwriting profits[1] and investment returns were offset in part by £33.0m of charitable donations paid to the Company’s ultimate shareholder, Benefact Trust Limited, of which £8.0m was in relation to 2023 performance. The Benefact Group has now achieved its ambition of giving £250m, which is a remarkable milestone in the Group’s charitable objectives.

Our capital position remains robust with Solvency II capital ratio cover for Ecclesiastical solo decreasing slightly to 252% from 254%.

[1.] The Group uses Alternative Performance Measures (APMs) to help explain performance. More information on APMs is included in note 10 to this announcement.

Directors' Report

Principal activities

The Group operates principally as a provider of general insurance. Details of the subsidiary undertakings of the Company are shown in note 35 to the full financial statements.

Ownership and share capital

At the date of this report, the entire issued Ordinary share capital of the Company was owned by Benefact Group plc. In addition, 4.35% of the issued 8.625% non-cumulative irredeemable preference shares of £1 each ('Preference shares') are owned by Benefact Group plc. In turn, the entire issued ordinary share capital of Benefact Group plc was owned by Benefact Trust Limited, the ultimate parent of the Group.

Dividends

Dividends paid on the preference shares were £9,181,000 (2023: £9,181,000). The Directors do not recommend a final dividend on the Ordinary shares (2023: £nil).

An interim dividend of £30m on the Ordinary Shares of 4p each was paid to Benefact Group plc. In 2023, the Company approved a dividend in specie of £5.2m, as detailed in note 15 to the full financial statements.

Charitable and political donations

Charitable donations made in the year amounted to £36.5m (2023: £16.0m).

No political donations were made in the year (2023: £nil). The Group policy is that no political donations may be made or expenditure incurred.

Principal risks and uncertainties

The directors have carried out a robust assessment of the principal risks facing the Group including those that threaten its business model, future performance, solvency and liquidity. The principal risks and uncertainties, together with explanations of how they are mitigated, are included in the Principal risks section of this announcement.

Going concern

The Group has considerable financial resources: financial investments of £982.0m, 78% of which are liquid (2023: financial investments of £941.8m, 82% liquid) and cash and cash equivalents of £105.8m (2023: £112.1m) to withstand economic pressures. Liquid financial investments consist of listed equities and open-ended investment companies, government bonds and listed debt.

The Group has a strong risk management framework and solvency position, is well placed to withstand significant market disruption and has proved resilient to stress testing. The Group has considered its capital position, liquidity and expected performance. The Group and its businesses have sufficient levels of cash and other liquid resources and has expectations it can meet its cash commitments over its planning horizon. The Group and its businesses expect to continue to meet regulatory requirements.

Despite economic pressures and challenges, given the Group's operations, robust capital strength, liquidity and in conjunction with forecast projections and stress testing, the directors have a reasonable expectation that the Group has adequate resources and is well placed to manage its risks successfully and continue in operational existence for at least 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Accounts.

Principal risks

There is a continual risk assessment process which has identified the current principal risks for the Group as follows:

Insurance risk

The risk that arises from the fluctuation in the timing, frequency and severity of insured events relative to the expectations of the firm at the time of underwriting.

Risk detail	Key mitigants	Change from last year

Underwriting risk The risk of failure to price insurance products adequately and failure to establish appropriate underwriting disciplines. The premium charged must be appropriate for the nature of the cover provided and the risk presented. Disciplined underwriting is vital to ensure that only business within the risk appetite and desired niches is written.	• A robust pricing process is in place • The underwriting licensing process has been refreshed • A documented underwriting strategy and risk appetite is in place together with standards and guidance and monitored by the strategic business units (SBUs) • This is supported by formally documented authority levels for all underwriters which must be adhered to. Local checking procedures ensure compliance • Monitoring of rate strength compared with technical rate is undertaken on a regular basis within SBUs • There are ongoing targeted underwriting training programmes in place • A portfolio management framework is in place to ensure clear understanding and allow targeted actions to be taken • Group Underwriting audits are carried out across General Insurance Businesses	There have not been material changes to this risk during the year.
Latent claims The risk of financial loss arising from the deterioration of reserves held for causes of claim that typically have long latent periods prior to reporting.	• Full review of physical and sexual abuse (PSA) claims utilising the stochastic reserving model for all territories • Actuarial Function Holder review of Technical Provisions with an opinion report provided to the Board. • Robust management of claims including investigation and justification • Reserving Team training and understanding of the risk to ensure recommendation of appropriate reserves	During 2024 there has been a material strengthening of reserves within EIO to reflect the emerging experience relating to latent claims. Oversight of PSA claims continues across all territories.
Catastrophe risk The risk of large scale extreme events giving rise to significant insured losses. Through our general insurance business we are exposed to significant natural catastrophes in the territories in which we do business.	• Modelling and exposure monitoring is undertaken to understand the risk profile and inform the purchase of reinsurance • Local risk appetite limits have been established to manage concentrations of risk and these are monitored by SBUs • There is a comprehensive reinsurance programme in place to protect against extreme events. All placements are reviewed and approved by the Group Reinsurance Board • Processes in place to provide oversight and sign off of reinsurance modelling and exposure management across the company • The Risk Appetite specifies the reinsurance purchase levels and retention levels for such events	There have not been material changes to this risk during the year.
Reinsurance risk	• We take a long-term view of reinsurance	

The risk of failing to access and manage reinsurance capacity at a reasonable price. Reinsurance is a central component of our business model, enabling us to insure a portfolio of large risks in proportion to our capital base.	relationships to deliver sustainable capacity • A well-diversified panel of reinsurers is maintained for each element of the programme • A General Insurance Reinsurance Executive Meeting approves all strategic general reinsurance decisions	The level of this risk has remained broadly similar since last year. We continue to take a long-term approach to our reinsurance relationships.

Operational risk

The risk of loss arising from inadequate or failed internal processes, people and systems, or from external events.

Risk detail	Key mitigants	Change from last year
Cyber risk The risk of criminal or unauthorised use of electronic information, either belonging to the Company or its stakeholders for example customers, employees etc. Cyber security threats from malicious parties continue to increase in both number and sophistication across all industries and remains the Company's highest rated risk.	• A number of security measures are deployed to ensure protected system access • Security reviews and assessments are performed on an ongoing basis • There is ongoing maintenance and monitoring of our systems and infrastructure in order to prevent and detect cyber security attacks • There is an ongoing information security training and awareness programme	Cyber risk remains a constantly evolving threat, with malicious threat actors continuing to seek to exploit businesses. Ongoing investment in technology and employee awareness and vigilance is therefore highly important at this time, which is continuing to be proactively managed.
Data governance (inc. management and protection) The risk that the confidentiality, integrity and/or availability of data held across the Group is compromised, or data is misused. The Group holds significant amounts of customer and financial data and there could be significant implications, including if this is compromised or is found to be inaccurate.	• A Group Data Committee is in place • Group data governance and Group data management and information security policies are in place • Data is managed by Data Owners and Stewards, and supported by Data teams for technical support and oversight	Enhancements continue to be made to the governance, management, use and control of data, in order to meet the evolving requirements, and remains a key focus.
Critical Supplier risk Poor customer service or disruption to the	• Pre-defined contingency/exit plans in place with business-critical services	The risk remains unchanged, with action

business caused by supplier failure (including data or regulatory breach) or inadequate contractual arrangements, due diligence, and ongoing supplier management.	• Regular credit checking and financial monitoring of suppliers' financial status • Ongoing and specialist due diligence and ongoing monitoring, including cyber security and business continuity, prioritising tier 1 and 2 suppliers	underway to continue to enhance oversight of the high risk suppliers.

Other risks

Other significant risks faced by the Group.

Risk detail	Key mitigants	Change from last year
Market and investment risk The risk of financial loss due to changes in economic conditions. This includes a fall in the value of investments held, as well as the impact of movements in exchange rates and discount rates on insurance and pension liabilities.	• An investment strategy is in place which is reviewed at least annually and recommended by the Market and Investment Risk Executive Meeting to the EIO Risk Committee. This includes consideration of the Group's liabilities and capital requirements • There are risk appetite metrics in place which are agreed by the Board and include limits on asset / liability matching and the management of investment assets • Derivative instruments are used to hedge elements of market risk, notably currency. Their use is monitored to ensure effective management of risk • There is tracking of risk metrics to provide early warning indicators of changes in the market environment as well as performance of investment funds is monitored against their respective benchmarks Further information on this risk is given in note 4 to this announcement.	Overall market risk has increased, and we remain invested for the long term. We continue to monitor market conditions and the geopolitical and sociopolitical environment.
Regulatory risk Failure to develop and embed a risk focussed culture to comply with obligations under the regulatory system, enable a competent authority to exercise its powers effectively under the regulatory system, or counter the risk that the business may be used to further financial crime. We operate in a highly regulated environment which is experiencing a	• Close monitoring of regulatory developments and use of dedicated project teams supported by in-house and external experts to ensure appropriate actions to achieve compliance • Specialist compliance monitoring programmes are in place across SBUs • Regular reporting to the Board of regulatory compliance issues and key developments is undertaken • An ongoing programme to enhance documentation for ease of comprehension in line with the Consumer Duty • Continued activity to ensure ongoing compliance and enhancement against regulatory change such as operational resilience	There continues to be a significant volume of regulatory change and therefore the risk remains unchanged.

period of significant change.		
Conduct risk The risk of unfair outcomes arising from the Group's conduct in the relationship with customers, or in performing our duties and obligations to our customers. Customers are placed at the centre of the business, aiming to treat them fairly and ethically, in line with the regulatory Consumer Duty, while safeguarding the interests of all other key stakeholders.	• There is ongoing colleague training to ensure customer outcomes are fully considered in all business decisions • Customer charters have been implemented in all SBUs • Conduct risk reporting to relevant governing bodies is undertaken on a regular basis • An ongoing Consumer Duty Day 2 programme to enhance our compliance with the regulation • Customer and conduct measures are used to assess remuneration	The Group remains committed to placing customers at the centre of our practices and decision making, demonstrated by our wide-ranging industry awards and customer satisfaction scores. Overall the level of this risk is unchanged from the prior year.
Brand and reputation risk The Group aims to be the most trusted specialist insurer and as a consequence this brings with it high expectations from all of our stakeholders, be they consumers, regulators or the wider industry. Whilst we aim to consistently meet and where possible exceed these expectations, increasing consumer awareness and increased regulatory scrutiny across the sector exposes the Group to an increased risk of reputational damage should we fail to meet them, for example as a consequence of poor business practices and behaviours.	• There is ongoing training of core customer facing colleagues to ensure high skill levels in handling sensitive claims • Adopts a values led approach to ensure customer-centric outcomes • There is a dedicated marketing and PR function responsible for the implementation of the marketing and communication strategy • Ongoing monitoring of various media is in place to ensure appropriate responses	Maintaining a positive reputation is critical to the Company's vision of being the most trusted and ethical specialist financial services group, and the risk remains unchanged to last year. Risks to our brand and reputation are inherently high in an increasingly interconnected environment, with the risks of external threats such as cyber security attacks, and viral campaigns through social media always present.
Climate change The financial and reputational risks arising through climate change.	• Catastrophe risk is managed through reinsurance models	Whilst there is now more awareness of the challenges faced as a result of climate change, there have been no

The key impacts for the Company are physical risks (event driven or longer term shifts), the transition risks of moving towards a lower carbon economy and liability risks associated with the potential for litigation arising from an inadequate response.	• The Group considers flood risk and other weather-related risk factors in insurance risk selection • There is an ESG overlay on the investment strategy • The Group actively manages exposures and is up to date on market development	material changes to this risk since last year. A programme of work continues to fully analyse the impact on the Group and to develop appropriate risk management responses.

Statement of directors' responsibilities in respect of the financial statements

The following statement is extracted from page the Directors' report of the 2024 Annual Report & Accounts, and is repeated here for the purposes of the Disclosure and Transparency Rules. The statement relates solely to the Company's 2024 Annual Report & Accounts and is not connected to the extracted information set out in this announcement. The names and functions of the directors making the responsibility statement are set out in the Governance section of the full Annual Report & Accounts.

The directors consider that the 2024 Annual Report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and Company's position and performance, business model and strategy. Each of the directors, whose names and functions are listed on the Governance section of the full Annual Report and Accounts confirm that, to the best of their knowledge:

- the Group and Company financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities and financial position of the Group and Company, and of the profit of the Group; and

- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2024

	2024	2023
	£000	£000
Insurance revenue	**629,953**	586,484
Insurance service expenses	**(461,817)**	(408,584)
Insurance service result before reinsurance contracts held	**168,136**	177,900
Net expense from reinsurance contracts	**(84,590)**	(107,174)
Insurance service result	**83,546**	70,726
Net insurance financial result	**(6,862)**	(19,540)
Net investment result	**71,850**	57,469
Fee and commission income	**544**	-
Other operating expenses	**(63,501)**	(60,751)
Other finance costs	**(3,102)**	(3,151)
Profit before tax	**82,475**	44,753
Tax expense	**(17,296)**	(8,018)
Profit for the year from continuing operations	**65,179**	36,735
Net profit attributable to discontinued operations	**-**	719
Profit for the year	**65,179**	37,454

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2024

	2024	2023
	£000	£000
Profit for the year	**65,179**	37,454
Other comprehensive (expense)/income		
Items that will not be reclassified to profit or loss:		
Fair value gains on property	**-**	850
Actuarial (losses)/gains on retirement benefit plans	**(1,630)**	5,103
Attributable tax	**408**	(1,492)
	(1,222)	4,461
Items that may be reclassified subsequently to profit or loss:		
Losses on currency translation differences	**(9,325)**	(4,024)
Gains on net investment hedges	**8,807**	4,860
Attributable tax	**(1,381)**	(688)
	(1,899)	148
Net other comprehensive (expense)/income	**(3,121)**	4,609
Total comprehensive income	**62,058**	42,063

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2024

	Share capital £000	Share premium £000	Revaluation reserve £000	Translation and hedging reserve £000	Retained earnings £000	Total £000
At 1 January 2024	**120,477**	**4,632**	**857**	**19,704**	**483,246**	**628,916**
Profit for the year	**-**	**-**	**-**	**-**	***65,179***	***65,179***
Other net expense	**-**	**-**	**-**	***(1,899)***	***(1,222)***	***(3,121)***
Total comprehensive income/(expense)	**-**	**-**	**-**	**(1,899)**	**63,957**	**62,058**
Dividends on ordinary shares	**-**	**-**	**-**	**-**	**(30,000)**	**(30,000)**
Dividends on preference shares	**-**	**-**	**-**	**-**	**(9,181)**	**(9,181)**
Gross charitable grant	**-**	**-**	**-**	**-**	**(33,000)**	**(33,000)**
Tax relief on charitable grant	**-**	**-**	**-**	**-**	**8,250**	**8,250**
Reserve transfers	**-**	**-**	**(857)**	**-**	**857**	**-**
At 31 December 2024	**120,477**	**4,632**	**-**	**17,805**	**484,129**	**627,043**
At 1 January 2023	*120,477*	*4,632*	*222*	*19,556*	*465,596*	*610,483*
Profit for the year	-	-	-	-	*37,454*	*37,454*
Other net income	-	-	*635*	*148*	*3,826*	*4,609*
Total comprehensive income	-	-	635	148	41,280	42,063
Dividends on ordinary shares	-	-	-	-	(5,223)	(5,223)
Dividends on preference shares	-	-	-	-	(9,181)	(9,181)
Gross charitable grant	-	-	-	-	(13,000)	(13,000)
Tax relief on charitable grant	-	-	-	-	3,837	3,837
Group tax relief in excess of standard rate	-	-	-	-	(63)	(63)
At 31 December 2023	120,477	4,632	857	19,704	483,246	628,916

The revaluation reserve represented cumulative net fair value gains on owner-occupied property with the movement in the year representing the sale of a property. Details of the translation and hedging reserve are included in note 6 to this announcement.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 31 December 2024

	31 December 2024 £000	31 December 2023 £000
Assets		
Cash and cash equivalents	**105,761**	112,082
Financial investments	**982,001**	941,755
Current tax recoverable	**2,346**	5,181
Reinsurance contract assets	**239,453**	220,108
Investment property	**128,563**	130,813
Pension assets	**17,552**	19,788
Property, plant and equipment	**34,284**	34,183
Goodwill and other intangible assets	**28,625**	25,866
Deferred tax assets	**7,365**	8,483
Other assets	**156,768**	165,104
Total assets	**1,702,718**	1,663,363
Equity		
Share capital	**120,477**	120,477
Share premium account	**4,632**	4,632
Retained earnings and other reserves	**501,934**	503,807
Total shareholders' equity	**627,043**	628,916
Liabilities		
Insurance contract liabilities	**779,418**	781,842
Investment contract liabilities	**133,706**	95,886
Current tax liabilities	**97**	2,931
Lease obligations	**24,573**	21,687
Retirement benefit obligations	**4,332**	4,801
Subordinated liabilities	**25,112**	25,853
Provisions for other liabilities	**5,979**	6,330
Deferred tax liabilities	**40,615**	37,838
Other liabilities	**61,843**	57,279
Total liabilities	**1,075,675**	1,034,447
Total shareholders' equity and liabilities	**1,702,718**	1,663,363

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2024

	2024	2023
	£000	£000
Profit before tax from continuing operations	**82,475**	44,753
Profit before tax from discontinued operations	**-**	719
Adjustments for:		
Depreciation of property, plant and equipment	**6,357**	5,879
Revaluation of property, plant and equipment	**-**	(35)
(Profit)/loss on disposal of property, plant and equipment	**(178)**	2
Amortisation and impairment of intangible assets	**3,369**	5,583
Movement in expected credit loss provision	**(9)**	(1,255)
Profit on disposal of subsidiary	**-**	(718)
Net fair value gains on financial instruments and investment property	**(21,685)**	(12,928)
Dividend and interest income	**(40,802)**	(35,077)
Finance costs	**3,102**	3,151
Other adjustments for non-cash items	**616**	1,560
Changes in operating assets and liabilities:		
Net (increase)/decrease in reinsurance contract assets	**(27,129)**	13,974
Net increase in investment contract liabilities	**37,820**	37,407
Net increase in insurance contract liabilities	**19,809**	6,430
Net increase in other assets	**(21,990)**	(16,857)
Net increase in other liabilities	**7,903**	11,615
Cash generated by operations	**49,658**	64,203
Purchases of financial instruments and investment property	**(161,953)**	(202,338)
Sale of financial instruments and investment property	**130,778**	147,364
Dividends received	**12,043**	10,452
Interest received	**27,538**	23,618
Tax paid	**(6,415)**	(2,705)
Net cash from operating activities	**51,649**	40,594
Cash flows from investing activities		
Purchases of property, plant and equipment	**(3,336)**	(2,358)
Proceeds from the sale of property, plant and equipment	**1,963**	296
Purchases of intangible assets	**(6,191)**	(1,245)
Net cash used by investing activities	**(7,564)**	(3,307)
Cash flows from financing activities		
Interest paid	**(2,625)**	(2,491)
Payment of lease liabilities	**(2,116)**	(3,128)
Dividends paid to Company's shareholders	**(9,181)**	(9,181)
Charitable grant paid to ultimate parent undertaking	**(33,000)**	(13,000)
Net cash used by financing activities	**(46,922)**	(27,800)
Net (decrease)/increase in cash and cash equivalents	**(2,837)**	9,487
Cash and cash equivalents at beginning of year	**112,082**	104,664
Exchange losses on cash and cash equivalents	**(3,484)**	(2,069)
Cash and cash equivalents at end of year	**105,761**	112,082

NOTES TO THIS ANNUAL FINANCIAL REPORT ANNOUNCEMENT OF RESULTS
for the year ended 31 December 2024

1. Accounting policies

The Company has prepared this announcement of its consolidated results using the same accounting policies and methods of computation as the full financial statements for the year ended 31 December 2024 as prepared in accordance with UK-adopted international accounting standards (UKIAS) applicable at 31 December 2024 issued by the International Accounting Standards Board (IASB).

A number of amendments and improvements to accounting standards have been issued by the IASB, and endorsed by the UK, with an effective date of on or after 1 January 2024, and are therefore applicable for the 31 December 2024 financial statements. None had a significant impact on the Group.

2. General Information

Whilst the financial information included in this announcement has been prepared in accordance with the recognition and measurement criteria of UK-Adopted International Accounting Standards (UKIAS), this announcement does not itself contain sufficient information to comply with UKIAS. Full financial statements that comply with UKIAS were approved by the Board of Directors on 20 March 2025.

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 December 2024 or 2023, but is derived from those accounts. Statutory accounts for 2023 have been delivered to the Registrar of Companies and those for 2024 will be delivered following the Company's annual general meeting. The auditors have reported on those accounts; their reports were unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain statements under sections 498(2) and 498(3) of the Companies Act 2006.

This announcement was approved at a meeting of the Board of Directors held on 20 March 2025.

Ecclesiastical Insurance Office plc is a subsidiary of Benefact Group plc which is an investment holding company whose ordinary shares are not listed.

The ordinary shares of Ecclesiastical Insurance Office plc are not listed.

Copies of the audited financial statements are available from the registered office at Benefact House, 2000 Pioneer Avenue, Gloucester Business Park, Brockworth, Gloucester, GL3 4AW, United Kingdom.

The following information is included in this announcement in compliance with the Disclosure and Transparency Rules and has been extracted from the full financial statements for 2024.

3. Insurance Risk

Through its general and life insurance operations, the Group is exposed to a number of risks. The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount and timing of the resulting claim. Factors such as the business and product mix, the external environment including market competition and reinsurance capacity all may vary from year to year, along with the actual frequency, severity and ultimate cost of claims and benefits. This subjects the Group to underwriting and pricing risk (the risk of failing to ensure disciplined risk selection and to obtain the appropriate premium), claims reserving risk (the risk of actual claims payments exceeding the amount we are holding in reserves) and reinsurance risk (the risk of failing to access and manage reinsurance capacity at a reasonable price).

(a) Risk mitigation

Statistics demonstrate that the larger and more diversified the portfolio of insurance contracts, the smaller the relative variability in the expected outcome will be. The Group’s underwriting strategy is designed to ensure that the underwritten risks are well diversified in terms of type and amount of risk and geographical spread. In all operations pricing controls are in place, underpinned by sound statistical analysis, market expertise and appropriate external consultant advice. Gross and net underwriting exposure is protected through the use of a comprehensive programme of reinsurance using both proportional and non-proportional reinsurance, supported by proactive claims handling. The overall reinsurance structure is regularly reviewed and modelled to ensure that it remains optimum to the Group's needs. The optimal reinsurance structure provides the Group with sustainable, long-term capacity to support its specialist business strategy, with effective balance sheet and profit and loss protection at a reasonable cost.

Catastrophe protection is purchased following an extensive annual modelling exercise of gross and net (of proportional reinsurance) exposures. In conjunction with reinsurance brokers the Group utilises the full range of proprietary catastrophe models and continues to develop bespoke modelling options that better reflect the specialist nature of the portfolio. Reinsurance is purchased in line with the Group's risk appetite.

(b) Concentrations of risk

The core business of the Group is general insurance, with the principal classes of business written being property and liability. The miscellaneous financial loss class of business covers personal accident, fidelity guarantee and loss of money, income and licence. The other class of business includes cover of legal expenses and also a small portfolio of motor policies, but this has been in run-off in the United Kingdom since November 2012. The Group's whole-of-life insurance policies support funeral planning products.

The table below summarises written premiums for the financial year, before and after reinsurance, by territory and by class of business which is an indication of the concentration of risk accepted by the Group in the year. Further details on the gross and net written premiums, which are alternative performance measures that are not defined under IFRS, are detailed in note 10 to this announcement.

2024		**General insurance**				**Life insurance**	
		Property £000	**Liability £000**	**Miscellaneous financial loss £000**	**Other £000**	**Whole of life £000**	**Total £000**
Territory							
United Kingdom	Gross	**325,781**	**85,970**	**27,352**	**4,597**	**(271)**	**443,429**
and Ireland	Net	**162,268**	**82,332**	**13,413**	**391**	**(271)**	**258,133**
Australia	Gross	**53,643**	**40,212**	**1,320**	**170**	**-**	**95,345**
	Net	**11,757**	**34,328**	**1,297**	**30**	**-**	**47,412**
Canada	Gross	**71,070**	**30,486**	**-**	**-**	**-**	**101,556**
	Net	**46,570**	**27,021**	**-**	**-**	**-**	**73,591**
Total	Gross	**450,494**	**156,668**	**28,672**	**4,767**	**(271)**	**640,330**
	Net	**220,595**	**143,681**	**14,710**	**421**	**(271)**	**379,136**

2023		**General insurance**				**Life insurance**	
		Property £000	**Liability £000**	**Miscellaneous financial loss £000**	**Other £000**	**Whole of life £000**	**Total £000**
Territory							
United Kingdom	Gross	297,481	79,966	24,668	3,287	(24)	405,378
and Ireland	Net	137,933	75,916	11,816	64	(24)	225,705
Australia	Gross	57,703	43,194	1,337	434	-	102,668
	Net	9,182	37,275	1,313	82	-	47,852
Canada	Gross	73,958	32,979	-	-	-	106,937
	Net	48,247	29,512	-	-	-	77,759
Total	Gross	429,142	156,139	26,005	3,721	(24)	614,983
	Net	195,362	142,703	13,129	146	(24)	351,316

(c) General insurance risks

Property classes

Property cover mainly compensates the policyholder for damage suffered to their property or for the value of property lost. Property insurance may also include cover for pecuniary loss through the inability to use damaged insured commercial properties (business interruption).

For property insurance contracts, there can be variability in the nature, number and size of claims made in each period.

The nature of claims may include those arising from the perils of fire, weather damage, escape of water, explosion, riot and malicious damage, subsidence, accidental damage, theft and earthquake. Subsidence claims are particularly difficult to predict because the damage is often not apparent for some time. The ultimate settlements can be small or large with a risk of a settled claim being reopened at a later date.

The number of claims made can be affected in particular by weather events, changes in climate, economic environment, and crime rates. Climate change may give rise to more frequent and extreme weather events, such as river flooding, hurricanes and drought, and their consequences, for example, subsidence claims. If a weather event happens near the end of the financial year, the uncertainty about ultimate claims cost in the financial statements is much higher because there is insufficient time for adequate data to be received to assess the final cost of claims.

Individual claims can vary in amount since the risks insured are diverse in both size and nature. The cost of repairing property varies according to the extent of damage, cost of materials and labour charges.

Contracts are underwritten on a reinstatement basis or repair and restoration basis as appropriate. Costs of rebuilding properties, of replacement or indemnity for contents and time taken to bring business operations back to pre-loss levels for business interruption are the key factors that influence the cost of claims. Individual large claims are more likely to arise from fire, storm or flood damage. The greatest likelihood of an aggregation of claims arises from earthquake, weather or major fire spreading events.

Claims payment, on average, occurs within a year of the event that gives rise to the claim. However, there is variability around this average with larger claims typically taking longer to settle and business interruption claims taking much longer depending on the length of the indemnity period involved.

Liability classes

The main exposures are in respect of liability insurance contracts which protect policyholders from the liability to compensate injured employees (employers' liability) and third parties (public liability).

Claims that may arise from the liability portfolios include damage to property, physical injury, disease and psychological trauma. The Group has a different exposure profile to most other commercial lines insurance companies as it has lower exposure to industrial risks. Therefore, claims for industrial diseases are less common for the Group than injury claims such as slips, trips and back injuries.

The frequency and severity of claims arising on liability insurance contracts can be affected by several factors. Most significant are the increasing level of awards for damages suffered, legal costs and the potential for periodic payment awards.

The severity of bodily injury claims can be influenced particularly by the value of loss of earnings and the future cost of care. The settlement value of claims arising under public and employers' liability is particularly difficult to predict. There is often uncertainty as to the extent and type of injury, whether any payments will be made and, if they are, the amount and timing of the payments, including the discount rate applied for assessing lump sums. Key factors driving the high levels of uncertainty include the late notification of possible claim events and the legal process.

Late notification of possible claims necessitates the holding of provisions for incurred claims that may only emerge some years into the future. In particular, the effect of inflation over such a long period can be considerable and is uncertain. A lack of comparable past experience may make it difficult to quantify the number of claims and, for certain types of claims, the amounts for which they will ultimately settle. The legal and legislative framework continues to evolve, which has a consequent impact on the uncertainty as to the length of the claims settlement process and the ultimate settlement amounts.

Claims payment, on average, occurs about three to four years after the event that gives rise to the claim. However, there is significant variability around this average.

Provisions for latent claims

The public and employers’ liability classes can give rise to very late reported claims, which are often referred to as latent claims. These can vary in nature and are difficult to predict. They typically emerge slowly over many years, during which time there can be particular uncertainty as to the number of future potential claims and their cost. The Group has reflected this uncertainty and believes that it holds adequate reserves for latent claims that may result from exposure periods up to the reporting date.

Note 8 to this announcement presents the development of the estimate of ultimate claim cost for public and employers' liability claims occurring in a given year. This gives an indication of the accuracy of the estimation technique for incurred claims.

(d) Life insurance risks

The Group provides whole-of-life insurance policies to support funeral planning products, for most of which the future benefits are linked to inflation and backed by index-linked assets. None of the risks arising from this business are amongst the Group's principal risks and no new policies with insurance risk have been written in the life fund since 2013.

The primary risk on these contracts is the level of future investment returns on the assets backing the liabilities over the life of the policyholders is insufficient to meet future claims payments, particularly if the timing of claims is different from that assumed. The interest rate and inflation risk within this has been largely mitigated by holding index-linked assets of a similar term to the expected liabilities profile. The main residual risk is the spread risk attached to corporate bonds held to match the liabilities.

Uncertainty in the estimation of the timing of future claims arises from the unpredictability of long-term changes in overall levels of mortality. The Group bases these estimates on standard industry and national mortality tables and its own experience. The most significant factors that could alter the expected mortality rates profile are epidemics, widespread changes in lifestyle and continued improvement in medical science and social conditions. This small mortality risk is retained by the Group. The Group holds a reserve to meet the costs of future expenses in running the life business and administration of the policies. There is a risk that this is insufficient to meet the expenses incurred in future periods.

4. Financial risk and capital management

The Group is exposed to financial risk through its financial assets, financial liabilities, reinsurance assets and insurance liabilities. In particular, the key financial risk is that the proceeds from its financial assets are not sufficient to fund the obligations arising from its insurance contracts. The most important components of financial risk are interest rate risk, credit risk, equity price risk and currency risk.

There has been no change from the prior year in the nature of the financial risks to which the Group is exposed. The continued conflict in Ukraine, Middle East and the cost of living crisis means there is continued uncertainty in relation to the economic risks to which the Group is exposed. This includes equity price volatility, movements in exchange rates and long-term UK growth prospects. The Group's management and measurement of financial risks is informed by either stochastic modelling or stress testing techniques.

(a) Categories of financial instruments

(i) Categories applying IFRS 9

	Financial assets			Financial liabilities				
	Designated as fair value through profit or loss £000	Classified as fair value through profit or loss £000	Amortised cost £000	Fair value through profit or loss £000	Fair value through other comprehensive income £000	Amortised cost £000	Other assets and liabilities £000	Total £000
At 31 December 2024								
Financial investments	977,837	4,150	14	-	-	-	-	982,001
Other assets	-	-	147,583	-	-	-	9,185	156,768
Cash and cash equivalents	-	-	105,761	-	-	-	-	105,761
Lease obligations	-	-	-	-	-	(24,573)	-	(24,573)
Subordinated liabilities	-	-	-	-	-	(25,112)	-	(25,112)
Other liabilities	-	-	-	-	-	(44,909)	(16,934)	(61,843)

Inv't contract liabilities	**-**	**-**	**-**	**(133,706)**	**-**	**-**	**-**	**(133,706)**
Net other	**-**	**-**	**-**	**-**	**-**	**-**	**(372,253)**	**(372,253)**
Total	**977,837**	**4,150**	**253,358**	**(133,706)**	**-**	**(94,594)**	**(380,002)**	**627,043**
At 31 December 2023								
Financial investments	940,897	824	34	-	-	-	-	941,755
Other assets	-	-	156,385	-	-	-	8,719	165,104
Cash and cash equivalents	-	-	112,082	-	-	-	-	112,082
Lease obligations	-	-	-	-	-	(21,687)	-	(21,687)
Subordinated liabilities	-	-	-	-	-	(25,853)	-	(25,853)
Other liabilities	-	-	-	-	(2,380)	(38,806)	(16,093)	(57,279)
Inv't contract liabilities	-	-	-	(95,886)	-	-	-	(95,886)
Net other	-	-	-	-	-	-	(389,320)	(389,320)
Total	940,897	824	268,501	(95,886)	(2,380)	(86,346)	(396,694)	628,916

The carrying value of those financial assets and liabilities not carried at fair value in the financial statements is considered to approximate to their fair value.

(b) Fair value hierarchy

The fair value measurement basis used to value those financial assets and financial liabilities held at fair value is categorised into a fair value hierarchy as follows:

Level 1: fair values measured using quoted bid prices (unadjusted) in active markets for identical assets or liabilities. This category includes listed equities in active markets, listed debt securities in active markets and exchange-traded derivatives.

Level 2: fair values measured using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). This category includes listed debt or equity securities in a market that is not active and derivatives that are not exchange-traded.

Level 3: fair values measured using inputs for the asset or liability that are not based on observable market data (unobservable inputs). This category includes unlisted debt and equities, including investments in venture capital, and suspended securities. Where a look-through valuation approach is applied, underlying net asset values are sourced from the investee, translated into the Group's functional currency and adjusted to reflect illiquidity where appropriate, with the fair values disclosed being directly sensitive to this input.

Instruments move between fair value hierarchies primarily due to increases or decreases in market activity or changes to the significance of unobservable inputs to valuation, and are recognised at the date of the event or change in circumstances which caused the transfer. During the year there was a transfer from level 1 to level 2 due to a change in the observable inputs.

Analysis of fair value measurement bases	**Fair value measurement at the end of the reporting year based on**			
	Level 1	**Level 2**	**Level 3**	**Total**
	£000	**£000**	**£000**	**£000**
At 31 December 2024				
Financial assets at fair value through profit or loss				
Financial investments				
Equity securities	**247,342**	**-**	**84,939**	**332,281**
Debt securities	**521,007**	**637**	**-**	**521,644**
Structured notes	**-**	**123,912**	**-**	**123,912**
Derivatives	**-**	**4,150**	**-**	**4,150**
	768,349	**128,699**	**84,939**	**981,987**

At 31 December 2023				
Financial assets at fair value through profit or loss				
Financial investments				
Equity securities	250,106	-	76,898	327,004
Debt securities	516,844	2,079	-	518,923
Structured notes	-	94,970	-	94,970
Derivatives	-	824	-	824
	766,950	97,873	76,898	941,721

Gains and losses on derivative liabilities of the Group were recognised through other comprehensive income if they were hedge accounted, otherwise were recognised at fair value through profit or loss. Derivative liabilities are categorised as level 2 (see note 5 to this announcement).

Fair value measurements based on level 3

Fair value measurements in level 3 consist of financial assets at fair value through profit or loss, analysed as follows:

	Equity securities £000
At 31 December 2024	
Opening balance	**76,898**
Total gains recognised in profit or loss	**8,041**
Closing balance	**84,939**
Total gains for the year included in profit or loss for assets held at the end of the reporting year	**8,041**
At 31 December 2023	
Opening balance	85,726
Total losses recognised in profit or loss	(8,780)
Disposal proceeds	(48)
Closing balance	76,898
Total losses for the year included in profit or loss for assets held at the end of the reporting year	(8,780)

All the above gains or losses included in profit or loss for the year are presented in net investment return within the statement of profit or loss.

The valuation techniques used for instruments categorised in levels 2 and 3 are described below.

Listed debt and equity securities not in active market (level 2)

These financial assets are valued using third-party pricing information that is regularly reviewed and internally calibrated based on management's knowledge of the markets.

Non exchange-traded derivative contracts (level 2)

The Group's derivative contracts are not traded in active markets. Foreign currency forward contracts are valued using observable forward exchange rates corresponding to the maturity of the contract and the contract forward rate. Over-the-counter equity or index options and futures are valued by reference to observable index prices.

Structured notes (level 2)

These financial assets are not traded on active markets. Their fair value is linked to an index that reflects the performance of an underlying basket of observable securities, including derivatives, provided by an independent calculation agent.

Unlisted equity securities (level 3)

These financial assets are valued using observable net asset data, adjusted for unobservable inputs including comparable price-to-book ratios based on similar listed companies, normalised for performance measures where appropriate, and management's consideration of constituents as to what exit price might be obtainable.

The valuation is sensitive to the level of underlying net assets, the Euro exchange rate, the price-to-tangible book ratio, an illiquidity discount and a credit rating discount applied to the valuation to account for the risks associated with holding the asset. The sensitivity of the valuation to reasonable changes in the unobservable inputs is as follows:

	Change in variable	Potential increase/ (decrease) in the result	
		2024	2023
Variable		**£000**	£000
Increase in price-to-tangible book ratio	+10%	**8,494**	7,690
Decrease in price-to-tangible book ratio	-10%	**(8,494)**	(7,690)
Increase in illiquidity discount	+5%	**(4,996)**	(4,523)
Decrease in illiquidity discount	-5%	**4,996**	4,523

(c) Interest rate risk

The Group’s exposure to interest rate risk arises primarily from movements on financial investments that are measured at fair value and have fixed interest rates, which represent a significant proportion of the Group’s assets, subordinated debt which has a fixed interest rate until 2030, and from insurance liabilities discounted at a market interest rate. The Group's investment strategy is set in order to control the impact of interest rate risk on anticipated cash flows and asset and liability values. The fair value of the Group's investment portfolio of fixed income securities reduces as market interest rates rise as does the present value of discounted insurance liabilities, and vice versa.

Interest rate risk concentration is reduced by adopting asset-liability duration matching principles where appropriate. Excluding assets held to back the life business, the average duration of the Group’s fixed income portfolio is four years (2023: three years), reflecting the relatively short-term average duration of its general insurance liabilities.

For the Group’s life insurance business, consisting of policies to support funeral planning products, benefits payable to policyholders are independent of the returns generated by interest-bearing assets. Therefore, the interest rate risk on the invested assets supporting these liabilities is borne by the Group. This risk is mitigated by purchasing fixed interest investments with durations that match the profile of the liabilities. For funeral plan insurance policies, benefits are linked to the Retail Prices Index (RPI). Assets backing these liabilities are also linked to the RPI, and include index-linked gilts and corporate bonds. For practical purposes it is not possible to exactly match the durations due to the uncertain profile of liabilities (for example mortality risk) and the availability of suitable assets, therefore some interest rate risk will persist. The Group monitors its exposure by comparing projected cash flows for these assets and liabilities and making appropriate adjustments to its investment portfolio.

The table below summarises the maturities of life business assets and liabilities that are exposed to interest rate risk.

	Maturity			
	Within	**Between**	**After**	
Group life business	**1 year**	**1 & 5 years**	**5 years**	**Total**
	£000	**£000**	**£000**	**£000**
At 31 December 2024				
Assets				
Debt securities	**23,934**	**15,571**	**48,163**	**87,668**
Cash and cash equivalents	**7,105**	**-**	**-**	**7,105**
	31,039	**15,571**	**48,163**	**94,773**
Liabilities (discounted)				
Life insurance contract liabilities for remaining coverage	**5,637**	**17,784**	**25,784**	**49,205**
At 31 December 2023				
Assets				
Debt securities	14,004	21,312	49,879	85,195
Cash and cash equivalents	8,727	-	-	8,727

	22,731	21,312	49,879	93,922
Liabilities (discounted)				
Life insurance contract liabilities for remaining coverage	5,870	18,408	31,751	56,029

Group financial investments with variable interest rates, including cash and cash equivalents, and insurance instalment receivables are subject to cash flow interest rate risk. This risk is not significant to the Group.

(d) Credit risk

The Group has exposure to credit risk, which is the risk of non-payment of their obligations by counterparties and financial markets borrowers. Areas where the Group is exposed to credit risk are:

- Counterparty default on loans and debt securities;
- Deposits held with banks;
- Reinsurers' share of insurance liabilities (excluding provision for unearned premiums) and amounts due from reinsurers in respect of claims already paid; and
- Amounts due from insurance intermediaries and policyholders.

The Group is exposed to minimal credit risk in relation to all other financial assets.

The carrying amount of financial and reinsurance assets represents the Group's maximum exposure to credit risk. The Group structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty. Limits on the level of credit risk are regularly reviewed. Where available the Group also manages its exposure to credit risk in relation to credit risk ratings. Investment grade financial assets are classified within the range of AAA to BBB ratings, where AAA is the highest possible rating. Financial assets which fall outside this range are classified as sub-investment grade. 'Not rated' assets capture assets not rated by external ratings.

The following table provides information regarding the credit risk exposure of financial assets with external credit ratings from Standard & Poors or an equivalent rating from a similar agency. This includes financial assets that meet the definition of 'solely payments of principal and interest' (SPPI).

	SPPI			**Non-SPPI**
	Cash and cash equivalents[1]	**Reinsurance debtors**	**Total SPPI**	**Debt securities**
	£000	**£000**	**£000**	**£000**
At 31 December 2024				
AAA	**-**	**-**	**-**	**216,001**
AA	**73,838**	**11,087**	**84,925**	**149,341**
A	**31,921**	**13,242**	**45,163**	**87,153**
BBB	**-**	**-**	**-**	**52,830**
Below BBB	**-**	**-**	**-**	**5,430**
Not rated	**2**	**3,058**	**3,060**	**10,889**
	105,761	**27,387**	**133,148**	**521,644**
At 31 December 2023				
AAA	-	-	-	207,068
AA	72,191	5,902	78,093	152,744
A	25,423	17,435	42,858	88,810
BBB	14,464	-	14,464	52,646
Below BBB	-	-	-	8,567
Not rated	4	3,500	3,504	9,088
	112,082	26,837	138,919	518,923

[1] Cash includes any amounts held on deposit classified within financial investments and disclosed in note 21 to the full financial statements. Cash balances which are not rated relate to cash amounts in hand.

For financial assets meeting the SPPI test that do not have low credit risk, the carrying amount disclosed above is an approximation of their fair value.

Group cash balances are regularly reviewed to identify the quality of the counterparty bank and to monitor and limit concentrations of risk.

he debt securities portfolio consists of a range of mainly fixed interest instruments including government securities, local authority issues, corporate loans and bonds, overseas bonds, preference shares and other interest-bearing securities. Limits are imposed on the credit ratings of the corporate bond portfolio and exposures regularly monitored. Group investments in unlisted securities represent 0% of this category in the current year and less than 1% prior year.

The Group's exposure to counterparty default on debt securities is spread across a variety of geographical and economic territories, as follows:

	2024		2023
	£000		£000
UK	**228,029**	UK	209,369
Canada	**142,984**	Canada	147,364
Australia	**122,959**	Australia	132,622
Europe	**27,672**	Europe	29,568
Total	**521,644**	Total	518,923

Reinsurance is used to manage insurance risk. This does not, however, discharge the Group's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the Group remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on a regular basis through the year by reviewing their financial strength. The Group Reinsurance Security Committee assesses, monitors and approves the creditworthiness of all reinsurers, reviewing relevant credit ratings provided by the recognised credit rating agencies, as well as other publicly available data and market information. The Group Reinsurance Security Committee also monitors the balances outstanding from reinsurers and maintains an approved list of reinsurers.

The Group's credit risk policy details prescriptive methods for the collection of premiums and control of intermediary and policyholder debtor balances. The level and age of debtor balances are regularly assessed via monthly credit management reports. These reports are scrutinised to assess exposure by geographical region and counterparty of aged or outstanding balances. Any such balances are likely to be major international brokers that are in turn monitored via credit reference agencies and considered to pose minimal risk of default. The Group has no material concentration of credit risk in respect of amounts due from insurance intermediaries and policyholders.

The table below provides an analysis of the gross carrying amounts of groups of insurance debtors and groups of reinsurance debtors by past due status:

	2024	2023
	£000	£000
Insurance debtors		
Current	**115,847**	134,790
0 to 30 days	**18,459**	17,262
30 days to 90 days	**19,157**	6,629
More than 90 days	**15,826**	10,068
	169,289	168,749
Reinsurance debtors		
Current	**19,107**	20,845
0 to 30 days	**1,560**	1,271
30 days to 90 days	**1,439**	1,637
More than 90 days	**5,281**	3,084
	27,387	26,837

Amounts arising from expected credit losses on financial assets are as follows:

	2024 £000	2023 £000
Balance at 1 January	**292**	1,899
Movement in the year	**(19)**	(1,607)
Balance at 31 December	**273**	292

(e) Equity price risk

The Group is exposed to equity price risk because of financial investments held by the Group which are stated at fair value through profit or loss. The Group mitigates this risk by holding a diversified portfolio across geographical regions and market sectors, and through the use of derivative contracts from time to time which would limit losses in the event of a fall in equity markets.

The concentration of equity price risk by geographical listing, before the mitigating effect of derivatives, to which the Group is exposed is as follows:

	2024 £000		2023 £000
UK	**231,894**	UK	236,335
Europe	**84,939**	Europe	76,898
US	**15,448**	US	13,771
Total	**332,281**	Total	327,004

(f) Currency risk

The Group operates internationally and its main exposures to foreign exchange risk are noted below. The Group's foreign operations generally invest in assets and purchase reinsurance denominated in the same currencies as their insurance liabilities, which mitigates the foreign currency exchange rate risk for these operations. As a result, foreign exchange risk arises from recognised assets and liabilities denominated in other currencies and net investments in foreign operations. The Group mitigates this risk through the use of derivatives when considered necessary.

The Group exposure to foreign currency risk within the investment portfolios arises from purchased investments that are denominated in currencies other than sterling.

The Group's foreign operations create two sources of foreign currency risk:

- The operating results of the Group's foreign branches and subsidiaries in the Group financial statements are translated at the average exchange rates prevailing during the year; and
- The equity investment in foreign branches and subsidiaries is translated into sterling using the exchange rate at the year-end date.

The forward foreign currency risk arising on translation of these foreign operations is hedged by the derivatives which are detailed in note 5 to this announcement. The Group has designated certain derivatives as a hedge of its net investments in Canada and Australia, which have Canadian and Australian dollars respectively as their functional currency.

The largest currency exposures, before the mitigating effect of derivatives, with reference to net assets/liabilities are shown below, representing effective diversification of resources.

	2024 £000		2023 £000
Can $	**81,992**	Aus $	61,784
Aus $	**57,212**	Can $	67,554
Euro	**56,532**	Euro	39,752
USD $	**13,003**	USD $	11,189
HKD $	**36**	HKD $	185

The figures in the table above, for the current and prior years, do not include currency risk that the Group is exposed to on a ‘look through’ basis in respect of collective investment schemes denominated in sterling. The Group enters into derivatives to hedge currency exposure, including exposures on a ‘look through’ basis. The open derivatives held by the Group at the year end to hedge currency exposure are detailed in note 5 to this announcement.

(g) Liquidity risk

Liquidity risk is the risk that funds may not be available to pay obligations when due. The Group is exposed to daily calls on its available cash resources mainly from claims arising from insurance contracts. The Group ensures that assets held to cover insurance liabilities have maturity profiles that align with the expected timing of claim payments. Excluding assets held to back the life business, the average duration of the Group’s fixed income portfolio is four years (2023: three years), reflecting the relatively short-term average duration of its general insurance liabilities. An estimate of the timing of the net cash outflows resulting from insurance contracts is provided in note 8 to this announcement. The Group has robust processes in place to manage liquidity risk and has available cash balances, other readily marketable assets and access to funding in case of exceptional need. This is not considered to be a significant risk to the Group.

Non-derivative financial liabilities consist of lease liabilities, for which a maturity analysis is included in note 33 to the full financial statements, and other liabilities for which a maturity analysis is included in note 30 to the full financial statements, and subordinated debt for which a maturity analysis is included in note 31 to the full financial statements.

(h) Market risk sensitivity analysis

The sensitivity of profit and other equity reserves to movements on market risk variables (comprising interest rate, currency and equity price risk), each considered in isolation and before the mitigating effect of derivatives, is shown in the table below. This table does not include the impact of variables on retirement benefit schemes. Financial risk sensitivities for retirement benefit schemes are disclosed separately in note 18 to the full financial statements.

		Potential increase / (decrease) in profit		Potential (decrease) / increase in other equity reserves	
Variable	**Change in variable**	**2024**	2023	**2024**	2023
		£000	£000	**£000**	£000
Interest rate risk	-100 basis points	**4,012**	814	**(129)**	(4)
	+100 basis points	**(3,594)**	906	**109**	3
Currency risk	-10%	**4,155**	2,956	**17,649**	16,070
	+10%	**(3,400)**	(2,418)	**(14,440)**	(13,148)
Equity price risk	+/-10%	**24,921**	24,525	**-**	-

The following assumptions have been made in preparing the above sensitivity analysis:

- The value of fixed income investments will vary inversely with changes in interest rates, and all territories experience the same interest rate movement;
- Currency gains and losses will arise from a change in the value of sterling against all other currencies moving in parallel;
- Equity prices will move by the same percentage across all territories; and
- Change in profit is stated net of tax at the standard rate applicable in each of the Group's territories.

(i) Capital management

The Group's primary objectives when managing capital are to:

- Comply with the regulators' capital requirements of the markets in which the Group operates; and
- Safeguard the Group's ability to continue to meet stakeholders' expectations in accordance with its corporate mission, vision and values.

The Group is subject to insurance solvency regulations in all the territories in which it issues insurance and investment contracts, and capital is managed and evaluated on the basis of both regulatory and economic capital, at a group and parent entity level.

In the UK, the Group and its UK regulated entities are required to comply with rules issued by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA).

The PRA expects a firm, at all times, to hold Solvency II Own Funds in excess of its calculated Solvency Capital Requirement (SCR). Group solvency is assessed at the level of Ecclesiastical Insurance Office plc (EIO)'s parent, Benefact Group plc. Consequently, there is no directly comparable solvency measure for EIO group. Quantitative returns are submitted to the PRA, in addition to an annual narrative report, the Solvency and Financial Condition Report (SFCR) which is also published on the Company's website. A further report, the Regular Supervisory Report (RSR) is periodically submitted to the PRA.

EIO's Solvency II Own Funds and Solvency Capital Requirement will be subject to a separate independent audit, as part of the Group's process for Solvency II reporting to the PRA. ELL is not audited. The Group's regulated entities, EIO and ELL, expect to meet the deadline for submission to the PRA of 9 April 2025 and their respective SFCRs will be made available on the Group's website shortly thereafter. Benefact Group is also expected to meet its deadline for submission to the PRA of 27 May 2025, with its SFCR also being made available on the Group's website shortly after.

	2024		2023	
	Ecclesiastical Insurance Office plc Parent £000	**Ecclesiastical Life Limited £000**	Ecclesiastical Insurance Office plc Parent £000	Ecclesiastical Life Limited £000
Solvency II Own Funds	**635,550**	**42,112**	639,158	59,813
Solvency Capital Requirement	**251,917**	**17,368**	251,199	15,052
Coverage Ratio	**252%**	**242%**	254%	397%

Economic capital is the Group's own internal view of the level of capital required, and this measure is an integral part of the Own Risk and Solvency Assessment Report (ORSA) which is a private, internal forward-looking assessment of own risk, as required as part of the Solvency II regime.

5. Derivative financial instruments

The Group utilises derivatives to mitigate equity price risk arising from investments held at fair value, foreign exchange risk arising from investments denominated in foreign currencies, and foreign exchange risk arising from investments denominated in Sterling that contain underlying foreign currency exposure. These 'non-hedge' derivatives either do not qualify for hedge accounting or the option to hedge account has not been taken.

The Group has also formally designated certain derivatives as a hedge of its net investments in Australia and Canada. A gain of £8.8m (2023: gain of £4.9m) in respect of these 'hedge' derivatives has been recognised in the hedging reserve within shareholders' equity, as disclosed in note 6 to this announcement. The Group has formally assessed and documented the effectiveness of derivatives that qualify for hedge accounting in accordance with IFRS 9 *Financial Instruments.*

	2024			2023		
	Contract / notional amount £000	**Fair value asset £000**	**Fair value liability £000**	Contract / notional amount £000	Fair value asset £000	Fair value liability £000
Non-hedge derivatives						
Foreign exchange contracts						
Forwards (Euro)	**134,525**	**1,098**	**-**	120,115	824	-
Forwards (US dollar)	**35,902**	**-**	**215**	-	-	-
Hedge derivatives						
Foreign exchange contracts						
Forwards (Australian dollar)	**53,551**	**1,993**	**-**	54,584	-	1,155
Forwards (Canadian dollar)	**64,573**	**1,059**	**-**	52,960	-	1,225
	288,551	**4,150**	**215**	227,659	824	2,380

All derivatives in the current and prior year expire within one year.

All contracts designated as hedging instruments were fully effective in the current and prior year.

The notional amounts above reflect the aggregate of individual derivative positions on a gross basis and so give an indication of the overall scale of the derivative transactions. They do not reflect current market values of the open positions.

Derivative fair value assets are recognised within financial investments (note 21 to the full financial statements) and derivative fair value liabilities are recognised within other liabilities (note 30 to the full financial statements).

6. Translation and hedging reserve

	Translation reserve £000	Hedging reserve £000	Total £000
At 1 January 2024	**14,814**	**4,890**	**19,704**
Losses on currency translation differences	**(9,325)**	**-**	**(9,325)**
Gains on net investment hedges	**-**	**8,807**	**8,807**
Attributable tax	**-**	**(1,381)**	**(1,381)**
At 31 December 2024	**5,489**	**12,316**	**17,805**
At 1 January 2023	18,838	718	19,556
Losses on currency translation differences	(4,024)	-	(4,024)
Gains on net investment hedges	-	4,860	4,860
Attributable tax	-	(688)	(688)

The translation reserve arises on consolidation of the Group's foreign operations. The hedging reserve represents the cumulative amount of gains and losses on hedging instruments in respect of net investments in foreign operations.

7. Segment information

(a) Operating segments

The Group's primary operating segments are based on geography and are engaged in providing general insurance and life insurance services. The Group also considers investments a separate reporting segment, also based on geography. Expenses relating to Group management activities are included within 'Corporate costs'. The Group's life insurance business is carried out within the United Kingdom.

The Group's chief operating decision maker is considered to be the Group Management Board whose members include the Company's executive directors.

The activities of each operating segment are described below.

- **General business**

United Kingdom and Ireland

The Group's principal general insurance business operation is in the UK, where it operates under the Ecclesiastical and Ansvar brands. The Group also operates an Ecclesiastical branch in the Republic of Ireland underwriting general business across the whole of Ireland.

Australia

The Group has a wholly-owned subsidiary in Australia underwriting general insurance business under the Ansvar brand.

Canada

The Group operates a general insurance Ecclesiastical branch in Canada.

Other insurance operations

This includes the Group's internal reinsurance function, adverse development cover and operations that are in run-off or not reportable due to their immateriality.

- **Life business**

Ecclesiastical Life Limited provides long-term policies to support funeral planning products. The business reopened to new investment business in 2021 but it is closed to new insurance business.

Inter-segment and inter-territory transfers or transactions are entered into under normal commercial terms and conditions that would also be available to unrelated third parties.

(b) Segment performance

The Group uses the following key measures to assess the performance of its operating segments, which are alternative performance measures as detailed in note 10 to this announcement:

- Gross written premium
- Underwriting result
- Combined operating ratio
- Investment return

Gross written premium is the measure used in internal reporting for turnover of the general and life insurance business segments. The underwriting result is used as a measure of profitability of the insurance business segments. The combined operating ratio expresses the total underwriting costs of the general insurance business as a percentage of net earned premiums. The investment return is used as a profitability measure of the Group's investments. Gross written premium, the underwriting result and the combined operating ratio are attributed to the geographical region in which the customer is based.

The life business segment result comprises the profit or loss on insurance contracts (including return on assets backing liabilities in the long-term fund), investment return comprising profit or loss on funeral plan investment business and shareholder investment return, and other expenses.

All other segment results consist of the profit or loss before tax measured in accordance with UK-adopted International Accounting Standards (UKIAS).

Segment gross written premiums

	2024 £000	2023 £000
General business		
United Kingdom and Ireland	**436,863**	399,716
Australia	**95,345**	102,668
Canada	**101,556**	106,937
Other insurance operations	**6,837**	5,686
Total	**640,601**	615,007
Life business	**(271)**	(24)
Group gross written premiums	**640,330**	614,983

Group revenues are not materially concentrated on any single external customer.

Segment results

2024	**Combined operating ratio**	**Insurance £000**	**Investments £000**	**Other £000**	**Total £000**
General business					
United Kingdom and Ireland	**77.4%**	**53,612**	**59,091**	**(2,757)**	**109,946**
Australia	**107.4%**	**(3,234)**	**3,406**	**345**	**517**
Canada	**81.4%**	**13,671**	**7,626**	**(946)**	**20,351**
Other insurance operations		**(16,407)**	**(505)**	**4**	**(16,908)**

	Combined operating ratio	Insurance £000	Investments £000	Other £000	Total £000
	86.9%	**47,642**	**69,618**	**(3,354)**	**113,906**
Life business		**1,406**	**315**	**-**	**1,721**
Corporate costs		**-**	**-**	**(33,152)**	**(33,152)**
Profit/(loss) before tax		**49,048**	**69,933**	**(36,506)**	**82,475**

2023	**Combined operating ratio**	**Insurance £000**	**Investments £000**	**Other £000**	**Total £000**
General business					
United Kingdom and Ireland	92.1%	16,371	30,751	(2,640)	44,482
Australia	113.4%	(5,120)	6,031	(377)	534
Canada	80.4%	14,924	6,500	(134)	21,290
Other insurance operations		(1,655)	(1,027)	87	(2,595)
	92.6%	24,520	42,255	(3,064)	63,711
Life business		1,240	3,881	-	5,121
Corporate costs		-	-	(24,079)	(24,079)
Profit/(loss) before tax		25,760	46,136	(27,143)	44,753

(c) Geographical information

Gross written premiums from external customers and non-current assets, as attributed to individual countries in which the Group operates, are as follows:

	2024		2023	
	Gross written premiums £000	**Non-current assets £000**	Gross written premiums £000	Non-current assets £000
United Kingdom and Ireland	**443,429**	**320,801**	405,378	320,026
Australia	**95,345**	**5,621**	102,668	5,869
Canada	**101,556**	**4,110**	106,937	5,401
	640,330	**330,532**	614,983	331,296

Gross written premiums are allocated based on the country in which the insurance contracts are issued. Non-current assets exclude rights arising under insurance contracts, deferred tax assets, pension assets and financial instruments and are allocated based on where the assets are located.

8. Insurance liabilities and reinsurance assets

The Group has not disaggregated the following disclosures by geographical segment as it is one of a combination of factors for determining portfolios and would significantly increase the volume of disclosures without providing material additional insights to users of the financial statements.

	2024 £000	*Restated** 2023 £000
Gross		
General insurance contract liabilities for incurred claims	**635,317**	634,819
General insurance contract liabilities for remaining coverage	**94,896**	90,994
Life insurance contract liabilities for remaining coverage	**49,205**	56,029
Total gross insurance contract liabilities	**779,418**	781,842

Reinsurance assets

General reinsurance contract assets for incurred claims	**205,518**	198,768
General reinsurance contract assets for remaining coverage	**33,935**	21,340
Total reinsurers' share of insurance liabilities	**239,453**	220,108
Net		
General insurance contract liabilities for incurred claims	**429,799**	436,051
General insurance contract liabilities for remaining coverage	**60,961**	69,654
Life insurance contract liabilities for remaining coverage	**49,205**	56,029
Total net insurance liabilities	**539,965**	561,734
Gross insurance liabilities		
Current	**285,766**	312,171
Non-current	**493,652**	469,671
Reinsurance assets		
Current	**130,213**	127,365
Non-current	**109,240**	92,743

*The comparative financial statements have been restated to reflect the correct current year presentation of reinsurance contract assets between general reinsurance contract assets for incurred claims and general reinsurance contract assets for remaining coverage. Amounts recoverable from reinsurers in respect of claims previously included in general reinsurance contract assets for remaining coverage have been re-presented in general reinsurance contract assets for incurred claims.

	Insurance contract liabilities			*Restated** **Reinsurance contract assets**		
	General liabilities for remaining coverage £000	**General liabilities for incurred claims £000**	**Life liabilities for remaining coverage £000**	**General assets for remaining coverage £000**	**General assets for incurred claims £000**	**Total £000**
At 1 January 2023	93,140	636,638	59,263	(14,098)	(226,026)	548,917
Insurance revenue	(579,975)	-	(6,509)	-	-	(586,484)
Incurred claims and other insurance service expenses	-	308,069	-	-	-	308,069
Changes that relate to current service	-	-	5,702	-	-	5,702
Changes that relate to past service	-	(24,547)	-	-	-	(24,547)
Losses on onerous contracts and reversal of those losses	155	-	-	-	-	155
Insurance acquisition cash flows amortisation	119,205	-	-	-	-	119,205
Insurance service expenses	119,360	283,522	5,702	-	-	408,584
Insurance service result before reinsurance contracts held	(460,615)	283,522	(807)	-	-	(177,900)
Allocation of reinsurance premiums	-	-	-	148,094	-	148,094
Recoveries of incurred claims and other insurance service expenses	-	-	-	5,013	(77,048)	(72,035)
Changes that relate to past service	-	-	-	-	31,024	31,024
Recoveries of losses on onerous contracts and reversal of those losses	-	-	-	91	-	91

Net expense/(income) from reinsurance contracts	-	-	-	153,198	(46,024)	107,174
Finance expense from insurance contracts issued	-	24,102	2,628	-	-	26,730
Finance income from reinsurance contracts held	-	-	-	-	(7,190)	(7,190)
Net insurance financial result	-	24,102	2,628	-	(7,190)	19,540
Total amounts recognised in statement of profit or loss	(460,615)	307,624	1,821	153,198	(53,214)	(51,186)
Exchange differences	(1,661)	(13,309)	-	929	5,220	(8,821)
Premiums received	596,793	-	-	-	-	596,793
Insurance acquisition cash flows	(136,663)	-	-	-	-	(136,663)
Claims and other directly attributable expenses paid	-	(296,134)	(5,055)	-	-	(301,189)
Premiums paid	-	-	-	(161,369)	-	(161,369)
Amounts received	-	-	-	-	75,252	75,252
Total cash flows	460,130	(296,134)	(5,055)	(161,369)	75,252	72,824
At 31 December 2023	90,994	634,819	56,029	(21,340)	(198,768)	561,734

*The comparative financial statements have been restated to reflect the correct current year presentation of reinsurance contract assets between general reinsurance contract assets for incurred claims and general reinsurance contract assets for remaining coverage. Amounts recoverable from reinsurers in respect of claims previously included in general reinsurance contract assets for remaining coverage have been re-presented in general reinsurance contract assets for incurred claims.

	Insurance contract liabilities			**Reinsurance contract assets**		
	General liabilities for remaining coverage £000	**General liabilities for incurred claims £000**	**Life liabilities for remaining coverage £000**	**General assets for remaining coverage £000**	**General assets for incurred claims £000**	**Total £000**
At 1 January 2024	**90,994**	**634,819**	**56,029**	**(21,340)**	**(198,768)**	**561,734**
Insurance revenue	**(623,875)**	**-**	**(6,078)**	**-**	**-**	**(629,953)**
Incurred claims and other insurance service expenses	**-**	**306,938**	**-**	**-**	**-**	**306,938**
Changes that relate to current service	**-**	**-**	**5,032**	**-**	**-**	**5,032**
Changes that relate to past service	**-**	**15,898**	**-**	**-**	**-**	**15,898**
Losses on onerous contracts and reversal of those losses	**(784)**	**-**	**-**	**-**	**-**	**(784)**
Insurance acquisition cash flows amortisation	**134,733**	**-**	**-**	**-**	**-**	**134,733**
Insurance service expenses	**133,949**	**322,836**	**5,032**	**-**	**-**	**461,817**
Insurance service result before reinsurance contracts held	**(489,926)**	**322,836**	**(1,046)**	**-**	**-**	**(168,136)**
Allocation of reinsurance premiums	**-**	**-**	**-**	**150,849**	**-**	**150,849**
Recoveries of incurred claims and other insurance service expenses	**-**	**-**	**-**	**2,643**	**(93,132)**	**(90,489)**
Changes that relate to past service	**-**	**-**	**-**	**-**	**23,603**	**23,603**

Recoveries of losses on onerous contracts and reversal of those losses	-	-	-	627	-	627
Net expense/(income) from reinsurance contracts	**-**	**-**	**-**	**154,119**	**(69,529)**	**84,590**
Finance expense/(income) from insurance contracts issued	**-**	**11,828**	**(319)**	**-**	**-**	**11,509**
Finance income from reinsurance contracts held	**-**	**-**	**-**	**-**	**(4,647)**	**(4,647)**
Net insurance financial result	**-**	**11,828**	**(319)**	**-**	**(4,647)**	**6,862**
Total amounts recognised in statement of profit or loss	**(489,926)**	**334,664**	**(1,365)**	**154,119**	**(74,176)**	**(76,684)**
Exchange differences	**(2,386)**	**(20,357)**	**-**	**2,066**	**5,692**	**(14,985)**
Premiums received	**624,768**	**-**	**-**	**-**	**-**	**624,768**
Insurance acquisition cash flows	**(128,554)**	**-**	**-**	**-**	**-**	**(128,554)**
Claims and other directly attributable expenses paid	**-**	**(313,809)**	**(5,459)**	**-**	**-**	**(319,268)**
Premiums paid	**-**	**-**	**-**	**(168,780)**	**-**	**(168,780)**
Amounts received	**-**	**-**	**-**	**-**	**61,734**	**61,734**
Total cash flows	**496,214**	**(313,809)**	**(5,459)**	**(168,780)**	**61,734**	**69,900**
At 31 December 2024	**94,896**	**635,317**	**49,205**	**(33,935)**	**(205,518)**	**539,965**

(a) General business insurance contracts

(i) Reconciliation of the liability for remaining coverage

Insurance contracts issued	**PAA**		**GMM**	
	Excluding loss component £000	**Loss component £000**	**Liability for remaining coverage £000**	**Total £000**
At 1 January 2023	89,773	2,667	700	93,140
Insurance revenue	(579,975)	-	-	(579,975)
Losses on onerous contracts and reversal of those losses	-	155	-	155
Insurance acquisition cash flows amortisation	119,205	-	-	119,205
Insurance service expenses	119,205	155	-	119,360
Total amounts recognised in statement of profit or loss	(460,770)	155	-	(460,615)
Exchange differences	(1,531)	(130)	-	(1,661)
Premiums received	596,793	-	-	596,793
Insurance acquisition cash flows	(136,663)	-	-	(136,663)
Total cash flows	460,130	-	-	460,130
At 31 December 2023	87,602	2,692	700	90,994
Insurance revenue	**(623,875)**	**-**	**-**	**(623,875)**
Losses on onerous contracts and reversal of those losses	**-**	**(784)**	**-**	**(784)**

Insurance acquisition cash flows amortisation	**134,733**	**-**	**-**	**134,733**
Insurance service expenses	**134,733**	**(784)**	**-**	**133,949**
Total amounts recognised in statement of profit or loss	**(489,142)**	**(784)**	**-**	**(489,926)**
Exchange differences	**(2,214)**	**(172)**	**-**	**(2,386)**
Premiums received	**624,768**	**-**	**-**	**624,768**
Insurance acquisition cash flows	**(128,554)**	**-**	**-**	**(128,554)**
Total cash flows	**496,214**	**-**	**-**	**496,214**
At 31 December 2024	**92,460**	**1,736**	**700**	**94,896**

(ii) Reconciliation of the liability for incurred claims

Insurance contracts issued	**Estimates of present value of future cash flows £000**	**Risk adjustment for non-financial risk £000**	**Total £000**
At 1 January 2023	548,505	88,133	636,638
Incurred claims and other insurance service expenses	293,641	14,542	308,183
Changes that relate to past service	(3,659)	(20,888)	(24,547)
Insurance service expenses	289,982	(6,346)	283,636
Insurance service result before reinsurance contracts held	289,982	(6,346)	283,636
Finance expense from insurance contracts issued	24,102	-	24,102
Net insurance financial result	24,102	-	24,102
Total amounts recognised in statement of profit or loss	314,084	(6,346)	307,738
Exchange differences	(11,362)	(1,947)	(13,309)
Claims and other directly attributable expenses paid	(296,248)	-	(296,248)
Total cash flows	(296,248)	-	(296,248)
At 31 December 2023	554,979	79,840	634,819
Incurred claims and other insurance service expenses	**294,320**	**12,618**	**306,938**
Changes that relate to past service	**28,346**	**(12,448)**	**15,898**
Insurance service expenses	**322,666**	**170**	**322,836**
Insurance service result before reinsurance contracts held	**322,666**	**170**	**322,836**
Finance expense from insurance contracts issued	**11,828**	**-**	**11,828**
Net insurance financial result	**11,828**	**-**	**11,828**
Total amounts recognised in statement of profit or loss	**334,494**	**170**	**334,664**
Exchange differences	**(17,740)**	**(2,617)**	**(20,357)**

Claims and other directly attributable expenses paid	**(313,809)**	**-**	**(313,809)**
Total cash flows	**(313,809)**	**-**	**(313,809)**
At 31 December 2024	**557,924**	**77,393**	**635,317**

(iii) Reconciliation of the asset for remaining coverage

Reinsurance contracts held	*Restated** **Excluding loss recovery component £000**	**Loss recovery component £000**	**Total £000**
At 1 January 2023	11,737	2,361	14,098
Allocation of reinsurance premiums	(148,094)	-	(148,094)
Recoveries of incurred claims and other insurance service expenses	(5,013)	-	(5,013)
Recoveries of losses on onerous contracts and reversal of those losses	-	(91)	(91)
Net expense from reinsurance contracts	(153,107)	(91)	(153,198)
Total amounts recognised in statement of profit or loss	(153,107)	(91)	(153,198)
Exchange differences	(812)	(117)	(929)
Premiums paid	161,369	-	161,369
Total cash flows	161,369	-	161,369
At 31 December 2023	19,187	2,153	21,340
Allocation of reinsurance premiums	**(150,849)**	**-**	**(150,849)**
Recoveries of incurred claims and other insurance service expenses	**(2,643)**	**-**	**(2,643)**
Recoveries of losses on onerous contracts and reversal of those losses	**-**	**(627)**	**(627)**
Net expense from reinsurance contracts	**(153,492)**	**(627)**	**(154,119)**
Total amounts recognised in statement of profit or loss	**(153,492)**	**(627)**	**(154,119)**
Exchange differences	**(1,928)**	**(138)**	**(2,066)**
Premiums paid	**168,780**	**-**	**168,780**
Total cash flows	**168,780**	**-**	**168,780**
At 31 December 2024	**32,547**	**1,388**	**33,935**

*The comparative financial statements have been restated to reflect the correct current year presentation of reinsurance contract assets between general reinsurance contract assets for incurred claims and general reinsurance contract assets for remaining coverage. Amounts recoverable from reinsurers in respect of claims previously included in general reinsurance contract assets for remaining coverage have been re-presented in general reinsurance contract assets for incurred claims.

(iv) Reconciliation of the asset for incurred claims

Reinsurance contracts held	*Restated** **Estimates of**	**Risk**

	present value of future cash flows £000	adjustment for non-financial risk £000	Total £000
At 1 January 2023	200,272	25,754	226,026
Recoveries of incurred claims and other insurance service expenses	71,621	5,427	77,048
Changes that relate to past service	(19,275)	(11,749)	(31,024)
Net income/(expense) from reinsurance contracts	52,346	(6,322)	46,024
Finance income from reinsurance contracts held	7,190	-	7,190
Net insurance financial result	7,190	-	7,190
Total amounts recognised in statement of profit or loss	59,536	(6,322)	53,214
Exchange differences	(4,385)	(835)	(5,220)
Amounts received	(75,252)	-	(75,252)
Total cash flows	(75,252)	-	(75,252)
At 31 December 2023	180,171	18,597	198,768
Recoveries of incurred claims and other insurance service expenses	**88,767**	**4,365**	**93,132**
Changes that relate to past service	**(11,797)**	**(11,806)**	**(23,603)**
Net income/(expense) from reinsurance contracts	**76,970**	**(7,441)**	**69,529**
Finance income from reinsurance contracts held	**4,647**	**-**	**4,647**
Net insurance financial result	**4,647**	**-**	**4,647**
Total amounts recognised in statement of profit or loss	**81,617**	**(7,441)**	**74,176**
Exchange differences	**(5,152)**	**(540)**	**(5,692)**
Amounts received	**(61,734)**	**-**	**(61,734)**
Total cash flows	**(61,734)**	**-**	**(61,734)**
At 31 December 2024	**194,902**	**10,616**	**205,518**

*The comparative financial statements have been restated to reflect the correct current year presentation of reinsurance contract assets between general reinsurance contract assets for incurred claims and general reinsurance contract assets for remaining coverage. Amounts recoverable from reinsurers in respect of claims previously included in general reinsurance contract assets for remaining coverage have been re-presented in general reinsurance contract assets for incurred claims.

(v) Reserving methodology

Reserving for non-life insurance claims is a complex process and the Group adopts recognised actuarial methods and, where appropriate, other calculations and statistical analysis. Actuarial methods used include the chain ladder, Bornhuetter-Ferguson and average cost methods.

Chain ladder methods extrapolate paid amounts, incurred amounts (paid claims plus case estimates) and the number of claims or average cost of claims, to ultimate claims based on the development of previous years. This method assumes that previous patterns are a reasonable guide to future developments. Where this assumption is felt to be unreasonable, adjustments are made or other methods such as Bornhuetter-Ferguson or average cost are used. The Bornhuetter-Ferguson method places more credibility on expected loss ratios for the most recent loss years. For smaller portfolios the materiality of the business and data available may also shape the methods used in reviewing reserve adequacy.

The selection of results for each accident year and for each portfolio depends on an assessment of the most appropriate method. Sometimes a combination of techniques is used. The average weighted term to payment is calculated separately by class of business and is based on historical settlement patterns.

(vi) Risk Adjustment for non-financial risk

The Risk Adjustment for non-financial risk is the compensation the Group requires for bearing the uncertainty about the amount and timing of the cash flows that arise from non-financial risk as it fulfils insurance contracts. Uncertainty is assessed using actuarial methods to quantify the variability in undiscounted net outcomes on an ultimate horizon.

The Group's risk appetite is to hold claims reserves, including a net Risk Adjustment, equating to at least a 75% probability of sufficiency. This approach generally results in a favourable release of provisions in the current financial year, arising from the settlement of claims relating to previous financial years.

Overall, it is estimated that the booked net Risk Adjustment provides for a confidence level of approximately 90% (2023: 90%), which is established by comparing the uplift for the booked net Risk Adjustment to the uncertainty distribution. Percentile estimates for loss distributions are highly uncertain as they contain a large number of judgements on possible future outcomes. This means that the percentile may see some fluctuation year on year due to inherent volatility.

(vii) Calculation of provisions for latent claims

The Group adopts commonly used industry methods including those based on claims frequency and severity and benchmarking.

(viii) Discounting

General insurance outstanding claims provisions have been discounted by applying currency and term specific discount rates in the following territories:

	Discount rate	
Geographical territory	**2024**	2023
UK and Ireland	**4.6% to 6.2%**	4.0% to 5.3%
Canada	**3.0% to 4.9%**	3.5% to 4.7%
Australia	**4.5%**	3.9%

The above rates of interest are based on government bond yields of the relevant currency and term at the reporting date. Adjustments are made, where appropriate, to reflect the illiquidity of the liabilities.

The impact of discount rate changes on the outstanding claims liability is presented within the net insurance financial result (note 8 to the full financial statements).

The sensitivity of Group profit or loss and other equity reserves to interest rate risk, taking into account the mitigating effect on asset values, is provided in note 4(h) to this announcement.

(ix) Assumptions

The Group follows a process of reviewing its reserves for outstanding claims on a regular basis. This involves an appraisal of each reserving class with respect to ultimate claims liability for the recent exposure period as well as for earlier periods, together with a review of the factors that have the most significant impact on the assumptions used to determine the reserving methodology. The work conducted is subject to an internal peer review and management sign-off process.

The most significant assumptions in determining the undiscounted general insurance reserves are the anticipated number and ultimate settlement cost of claims, and the extent to which reinsurers will share in the cost. Factors which influence decisions on assumptions include legal and judicial changes, significant weather events, other catastrophes, subsidence events, exceptional claims or substantial changes in claims experience and developments in older or latent claims. Significant factors influencing assumptions about reinsurance are the terms of the reinsurance treaties, the anticipated time taken to settle a claim and the incidence of large individual and aggregated claims.

(x) Changes in assumptions

There are no significant changes in approach but we continue to evolve estimates in light of underlying experience.

(xi) Sensitivity of results

The sensitivity of profit before tax to reasonably possible final settlement assumptions used to calculate the general insurance liabilities is shown in the following table. No account has been taken of any correlation between the assumptions.

	Change in variable	Potential (decrease)/ increase in the result			
		2024		2023	
		Gross	**Net**	Gross	Net
Variable		**£000**	**£000**	£000	£000
Deterioration in loss ratio	+1%	**(6,232)**	**(3,634)**	(5,791)	(3,301)
Improvement in loss ratio	-1%	**6,232**	**3,634**	5,791	3,301
Increase in net liability for incurred claims excluding risk adjustment	+10%	**(55,792)**	**(36,304)**	(55,498)	(37,481)
Decrease in net liability for incurred claims excluding risk adjustment	-10%	**55,792**	**36,304**	55,498	37,481
Increase in risk adjustment**	+1%	**(6,781)**	**(4,674)**	(6,590)	(4,654)
Decrease in risk adjustment**	-1%	**6,781**	**4,674**	6,590	4,654

*The comparative financial statements have been restated to reflect the correct current year presentation of reinsurance contract assets between general reinsurance contract assets for incurred claims and general reinsurance contract assets for remaining coverage. Amounts recoverable from reinsurers in respect of claims previously included in general reinsurance contract assets for remaining coverage have been re-presented in general reinsurance contract assets for incurred claims.

** Calculated on undiscounted present value of future cash flows

At 31 December 2024, it is estimated that a fall of 1% in the discount rates used would increase the Group's net outstanding claims liabilities and decrease profit before tax and equity by £13.6m (2023: £14.3m).

(xii) Claims development tables

The nature of liability classes of business is that claims may take a number of years to settle and before the final liability is known. The table below shows the development of the undiscounted estimate of ultimate net claims cost for these classes across all territories.

Estimate of ultimate net claims

	2015 £000	**2016 £000**	**2017 £000**	**2018 £000**	**2019 £000**	**2020 £000**	**2021 £000**	**2022 £000**	**2023 £000**	**2024 £000**	**Total £000**
At end of year	42,739	47,402	45,920	44,053	44,230	45,459	47,289	47,599	52,252	51,781	
One year later	40,397	41,631	41,706	37,456	39,842	37,509	47,102	45,575	50,629		
Two years later	37,740	37,740	37,797	32,867	37,243	36,193	45,079	45,547			
Three years later	32,297	36,337	34,818	31,647	39,164	37,579	46,666				
Four years later	28,506	35,217	36,431	32,884	39,248	35,694					
Five years later	27,418	32,993	36,550	31,722	35,836						
Six years later	30,544	33,896	38,618	30,442							
Seven years later	30,296	34,297	37,595								
Eight years later	29,231	33,022									
Nine years later	29,003										
Current estimate of ultimate claims	29,003	33,022	37,595	30,442	35,836	35,694	46,666	45,547	50,629	51,781	396,215
Cumulative payments to date	(23,004)	(25,562)	(26,487)	(19,348)	(24,880)	(17,392)	(15,225)	(9,192)	(5,651)	(1,549)	(168,290)
Outstanding liability	5,999	7,460	11,108	11,094	10,956	18,302	31,441	36,355	44,978	50,232	227,925
Effect of discounting											(40,898)
Present value											187,027
Discounted liability in respect of earlier years											141,365

Total discounted net liability for liability classes	328,392
Total discounted gross liability for non-liability classes, expenses and reinsurance debtors	101,407
Total discounted net liability included in insurance liabilities in the statement of financial position	429,799

(b) Life business insurance contracts

(i) Reconciliation of the liability for remaining coverage

Insurance contracts issued	Estimates of present value of future cash flows £000	Risk adjustment for non-financial risk £000	Contractual service margin £000	Total £000
At 1 January 2023	53,242	271	5,750	59,263
Changes that relate to current service				
CSM recognised in profit or loss for the services provided	-	-	(717)	(717)
Experience adjustments	(90)	-	-	(90)
	(90)	-	(717)	(807)
Changes that relate to future service				
Changes in estimates that adjust the CSM	(1,700)	(20)	1,720	-
	(1,700)	(20)	1,720	-
Insurance service result	(1,790)	(20)	1,003	(807)
Finance expense from insurance contracts issued	2,581	-	47	2,628
Net insurance financial result	2,581	-	47	2,628
Total amounts recognised in statement of profit or loss	791	(20)	1,050	1,821
Claims and other directly attributable expenses paid	(5,035)	(20)	-	(5,055)
Total cash flows	(5,035)	(20)	-	(5,055)
At 31 December 2023	48,998	231	6,800	56,029
Changes that relate to current service				
CSM recognised in profit or loss for the services provided	**-**	**-**	**(712)**	**(712)**
Change in the risk adjustment for non-financial risk for the risk expired	**-**	**(16)**	**-**	**(16)**
Experience adjustments	**(318)**	**-**	**-**	**(318)**
	(318)	**(16)**	**(712)**	**(1,046)**
Changes that relate to future service				
Changes in estimates that adjust the CSM	**(440)**	**157**	**283**	**-**
	(440)	**157**	**283**	**-**
Insurance service result	**(758)**	**141**	**(429)**	**(1,046)**
Finance income from insurance contracts issued	**(366)**	**-**	**47**	**(319)**
Net insurance financial result	**(366)**	**-**	**47**	**(319)**
Total amounts recognised in statement of profit or loss	**(1,124)**	**141**	**(382)**	**(1,365)**
Claims and other directly attributable expenses paid	**(5,474)**	**(5)**	**20**	**(5,459)**
Total cash flows	**(5,474)**	**(5)**	**20**	**(5,459)**
At 31 December 2024	**42,400**	**367**	**6,438**	**49,205**

(ii) Assumptions

The most significant assumptions in determining life reserves are as follows:

Mortality

An appropriate base table of standard mortality is chosen depending on the type of contract. Where prudent, an allowance is made for future mortality improvements based on trends identified in population data. For both 2024 and 2023 the base tables used were ELF16F and ELT16M with a 1% improvement applied each year.

Discounting

The nominal discount rate curve is calculated on a bottom up basis. The risk free curve is based on the UK government bond yield curve. A liquidity premium based on the return on a notional index of fixed interest assets, including gilts and corporate bonds, is added to the risk free curve. The liquidity premium is adjusted for credit risk and differences in liquidity between the notional assets and the liabilities.

	2024	2023
Non-Profit Life Business	**3.7% to 6.0%**	3.2% to 5.1%

Funeral plans renewal expense level and inflation

Numbers of policies in force and both projected and actual expenses have been considered when setting the base renewal expense level. The unit renewal expense assumption for in-force business is £18.29 per annum (2023: £14.27 per annum).

Expense and benefit inflation curves are set with reference to GBP inflation swaps of various terms, and using linear interpolation between available swap terms.

Tax

It has been assumed that current tax legislation and rates enacted at 1 January 2025 will continue to apply. All in-force business is classed as protection business and is expected to be taxed on a profits basis.

(iii) Changes in assumptions

Projected investment returns have been revised in line with the changes in the actual yields of the underlying assets. As a result, liabilities have decreased by £2.8m (2023: £0.6m increase).

The assumed future expenses of running the business have been revised based on expenses that are expected to be incurred by the Company. The effect on insurance liabilities of the changes to renewal expense assumptions (described above) was a £0.4m increase (2023: £0.5m decrease).

(iv) Sensitivity analysis

The sensitivity of profit before tax to changes in the key assumptions used to calculate the life insurance liabilities is shown in the following table. No account has been taken of any correlation between the assumptions.

	Change in variable	**Potential (decrease)/ increase in the result**	
		2024	2023
Variable		**£000**	£000
Deterioration in mortality	+10%	**(857)**	(820)
Improvement in mortality	-10%	**1,002**	960
Increase in fixed interest/cash yields	+1% pa	**(624)**	(340)
Decrease in fixed interest/cash yields	-1% pa	**771**	360
Worsening of base renewal expense level	+10%	**30**	20
Improvement in base renewal expense level	-10%	**(30)**	(20)
Increase in expense inflation	+1% pa	**68**	50
Decrease in expense inflation	-1% pa	**(54)**	(40)

(v) Maturity analysis

The table below shows the maturity profile of the CSM release.

	Within 1 year £000	Between 1 and 5 years £000	After 5 years £000	Total £000
At 31 December 2024				
CSM release after accretion	**764**	**2,316**	**3,358**	**6,438**
At 31 December 2023				
CSM release after accretion	591	1,947	4,263	6,801

9. Disposal of subsidiaries and discontinued operations

On 3 January 2023 the Company approved a dividend in specie and distributed its entire holdings in EdenTree Investment Management Limited and Ecclesiastical Financial Advisory Services Limited to the Group's immediate parent company, Benefact Group plc.

(a) Disposal of subsidiaries

	2024 £000	2023 £000
Consideration received or receivable	-	5,223
Carrying amount of net assets sold	-	(4,504)
Gain on disposal before and after tax	-	719

The gain on disposal has been presented within profit attributable to discontinued operations in the consolidated statement of profit or loss.

	2024 £000	2023 £000
Other assets	-	9,822
Cash and cash equivalents	-	5,177
Total assets	-	14,999
Deferred income	-	(261)
Other liabilities	-	(10,234)
Total liabilities	-	(10,495)
Net assets	-	4,504

(b) Financial performance of discontinued operations

	2024 £000	2023 £000
Gain on disposal of subsidiaries before and after tax	-	719
Profit from discontinued operations	-	719

(c) Cash flow information for discontinued operations

	2024 £000	2023 £000
Net cash outflow from investing activities	-	(5,177)
Net decrease in cash generated by discontinued operations	-	(5,177)

Net cash outflow from investing activities in the prior year includes an outflow of £5.2m from the disposal of EdenTree Investment Management Limited and Ecclesiastical Financial Advisory Services Limited.

10. Reconciliation of Alternative Performance Measures

The Group uses alternative performance measures (APMs) in addition to the figures which are prepared in accordance with IFRS. The financial measures in our key financial performance data include gross written premiums and the combined operating ratio and are used to manage the Group's general insurance business. Similar measures are commonly used in the industries we operate in and we believe they provide useful information and enhance the understanding of our results. No life insurance premiums were written in the year (2023: none) and the life insurance revenue is the earning of the legacy business over its life, expected to be in excess of 10 years.

Users of the accounts should be aware that similarly titled APM reported by other companies may be calculated differently. For that reason, the comparability of APM across companies might be limited.

The tables below provide a reconciliation of the gross written premiums, net written premiums and the combined operating ratio to their most directly reconcilable line items in the financial statements.

General insurance		2024 £000
Insurance revenue	[1]	**623,195**
Deduct change in the gross unearned premium provision		**17,406**
Gross written premiums		**640,601**
Outward reinsurance premiums written		**(261,194)**
Net written premiums		**379,407**
Change in the net unearned premium provision		**(16,050)**
Net earned premiums	[3]	**363,357**

Gross written premiums refers to the total premiums written and invoiced by the Group during the reporting year before deducting any outwards reinsurance premiums or adjustments for unearned premiums. It reflects the total premium income generated by the Group's underwriting activities. Net written premiums are the gross written premiums after deducting any outwards reinsurance premiums. Net earned premiums are the net written premiums after adjusting for unearned premiums based on the elapsed time of the policy period.

		2024						
		Insurance		**Inv'mnt return**		**Corporate cost**	**Other income and charges**	**Total**
		General	**Life**					
		£000	**£000**	**£000**		**£000**	**£000**	**£000**
Insurance revenue	[1]	**623,195**	**6,078**	**735**	*	**-**	**(55)**	**629,953**
Insurance service expenses		**(465,905)**	**(5,033)**	**9,066**	**	**-**	**55**	**(461,817)**
Insurance service result before reinsurance contracts held		**157,290**	**1,045**	**9,801**		**-**	**-**	**168,136**
Net expense from reinsurance contracts		**(84,590)**	**-**	**-**		**-**	**-**	**(84,590)**
Insurance service result		**72,700**	**1,045**	**9,801**		**-**	**-**	**83,546**
Net insurance financial result		**-**	**319**	**(7,181)**		**-**	**-**	**(6,862)**
Net investment result		**-**	**1,318**	**70,532**		**-**	**-**	**71,850**
Fee and commission income		**-**	**-**	**-**		**-**	**544**	**544**
Other operating expenses		**(25,058)**	**(1,276)**	**(3,219)**		**(33,152)**	**(796)**	**(63,501)**
Other finance costs		**-**	**-**	**-**		**-**	**(3,102)**	**(3,102)**
Profit/(loss) before tax	[2]	**47,642**	**1,406**	**69,933**		**(33,152)**	**(3,354)**	**82,475**

* instalment handling charges
** discounting on non-latent claims provisions

Combined operating ratio = ([3] - [2]) / [3] **86.9%**

The underwriting profit/(loss) of the Group is defined as the profit/(loss) before tax of the general insurance business.

The Group uses the net combined operating ratio as a measure of underwriting efficiency. The combined operating ratio expresses the total underwriting costs of the general insurance business expressed as a percentage of net earned premiums. It is calculated as ([3] - [2]) / [3].

General insurance		**2023** **£000**
Insurance revenue	[1]	579,146
Deduct change in the gross unearned premium provision		35,861
Gross written premiums		615,007
Outward reinsurance premiums written		(263,667)
Net written premiums		351,340
Change in the net unearned premium provision		(21,285)
Net earned premiums	[3]	330,055

		2023						
		Insurance		**Inv'mnt return**		**Corporate cost**	**Other income and charges**	**Total**
		General **£000**	**Life** **£000**	**£000**		**£000**	**£000**	**£000**
Insurance revenue	[1]	579,146	6,509	832	*	-	(3)	586,484
Insurance service expenses		(415,686)	(5,702)	12,801	**	-	3	(408,584)
Insurance service result before reinsurance contracts held		163,460	807	13,633		-	-	177,900
Net expense from reinsurance contracts		(107,174)	-	-		-	-	(107,174)
Insurance service result		56,286	807	13,633		-	-	70,726
Net insurance financial result		-	(2,628)	(16,912)		-	-	(19,540)
Net investment result		-	4,274	53,195		-	-	57,469
Other operating expenses		(31,766)	(1,213)	(3,780)		(24,079)	87	(60,751)
Other finance costs		-	-	-		-	(3,151)	(3,151)
Profit/(loss) before tax	[2]	24,520	1,240	46,136		(24,079)	(3,064)	44,753

* instalment handling charges
****** discounting on non-latent claims provisions

Combined operating ratio = ([3] - [2]) / [3] 86.9%

11. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation.

Charitable grants paid to the ultimate parent undertaking are disclosed in note 15 to the full financial statements.

Full disclosure of related party transactions is included in note 36 to the full financial statements.