

PAMIA LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

Company No. 02418817

PAMIA LIMITED

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PAMIA LIMITED

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of the Members will be held at the offices of the Managers 90 Fenchurch Street London EC3M 4ST on 1 May 2026 at 4.30pm for the following purposes:

- To receive the Directors' Report and Financial Statements for the year ended 30 June 2025 and if they are approved to adopt them;
- to appoint Directors; and
- to appoint Auditors and authorise the Directors to fix their remuneration.

By order of the Board

Signed by:

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K. Halpenny
Secretary

7 October 2025

Note: (i) A Member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote instead of him. A person so appointed must be a Member of the Company. The instrument appointing a proxy shall be deposited with the Secretary not less than 48 hours before the meeting.

Note: (ii) An agenda booklet for the Annual General Meeting setting out the resolutions and containing the minutes of the last Annual General Meeting will be sent to all Members prior to the meeting together with a form of proxy.

PAMIA LIMITED

DIRECTORS OF PAMIA LIMITED

A.R. Findlay	Chair	Reddie & Grose LLP
J.G. Leeming	Deputy Chair	J A Kemp LLP
J. Wills *	Deputy Chair	Mewburn Ellis LLP
R.P. Cunningham	Chief Executive Officer	Thomas Miller Professional Indemnity Limited
R.A.A. Harnal	Chief Financial Officer	Thomas Miller Professional Indemnity Limited
J. Cooper	Appointed 1 May 2025	Abion
A. Argyle		Potter Clarkson LLP
Z. Bailey		Withers & Rogers LLP
C. Bond		Forresters LLP
P. Brandon		Appleyard Lees IP LLP
G. Ferguson		F R Kelly
R. Gardner		Dehns
I. Gill	Retired 1 Dec2024	A.A.Thornton & Co
A.C. Hayes		Boult Wade Tennant LLP
T. Garland		D Young & Co LLP
G. Lambert		Haseltine Lake Kempner LLP
N. Tyreman		HGF Limited
B.R. Lucas		Lucas & Co.
D.A. McCarthy		MacLachlan & Donaldson (Ireland) Limited
A. McFarlane	Appointed 1 May 2025	Keltie
A. Sharples		EIP
J. Stobbs.*		Stobbs IP
C. Turnbull		Venner Shipley LLP
C.H. Watkins *		Secerna LLP
G. Williams		Marks & Clerks LLP
D. Wise		Carpmaels & Ransford LLP
K.G. Young *		Murgitroyd

* Members of the Audit & Risk Committee

PAMIA LIMITED

CHAIR'S REPORT

I am pleased to present my thirteenth Report for the financial year ended 30 June 2025.

The result for the financial year to 30 June 2025 was a deficit of £ 0.401m compared to a surplus of £0.658m for the previous financial year.

The deficit decreased PAMIA's free reserves (the capital PAMIA holds in excess of its liabilities) to £16.297m. Free reserves for regulatory capital purposes, which are determined on a different basis, were £16.349m, £11.616m in excess of PAMIA's regulatory capital requirement of £4.734m. PAMIA's Business Plan requires it to hold minimum capital resources for regulatory purposes in excess of our Solvency Capital Requirement (SCR) of an amount equivalent to meet a 1 in 200-year event as calculated by the Managers' actuaries. PAMIA will aim to limit our excess capital resources in excess of our minimum target to a maximum of a further amount equivalent to that required to meet a 1 in 50-year event.

At the year-end the minimum targeted reserves for regulatory capital purposes were £9.800m and the maximum was £13.770m. PAMIA's regulatory capital stands at £16.349m, which is above the maximum target by £2.579m. The decrease in the level of free reserves was largely the result of higher net claims offset by increased premium income and investment performance. PAMIA's Solvency Capital Requirement has also decreased; this was driven predominantly by a reduction in Equity risk largely as a result of a decrease in the amount of equities and alternatives held.

The Board continues to monitor PAMIA's free reserves to ensure that it is financially strong. At the 2024 renewal, we kept the premium rates unchanged for the second year on account of expected lower investment performance which was not enough to make up for underwriting losses, with claims and expenses expected to continue to increase. In reality the reinsurance costs remained unchanged but the claims development in the year deteriorated by £0.989m. As our regulatory capital exceeds the maximum target, the Board decided that rates for the 2025 policy year would be reduced by 2% .

For the year ended 30 June 2025 PAMIA's investment income was a positive £1.226m (a return of 6.31%) compared to investment income of £1.530m (a return of 8.19%). The markets continue to be volatile but PAMIA's investments are structured to weather these short-term falls and deliver positive investment returns in the medium to long term.

The net claims amount PAMIA incurred in the year was £1.747m compared to £0.758m last year. This increase was due to the fact that £0.882m was recognised as an impairment loss against a reinsurance recovery disputed by the reinsurers at the year-end. This dispute was resolved after the year end with a net settlement of £0.572m to the benefit of PAMIA. The details are set out on Note 17 of the financial statements. The net reserves set aside for claims increased from £2.460m to £2.515m reflecting the higher claims experience. This provision reflects PAMIA's assessment of the likely future cost of claims on notifications made to PAMIA and has been reviewed by the Managers' actuaries and Auditors.

PAMIA LIMITED

CHAIR'S REPORT (continued)

I would like to express my gratitude to all Directors for their commitment to PAMIA . Members should be very aware that their work is voluntary and demanding, and their contributions are vital to our continued success. And we also thank the firms who are prepared for their colleagues to commit the time and effort which is so important.

This year one of our Directors, Ian Gill has retired and I would on behalf of the Board thank him for his service to PAMIA.

I am also pleased to inform you that we have appointed two new Directors from the profession, Dani Aliss and Alan McFarlane who will bring additional knowledge and experience to PAMIA.

Looking ahead, PAMIA remains focused on delivering value to its Members, maintaining financial resilience, and upholding the highest standards of service and governance.

In this aim we are always so well supported by our Managers, Thomas Miller, and our Insurance Consultants, Willis, who combine long institutional knowledge with exemplary professionalism to achieve consistently excellent outcomes for PAMIA

Signed by:

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Alice Findlay
Chair
7 October 2025

PAMIA LIMITED**STRATEGIC REPORT****Review of the year**

The Directors present their Strategic Report on the Company for the year ended 30 June 2025.

The Company continued to provide professional indemnity insurance for patent and trademark practices. The deficit arising out of the period's operations after tax was £0.401m (2024: surplus of £0.658m) and this was transferred to reserves. The reserves now amount to £16.297m (2024: £16.698m).

These reserves have been retained to meet claims and the solvency requirement under the Financial Services and Markets Act 2000. The Directors anticipate no significant changes in the Company's future activities.

Principal Risks and Uncertainties

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by the Audit & Risk Committee and internal audit. Compliance with regulation, legal and ethical standards is a high priority for the Company, the compliance team and finance department. They perform an important oversight role in this regard.

The Company operates a risk transfer strategy by purchasing reinsurance and so safeguarding its reserves. During the year ended 30 June 2025 38.5% (2024: 33.50%) of the reinsurance contract was placed at Lloyd's, with the balance placed with insurance companies and branches in the UK. This is consistent with the placement in the prior period. Note 6 in the financial statements explains the Company's reinsurance programme.

The principal risk facing the Company as an insurance company is a severe claims experience. The claims history demonstrates that, quite unexpectedly, claims can climb to levels that could have an impact on its financial strength were it not adequately reserved.

Other key risks facing the Company are detailed in note 4.

Key Performance Indicators

The Company's objective is to benefit its Members through the provision of professional indemnity insurance on a mutual basis, and its ability to continue do so is partly measured by its solvency position. The key performance indicator is considered the amount by which the Company's capital resources exceed the Company's regulatory capital requirement, its Solvency Capital Requirement, with reference to a target range, as explained in note 4.7.

PAMIA LIMITED**STRATEGIC REPORT (CONTINUED)****Key Performance Indicators (continued)**

The Company's other key performance indicators are its financial results and its investment performance, which are shown below.

Financial Results

The figures in the table below are taken from the Annual Report and Financial Statements for the year ended 30 June 2025, which will be submitted to the membership for approval at the Annual General Meeting, which will be held on 30 April 2026.

The Statement of Income and Movement in Reserves (on page 24) and the Statement of Financial Position (on page 25), together with the notes to the financial statements, set out the Company's financial position in detail. The following table compares key financial information for the year-end.

Amounts in £'000	Year to 30 June 2025	Year to 30 June 2024
Premium written	3,145	2,929
Reinsurance premium	(1,550)	(1,550)
Change in net provision for unearned premium	43	(136)
Net claims	(1,747)	(758)
Operating expenses	(1,222)	(1,067)
Surplus/(deficit) on technical account	(1,331)	(582)
Investment Income	1,076	1,385
Surplus/(deficit) before tax	(255)	803
Tax (charged)/credited	(146)	(145)
Surplus/(deficit) for the year	(401)	658
Free reserves at year end	16,297	16,698

Investments

PAMIA requires its investment portfolio to be invested in a manner, which assists it in maintaining its financial strength by preserving capital to meet its liabilities and delivering positive investment returns over the medium term to subsidise premiums.

The investment return for the period under review was positive 6.31% (2024: positive 8.19%).

PAMIA's assets are divided between a Short-Term Fund, a Capital Fund and a Growth Fund. The breakdown is shown below:

Amounts in £'000	30 June 2025	30 June 2024
Short Term Fund	1,270	1,242
Capital fund	7,775	6,062
Growth Fund	10,453	11,889
Market value (including accrued interest)	19,498	19,193

PAMIA LIMITED**STRATEGIC REPORT (CONTINUED)****Investments (continued)**

The purpose of the Short-Term Fund is to provide liquidity to meet PAMIA's projected operating cash flow requirements over the period of 12 months.

The purpose of the Capital Fund is to cover PAMIA's claims liabilities and regulatory capital requirements. In this context, "claims liabilities" does not include the run-off claims handling reserve.

The purpose of the Growth Fund is to hold free reserves for investment in riskier assets to generate positive returns over the medium term.

The amount to be held in each of the Short-Term Fund and the Capital Fund is decided annually, effective from 1 October in accordance with the requirements of the Investment Policy and Investment Mandate. The balance of PAMIA's assets shall be invested in the Growth Fund. The currency allocation for the Capital Fund is reviewed annually.

The Company has 39% of its holdings in UK, US and European fixed income securities, 35% is in equities, 13% in alternative investments and 13% in cash equivalents.

Company's Current and Future Plans

The Company's central objective is to provide professional indemnity insurance to its members at a price that is fair and reasonable. Generating profits for distribution to Members is therefore not one of the Company's objectives. Rather, it will only seek to generate sufficient profit where necessary to strengthen its financial and solvency position to ensure that it can continue to provide professional indemnity insurance to its members in the longer term.

The Company Business Plan is to hold regulatory capital reserves based on a risk appetite statement to better reflect the risks faced by PAMIA. The Board have chosen a 1 in 200-year event as in excess of its SCR as a minimum target and a 1 in 50 year in excess of its minimum target as its maximum target.

The targets are shown in the table below:

Amounts in £'000	30 June 2025	30 June 2024
Regulatory Capital Reserves	16,349	16,650
Solvency Capital Requirement	4,734	5,960
Minimum buffer 1 in 200-year event	5,067	5,181
MINIMUM TARGET	9,800	11,141
Maximum buffer 1 in 50-year event	3,970	4,140
MAXIMUM TARGET	13,770	15,281

At the year-end, the Company was in a strong financial position with reserves for regulatory purposes at £16.349m (2024: £16.650m) being above its maximum target bands.

PAMIA LIMITED

STRATEGIC REPORT (CONTINUED)

COMPANIES ACT SECTION 172(1)

Section 172(1) of the Companies Act 2006 provides that a Director of a Company must act in a way that is considered to be in good faith, would most likely promote the success of the Company and benefit the Members as a whole; and in doing so to have regard to various other stakeholder interests, including the Managers, regulators, brokers and reinsurers.

As a mutual insurer, PAMIA exists for the benefit of its Members, who are also the insureds of the Company. The key decisions made in the year are the continuance of the reinsurance programme and the pricing of member premiums. The key factors under section 172(1) are considered further below:

The likely consequences of any long-term decision

PAMIA operates in a stable business environment. It has an annual business plan and, as a result, any decisions taken by the Board that produce an adverse financial result can quickly be identified and corrected.

The interests of the Company's employees

The Company has no employees. It has outsourced its day-to-day operations to the Managers. Two employees of the Managers have been appointed to the Company's Board as executive Directors.

The need to foster the Company's business relationships with suppliers, customers and others.

The Company's primary focus, as a mutual insurer, is the provision of insurance to its Members at rates that are fair and reasonable and ensuring that its Members are provided with an outstanding claims handling service.

The Managers report to the Company on the performance of suppliers and its relationship with others, including insurance and professional regulators.

The impact of the Company's operations on the community and the environment

The Company considers the best interests of its Members as a priority. PAMIA has maintained its premium rates and the reinsurance premium for the benefit of its members. It also acts as a sounding board on behalf of its Members on legal issues and either makes or assists in making representations to protect its Members' interests to government regulators as well as its own professional bodies.

PAMIA LIMITED**STRATEGIC REPORT (CONTINUED)****COMPANIES ACT SECTION 172(1) (continued)****The impact of the Company's operations on the community and the environment (continued)**

As a service orientated organisation, the Company does not have a material impact on the environment. The Board has established a policy on climate change, which is owned by the Company's Risk Officer. The policy considers the risk of climate change associated with the Company. The Board bears ultimate responsibility for managing the financial risks arising from climate change. Their responsibilities include:

- Understanding and assessing the risks to which PAMIA is exposed; their effect on solvency, liquidity and the ability to pay claims, together with their potential to cause reputational risk;
- Setting the tone by exercising effective oversight of risk management and controls and ensuring that adequate resources and sufficient skills and expertise are devoted to managing the financial risks from climate change; and
- Reviewing PAMIA's investment portfolio to determine climate-related risk factors.

PAMIA has no direct exposure to climate change risks but will continually analyse its exposure as regards the risks to which its Members might be exposed. Consideration of indirect climate change related financial risks such as the impact on its investment portfolio following unanticipated or premature write-downs or devaluation will also be monitored.

PAMIA does not fall under the scope of the Streamlined Energy and Carbon Reporting (SECR) requirements. The Directors have determined that PAMIA is a low energy user, using less than 40,000 kwh per year. As noted earlier, the Company's core management and business activities are outsourced to Thomas Miller. For these reasons, the Directors have not included information in relation to PAMIA's energy and carbon usage.

As a service orientated organisation, the Company does not have a material impact on the environment. The Board has established a policy on climate change, which is owned by the Company's Risk Officer. The policy considers the risk of climate change associated with the Company.

The desirability of the Company maintaining a reputation for high standards of business conduct

The Board has in place a conduct risk policy that applies to both the Board and the Managers. The policy is intended to ensure that the Company has due regard to the interest of its Members whilst keeping them, and the integrity of the markets in which they operate, at the heart of everything it does.

The need to act fairly between Members of the Company

The Company's conduct risk policy ensures that Members are treated fairly. In addition, the Board has established a conflicts of interest policy, which ensures that any Director's conflict of interest is appropriately disclosed and dealt with at Board level.

The Directors therefore consider that the requirements of Section 172(1) are appropriately addressed by the Company's policies and procedures.

Alice Findlay
Chair
7 October 2025

Signed by:

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PAMIA LIMITED

DIRECTORS' REPORT

The Directors have pleasure in presenting their report and financial statements for the year ended 30 June 2025.

The Company provides mutual insurance for patent and trademark practices against risks arising from professional negligence.

The Company has appointed Thomas Miller Professional Indemnity as sole managers to manage its business affairs and operations and has appointed Thomas Miller Investment Ltd to manage the Company's investment portfolio. Both Thomas Miller Professional Indemnity and Thomas Miller Investment Ltd are owned by Thomas Miller Holdings Limited.

The duties of the Managers and details of their remuneration are detailed in note 8 to the financial statements.

The Company has no employees.

The Board of Directors has affected a Directors' and Officers' Liability Insurance Policy to indemnify the Directors or Officers of the Company against loss arising from any claim made against them jointly or severally by reason of any wrongful act in their capacity as Director or Officer of the Company. The insurance also covers the Company's loss when it is required or permitted to indemnify the Directors or Officers pursuant to the law, Common or Statutory, or the Articles of Association. The cost of the insurance is met by the Company and is detailed in note 9 to the financial statements.

Risk Management

The Audit & Risk Committee oversees the Company's risk management. The Committee considers the type and scale of risk that the Company is prepared to accept in its ordinary course of activity, and this is used to develop strategy and decision-making.

Information on how these risks is managed is disclosed in Note 4 to the financial statements.

During the year, the Committee reviewed and approved the Company's risk management policies and procedures in the context of Solvency UK.

PAMIA LIMITED

DIRECTORS' REPORT (CONTINUED)

Directors and Officers

The Directors of the Company are shown on page 2.

In accordance with Clause 54 of the Articles of Association A. Argyle, R. Cunningham, G. Williams and A. Wills, retire by rotation at the forthcoming Annual General Meeting to be held on Thursday 1 May 2025 and being eligible, offer themselves for re-appointment.

Pursuant to the Board's approach to governance, the following Directors offer themselves for re-election annually as a result of having served for more than nine years in office:

1. A. Findlay;
2. R. Gardner;
3. A. Hayes;
4. J. Leeming;
5. B. Lucas;
6. D. McCarthy;
7. C. Watkins;
8. K. Young.

The remainder of the Board confirm their independence. In the case of each of the persons who are Directors at the time this report is approved, the following applies:

- (a) so far as the Directors are aware, there is no relevant audit information of which the Company's Auditors are unaware, and
- (b) they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

Members nominate some of the Directors. From time to time, the Company will enter into settlements of claims brought by Members who have nominated Directors, or for whom Directors work or are owners. Such Directors exclude themselves from discussion and decision making relating to such claims including the settlement thereof.

All Directors are required to declare whether they have any interest other than as Directors in any of the business set out in the Agenda at every Board and Committee meeting.

PAMIA LIMITED

DIRECTORS' REPORT (CONTINUED)

Meetings of the Directors

The Board of the Company held three formal meetings in the financial year: 17 July 2024, 27 November 2024 and 1 May 2025.

They also maintained contact with the Managers between meetings, in order to fulfil the general and specific responsibilities entrusted to them by the Members under the Company's Articles of Association and Rules.

The Directors received and discussed written reports from the Managers on financial development, investment of its portfolio, renewals, reinsurance, regulatory reports, major claims paid and outstanding and claims reserves.

The Annual Report and Financial Statements for the year ended 30 June 2024 were approved by the Board in October 2023 for submission to the members of the Company at the Annual General Meeting on 1 May 2025.

Board Committees

The Board has delegated specific authority to a number of committees. The Board is informed of the main issues discussed, as all minutes of the meetings of the committees are included in the Board's agenda papers and the Chairman of each Committee makes a report at the Board meeting immediately following a Committee meeting.

The Audit & Risk Committee comprising Jonathan Wills (Chair), , Julius Stobbs, Charlotte Watkins Keith Young and Alan McFarlane, assists the Board in recommending the approval of the financial statements, and year-end claims reserves. The Committee ensures that the Company complies with and meets all legal and regulatory requirements. It is responsible for assessing the Business Risk of the Company. It is also responsible for internal and external audit appointments and to provide a clear channel of communication between the Board and the Auditors. The Committee met on three occasions in the course of the year.

The Claims Committee comprising Gareth Williams (Chair), John Leeming, Nienke Lubben, Brian Lucas, Andrew Sharples, Clare Turnbull ,Daniel Wise and Jandan Aliss assists the Board in providing guidance on steps which might be taken to remedy or mitigate losses resulting from concerns reported by Members and technical input on the merits of claims presented against Members. The Committee assists the Board in identifying specific or general risks emerging from claims against members. The Committee met on three occasions in the course of the year.

The Investment Committee comprising Graham Lambert (Chair), Zoe Bailey, Chris Bond, Rebecca Gardner, and Keith Young assists the Board in reviewing in detail the performance of PAMIA's investments and making recommendations to the Board in respect of the Investment Policy, and other investment related issues. The Committee met on three occasions in the course of the year.

PAMIA LIMITED

DIRECTORS' REPORT (CONTINUED)

Board Committees (continued)

The Management Committee comprising Alice Findlay (Chair), John Leeming and Jonathan Wills are responsible for monitoring the performance and effectiveness of PAMIA, including general oversight of the Managers and the effectiveness of the Board. The Committee is also the focal point for PAMIA's external relationships, including with Members and organisations such as Intellectual Property Regulation Board (IPReg), Chartered Institute of Patent Attorneys (CIPA) and Chartered Institute of Trademark Attorneys (CITMA). The Committee is also responsible for the monitoring and development of the Business Plan. The Committee met on three occasions in the course of the year.

The Management Fee Committee comprising Jonathan Wills (Chair), John Leeming and Keith Young assists the Board to determine the Management Fee to be paid to the Managers. The Committee did not meet formally during the year; however, the members had informal communications during the year.

The Nominations Committee comprising Charlotte Watkins (Chair), Brian Lucas, Alice Findlay, John Leeming and Jonathan Wills advises the Board on the appointment and retention of Directors and consultants in accordance with the policy of the Board and to assist the Managers in providing guidance to Directors on their responsibilities. The Committee met on three occasions in the course of the year.

The Rating & Reinsurance Committee comprising John Leeming (Chair), Andrew Argyle, Gavin Ferguson, Alice Findlay, Rebecca Gardner, Denis McCarthy and Gareth Williams, assists the Board in reviewing the rating structure and reinsurance programme and make annual recommendations to the Board in respect of the same. The Committee met on two occasions in the course of the year.

The Rules and Cover Committee comprising Paul Brandon (Chair), Alice Findlay, Adrian Hayes, Tamsin Holma, and John Leeming, helps determine the basis on which PAMIA provides cover to its members, reviews PAMIA's Memorandum and Articles of Association, determines the terms of engagement of the Managers, Investment Managers and Insurance Consultants, ensures consistency between the reinsurance cover and terms of cover provided by PAMIA and the terms of PAMIA's reinsurance cover. The Committee met on two occasions in the course of the year.

Future developments

The future developments of the Company have been considered in the Chair's and the Strategic reports.

Post balance sheet events

Apart from Note 17 there have been no other events since the balance sheet date, which either require changes to be made to the figures included in the financial statements.

PAMIA LIMITED**DIRECTORS' REPORT (CONTINUED)****Statement of Directors' Responsibilities**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

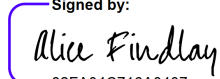
PAMIA LIMITED

DIRECTORS' REPORT (CONTINUED)

Statutory Auditors

BDO LLP were appointed as auditor and it is the intention of the Directors to reappoint BDO LLP as auditor for the forthcoming year

By order of the Board

Signed by:

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Alice Findlay
Chair
7 October 2025

PAMIA LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PAMIA LIMITED

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 30 June 2025 and of the Company's deficit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of PAMIA Limited (the 'Company') for the year ended 30 June 2025 which comprise the Statement of Income and Movement in Reserves, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard ('FRS') 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and FRS 103 *Insurance Contracts* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the Audit & Risk Committee.

Independence

Following the recommendation of the Audit & Risk Committee, we were appointed by the Board of Directors on 2 May 2024 to audit the financial statements for the year ended 30 June 2024 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is two years, covering the years ended 30 June 2024 to 30 June 2025. We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Company.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Assessing the solvency position through reference of sufficiency of assets to meet liabilities and the adequacy of regulatory capital.

PAMIA LIMITED

INDEPENDENT AUDITORS’ REPORT TO THE MEMBERS OF PAMIA LIMITED (CONTINUED)

Conclusions relating to going concern (continued)

- Review of the latest available Own Risk and Solvency Assessment (‘ORSA’) return to check compliance with regulatory solvency requirements. This included checking that stress testing was performed and review of the results of the stress testing as documented in the ORSA return.
- Enquiries of the Directors and scrutiny of management information, board minutes and regulatory correspondence to ascertain the existence of undisclosed events or obligations that may cast significant doubt on the Company’s ability to continue as a going concern.
- Review and challenge of the Company’s current plans and budgets, including an assessment of the 2026 budget against the audited 2025 results and assessing the reasonableness of assumptions made based on historic outturn of budgeted results and our knowledge of relevant factors affecting the industry and economy.

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

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

Overview

Key audit matter	2025		2024	
	Valuation of Claims Incurred But Not Enough Reported (“IBNER”) Provision	✓	✓	
Materiality	<i>Financial statements as a whole</i> £328,000 (2024: £249,000) based on 2% (2024: 1.5%) of net assets.			

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company’s system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

PAMIA LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PAMIA LIMITED (CONTINUED)**An overview of the scope of our audit (continued)***Key audit matters*

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

Key audit matter		How the scope of our audit addressed the key audit matter
<i>Valuation of claims incurred but not enough reported ('IBNER').</i> <i>Notes 2.4 Claims, 3.1 The Ultimate Liability Arising From Claims Made Under Insurance Contracts, 7 Claims And Technical Provisions</i> Gross claims outstanding of £7,696,565 (2024: £3,689,781) include a reserve for IBNER of £1,475,000 (2024: £1,383,750).	This is recognised to reflect the unpredictability around the ultimate losses that will be incurred arising from notified claims due to the uncertainty over the final claims value. In addition, the volatility and data limitations restrict the Company's ability to apply standard actuarial techniques to the valuation of IBNER and therefore there is limited actuarial involvement. IBNER is inherently subjective with a high estimation uncertainty, and alterations in underlying assumptions may have a material impact on the financial position of the Company and on the results of its operations. We have identified the valuation of IBNER as our key audit matter given the level of uncertainty and judgement in the selection of key methodologies and assumptions relating to the severity of claims.	Our audit work in this area includes, but not limited to: ▪ Obtaining and reviewing the Directors' reserving report to understand the key methodologies for determining the valuation of IBNER; ▪ With the involvement of our actuarial specialists, evaluating the appropriateness of the key assumptions and judgments used in determining the valuation of IBNER by reference to historic data and outturn of IBNER; ▪ Testing the key underlying data including claims data to source documentation to assess the completeness and accuracy; and ▪ With the involvement of our actuarial specialists, performing sensitivity analysis on key assumptions applied by the Directors to assess the range of reasonable outcomes, comparing these to the Directors' estimate. Key observations: Based on the audit procedures performed, we did not identify any matters to suggest that the judgements and assumptions made in the valuation of IBNER are inappropriate.

PAMIA LIMITED**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PAMIA LIMITED (CONTINUED)****Our application of materiality**

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

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

	Company financial statements	
	2025	2024
Materiality	£328,000	£249,000
Basis for determining materiality	2% of Net Assets	1.5% of Net Assets
Rationale for the benchmark applied	We consider this to be the most relevant benchmark for the Company as it is a mutual insurer and therefore its ability to pay claims is the key factor for the users of the financial statements.	
Performance materiality	£246,000	£161,850
Basis for determining performance materiality	75% of financial statement materiality based on management's attitude towards proposed adjustments and accounts subject to estimation.	65% of financial statement materiality based on this being a first-year audit, management's attitude towards proposed adjustments and accounts subject to estimation.
Rationale for the percentage applied for performance materiality	In determining performance materiality, we considered factors such as our assessment of the Company's overall control environment, and expected total value of known and likely misstatements, based on past experience.	

Reporting threshold

We agreed with the Audit & Risk Committee that we would report to them all individual audit differences in excess of £16,400 (2024: £9,960). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

PAMIA LIMITED**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PAMIA LIMITED (CONTINUED)****Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: - the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and - the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: - adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or - the Company financial statements are not in agreement with the accounting records and returns; or - certain disclosures of Directors' remuneration specified by law are not made; or - we have not received all the information and explanations we require for our audit.

PAMIA LIMITED**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PAMIA LIMITED (CONTINUED)****Responsibilities of Directors**

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance; and
- Obtaining an understanding of the Company's policies and procedures regarding compliance with laws and regulations;

We considered the significant laws and regulations to be United Kingdom Accounting Standards including FRS 102 and FRS 103, Companies Act 2006 and the Bribery Act 2010.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be requirements of the Prudential Regulation Authority ('PRA') and the Financial Conduct Authority ('FCA').

PAMIA LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PAMIA LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements (continued)

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory authorities for any instances of non-compliance with laws and regulations;
- Review of financial statements disclosures and agreeing to supporting documentation.
- Involvement of tax specialists in the audit; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these; and
- Maintaining professional scepticism when performing our testing and considering if the results of such testing are indicative of fraud.

Based on our risk assessment, we considered the area's most susceptible to fraud to be the valuation of IBNER and management override of controls.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Involvement of forensic specialists in our fraud risk assessment; and
- Assessing significant estimates made by management for bias (refer to the key audit matters section for procedures performed over IBNER).

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

PAMIA LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PAMIA LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements (continued)

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

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

DocuSigned by:

Alexander Barnes

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Alexander Barnes (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

09 October 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

PAMIA LIMITED

STATEMENT OF INCOME AND MOVEMENT IN RESERVES For the year ended 30 June 2025

TECHNICAL ACCOUNT	Note	30 June 2025 £	30 June 2024 £
Earned premiums, net of reinsurance			
Advance Call		4,137,327	3,863,671
Premium deferral	5	(992,472)	(935,000)
Gross premium written		3,144,855	2,928,671
Outward reinsurance premiums	6	(1,550,000)	(1,550,000)
		1,594,855	1,378,671
Change in gross provision for unearned premiums		43,028	(136,102)
Change in provision for unearned premiums, reinsurers' share		-	-
Change in net provision for unearned premiums		43,028	(136,102)
Earned premium net of reinsurance		1,637,883	1,242,569
Claims incurred, net of reinsurance			
Claims paid			
Gross amount	7	(1,969,957)	(1,605,135)
Third Party Recoveries		34,495	98,295
Reinsurers' share		286,812	616,411
Net claims paid		(1,648,650)	(890,429)
Change in provision for claims – net amount	7	(98,328)	132,091
Claims incurred, net of reinsurance		(1,746,978)	(758,338)
Net operating expenses	9	(1,222,200)	(1,066,734)
Balance on technical account	A	(1,331,295)	(582,503)
NON-TECHNICAL ACCOUNT			
Investment income	10	542,479	758,506
Unrealised gains/(losses) on investments	10	683,528	771,872
Investment expenses and charges	10	(149,644)	(145,326)
	B	1,076,363	1,385,052
Surplus/(deficit) before tax	A+B	(254,932)	802,549
Tax charge	11	(145,910)	(144,458)
Surplus/ (deficit) for the financial year		(400,842)	658,091
Reserves at 1 July		16,698,082	16,039,991
Reserves at 30 June		16,297,240	16,698,082

All amounts derive from continuing operations. There are no recognised gains or losses other than the surplus/deficit for the financial year for the current and preceding financial periods.

The notes on pages 27 to 51 form an integral part of these financial statements.

PAMIA LIMITED**STATEMENT OF FINANCIAL POSITION
As at 30 June 2025**

	Note	30 June 2025	30 June 2024
ASSETS		£	£
Investments			
Other financial investments	12	19,446,500	19,150,649
Reinsurers' share of technical provision			
Claims outstanding	7	5,274,743	1,366,287
Debtors			
Debtors arising out of direct insurance operation	13	-	275
Debtors arising out of reinsurance operations		-	203,496
Other debtors	13	56,824	63,389
Other assets			
Cash and cash equivalents		2,323,536	3,205,330
Prepayments and accrued income			
Accrued interest		51,399	42,197
Other prepayments and accrued income		2,033	2,994
		<u>27,155,035</u>	<u>24,034,617</u>
LIABILITIES AND RESERVES			
Reserves			
Income and expenditure account		16,297,240	16,698,082
Technical provision			
Provision for unearned premiums			
Gross amount		<u>93,074</u>	<u>136,102</u>
		93,074	136,102
Claims outstanding			
Gross amount	7	<u>7,696,565</u>	<u>3,689,781</u>
		<u>7,789,639</u>	<u>3,825,883</u>
Creditors			
Creditors arising out of direct insurance operations		15,036	-
Other creditors including tax	14	<u>224,410</u>	<u>814,487</u>
		239,446	814,487
Accruals and deferred income	15	<u>2,828,710</u>	<u>2,696,165</u>
		<u>27,155,035</u>	<u>24,034,617</u>

These Financial Statements were approved by the Board of Directors and signed on its behalf on 7 October 2025 by:

Chair:
A.R. Findlay

Signed by:
Alice Findlay
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Deputy Chair:
J. Wills

Signed by:
Jonathan Wills
EAB68468FB7E475...

Signed on behalf of the Managers:

R.A.A. Harnal
Thomas Miller Professional Indemnity

Signed by:
Rajiv Harnal
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The notes on pages 27 to 51 form an integral part of these financial statements.

PAMIA LIMITED

STATEMENT OF CASH FLOWS For the year ended 30 June 2025

Operating activities

	30 June 2025	30 June 2024
	£	£
Premiums received	3,155,006	3,161,249
Reinsurance premium paid	(1,550,000)	(1,550,000)
Claims paid	(1,935,462)	(1,506,840)
Reinsurance recoveries received	490,308	874,060
Operating expenses paid	(1,854,438)	(1,098,617)
Taxation paid	(69,468)	-
Net cash provided/(used) by operating activities	<u>(1,764,054)</u>	<u>(120,148)</u>

Cash flows from investment activities

Purchase of investments	(17,036,264)	(17,612,820)
Sales of investments	17,302,549	17,931,255
Interest received	157,929	123,752
Dividends received	458,046	527,192
Net cash flow from investment activities	<u>882,260</u>	<u>969,379</u>

Net increase/decrease in cash and cash equivalents

	<u>(881,794)</u>	<u>849,231</u>
Cash and cash equivalents at the beginning of the year	<u>3,205,330</u>	<u>2,356,099</u>
Cash and cash equivalents at the end of the year	<u>2,323,536</u>	<u>3,205,330</u>

The notes on pages 27 to 51 form an integral part of these financial statements.

PAMIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Constitution and ownership

The Company is incorporated in England and Wales as a company limited by guarantee and not having any share capital. It is authorised by the Prudential Regulation Authority to conduct insurance business on the mutual principle.

In pursuance of its business and in accordance with its Memorandum, Articles of The Company and its Rules, the Company has the right to make unlimited calls on its Members to meet its liabilities. No specific provision has been made in the financial statements for any such calls unless and until the Directors decide that any such calls shall be made.

In the event of the winding up of the Company, after its liabilities have been satisfied, the remaining assets shall be distributed to the Members as set out in the Articles of Association.

2. Significant accounting policies

2.1 Statement of compliance and basis of preparation

The financial statements have been prepared in compliance with UK Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and the Republic of Ireland" (FRS 102), Financial Reporting Standard 103, "Insurance Contracts" (FRS 103) and the Companies Act 2006.

The financial statements have been prepared under the provisions of the UK Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 relating to insurance groups.

The financial statements have been prepared on the historical cost basis, except for other financial investments, which are presented at fair value. The supporting notes to the financial statements are displayed as £'000.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue operations for the foreseeable future. For this reason, the going concern basis has been adopted in preparing the accounts.

2.2 Policy Year Accounting

Premiums, claims paid, reinsurance recoveries, reinsurance and the management fees are allocated to the Policy Years to which they relate.

Investment income and interest, profit/losses on sale of investments, exchange gains/losses and general expenses are allocated to the current Policy Year.

PAMIA LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****2. Accounting policies (continued)****2.3 Premiums**

The gross premium written is the total receivable for contracts incepting during the accounting period together with any premium adjustments relating to prior periods. Gross premiums written comprise advance calls net of provisions for bad debts, premium deferral and return premiums. Refer to note 5 for further details on premium deferral. Advance calls represent the gross amount of premium receivable for contracts incepting in the accounting period before any adjustments.

Substantially all policies are coterminous with the accounting period and therefore premium written on coterminous policies in the year will be fully earned by the reporting date. A small number of policies are non-coterminous with the accounting period and will be earned over a period longer than a year. The provision for unearned premiums comprises the element of gross premiums written, which is estimated to be earned in the following or subsequent financial years.

This has been calculated on a policy-by-policy basis.

2.4 Claims

Claims are accounted for on a notifications basis.

The claims provision in the Balance Sheet represents:

- (i) Estimated claims and settlement costs as at 30 June 2025, on notified claims outstanding in all policy years;
- (ii) An additional amount to provide against adverse development on estimated claims and reported circumstances as at 30 June 2025; and
- (iii) A provision for the Managers' future claims handling costs in respect of (i) and (ii).

Claims incurred in the Statement of Income and Movement in Reserves account include:

- (i) Claims and costs paid during the period;
- (ii) The claims handling costs of the Managers; and
- (iii) The movement in the claims provision.

These are stated net of applicable reinsurance recoveries. Refer to note 3.1 for further details on claims.

2.5 Reinsurance recoveries

Reinsurance recoveries are accrued to match the relevant claims that have been charged to the Technical Account.

PAMIA LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****2. Accounting policies (continued)****2.6 Reinsurance premiums**

Reinsurance premiums payable are charged to the Technical Account on an accruals basis and to the policy years to which they apply.

2.7 Financial instruments

The Company has chosen to apply the recognition, measurement and disclosure requirements of FRS 102 in respect of financial instruments.

Financial instruments are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price and are classified as either 'basic' or 'other' in accordance with Section 11 of FRS 102. Subsequent to initial recognition, they are measured as set out in note 2.8 below.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the Company has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

2.8 Other financial investments

The Company classifies its financial investments at fair value through profit or loss because they are managed and their performance is evaluated on a fair value basis.

Financial investments are recognised at trade date and subsequently measured at fair value. Fair values of financial investments traded in active markets are measured at bid price. Where there is no active market, fair value is measured by reference to other factors such as independent valuation reports.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions at an arm's length basis. If the above criteria are not met, the market is regarded as being inactive.

The costs of financial investments denominated in currencies other than UK Sterling are translated into UK Sterling on the date of purchase. Any subsequent changes in value, whether arising from market value or exchange rate movements, are charged or credited to the Non-Technical Account in the period in which they occur.

Net gains or losses arising from changes in fair value of financial investments at fair value through profit or loss are presented in the Non-Technical Account within 'Unrealised gains/ (losses) on investments' in the period in which they arise.

PAMIA LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****2. Accounting policies (continued)****2.9 Investment income**

This comprises gains and losses on investments and income received during the year adjusted in respect of interest and dividends receivable at the year end.

Realised gains or losses represent the difference between net sales proceeds and purchase price or, in the case of investments valued at amortised cost, the latest carrying value.

Unrealised gains and losses on investments represent the difference between the current value of investments at the balance sheet date and their purchase price. The movement in unrealised investment gains/losses includes an adjustment for previously recognised unrealised gains/losses on investments disposed of in the accounting period.

2.10 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and balances with banks, and investments in money market instruments, which are readily convertible, being those with original maturities of three months or less. Cash and cash equivalents in foreign currency are translated based on the relevant exchange rates at the reporting date.

2.11 Foreign currencies

Items included in the financial statements are measured in UK Sterling, which is the Company's functional and presentational currency. Transactions in foreign currencies have been translated into UK Sterling at the rate applicable for the month in which the transaction took place. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated into UK Sterling at the rates of exchange ruling at the end of the reporting period.

All exchange gains and losses, whether realised or unrealised, are included in foreign exchange gains and losses in the Non-Technical Account.

2.12 Taxation

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior periods. Tax is calculated based on tax rates and laws that have been enacted or substantively enacted by the year-end.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date. The rates used in these calculations are those, which are expected to apply when the timing differences crystallise, based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as probable that they will be recovered.

PAMIA LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****3. Critical accounting estimates and judgements**

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The following critical accounting estimates and judgements are made by the Company:

3.1 The ultimate liability arising from claims made under insurance contracts

The estimation of the ultimate liability arising from claims made under insurance contracts is the Company's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that the Company will ultimately pay for such claims. The main source of the uncertainty comes from the outcome of the claims presented to the Company. Estimates are made for the expected ultimate cost of claims at the end of the reporting period.

Estimates are made for both the expected ultimate cost of claims reported and claims incurred but not enough reported ('IBNER') at the reporting date. The estimate of IBNER is generally subject to a greater degree of uncertainty. The outcome of claims can significantly deviate from both the initial estimates and the estimates as disclosed in the financial statements. In calculating the estimated liability, the Company uses a variety of estimation techniques based upon analyses of historical experience which assumes past trends can be used to project future developments. The low number of claims that PAMIA has historically experienced, i.e. limited historical claims data, increases the likelihood that claim outcomes will deviate from the estimated liability at year end. The reinsurance recoveries expected from these gross liabilities are estimated using a variety of formulaic approaches, though some uncertainty is associated with this calculation owing to the uncertain nature of the ultimate value of the amount recoverable, including dependence on the gross estimate.

3.2 Fair value estimations

In accordance with section 11 of FRS 102, as a financial institution, the Company applies the requirements of FRS 102.2A1 for financial instruments held at fair value in the statement of financial position, and discloses the fair value measurements by level of the following fair value hierarchy:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, price) or indirectly (that is, derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs).

The table below presents the Company's other financial investments (including accrued interest) measured at fair value by level of the fair value hierarchy:

PAMIA LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****3. Critical accounting estimates and judgements (continued)**

As at 30 June 2025	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<u>Assets</u>				
Fixed income	7,560	-	-	7,560
Equities & Alternatives	9,341	-	-	9,341
UCITS	2,597	-	-	2,597
	19,498	-	-	19,498
As at 30 June 2024	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<u>Assets</u>				
Fixed income	5,884	-	-	5,884
Equities & Alternatives	11,425	-	-	11,425
UCITS	1,884	-	-	1,884
	19,193	-	-	19,193

All Level 1 investments are listed.

4. Management of risk

The Company is governed by the Board of Directors, which drives decision making within the Company from Board level through to operational decision making within the Managers. The Board considers the type and scale of risk that the Company is prepared to accept in its ordinary course of activity and this is used to develop strategy and decision making.

The Company is focused on the identification and management of potential risks. This covers all aspects of risk management including that to which the Company is exposed through its core activity as a provider of insurance services, and the broader range of risks. The Company's key risks are the following:

- 4.1 insurance risk incorporating underwriting and reserving risk;
- 4.2 market risk incorporating investment risk, and interest rate risk;
- 4.3 credit risk - the risk that a counterparty is unable to pay amounts in full when due;
- 4.4 liquidity risk - the risk that cash may not be available to pay obligations as they fall due; and
- 4.5 operational risk - the risk of failure of internal processes or controls.

PAMIA LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****4. Management of risk (continued)****4.1 Insurance risk**

The Company's exposure to insurance risk is initiated by the underwriting process and incorporates the possibility that an insured event occurs, leading to a claim on the Company from a Member. The risk is managed by the underwriting process, acquisition of reinsurance cover, and the management of claims costs.

Underwriting process

The Company has an Underwriting Policy, which is approved by the Board annually, which manages the underwriting risk. The policy sets out the processes by which the risk is managed.

The Company operates a fee tariff rating system with a flexible deductible: otherwise, the underwriting parameters are fixed with no discretion.

Reinsurance

The Company's reinsurance programme is designed to manage risk to an acceptable level and to optimise the Company's capital position. The programme comprises excess of loss reinsurance cover to protect against individual large losses, and additional fees break out cover.

During the year ended 30 June 2025, 38.50% of the reinsurance contract was placed at Lloyd's and the remaining 61.50% with insurance companies and branches in the UK.

The risk of the Company's reinsurers being unable to meet their obligations is presented in section 4.3 on Credit risk.

PAMIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Management of risk (continued)

4.1 Insurance risk (continued)

Reserving process

The Company establishes provisions for unpaid claims and related expenses to cover its expected ultimate liability. These provisions are established following the methodology as set out in Note 3.1 of the financial statements as directed and reviewed by the Audit & Risk Committee. In order to minimise the risk of understating these provisions the assumptions made and the techniques employed are reviewed in detail by senior members of the Managers.

The Company considers that the liability for insurance claims recognised in the statement of financial position is adequate. However, actual experience will differ from the expected outcome.

The results of sensitivity testing are set out below, showing the impact on the surplus or deficit before tax and equity, gross and net of reinsurance. The impact of a change in a single factor is shown, with other assumptions unchanged. The sensitivity analysis assumes that a change in loss ratio is driven by a change in claims incurred.

	2025	2024
	£'000	£'000
Increase in loss ratio by 5 percentage points		
Gross	(157)	(146)
Net	(80)	(69)

A 5% decrease in loss ratios would have an equal and opposite effect.

4.2 Market risk

Market risk is the risk of adverse financial impact because of market movements such as currency exchange rates, interest rates and price changes. Market risk arises due to fluctuations in both the value of assets held and the value of liabilities.

The Investment Policy and Investment Mandate are formally reviewed every three years (but more frequently if required). The policy and mandate reflects the risk appetite of the Company and are designed to hold the risk to a level deemed acceptable while maximising returns.

The investment strategy is reviewed at every Investment Committee meeting. The Investment Mandate sets the parameters within which the Investment Manager must operate in investing the portfolio in order to meet the investment objectives set by the Board.

PAMIA LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****4. Management of risk (continued)****4.2 Market risk (continued)****Foreign currency risk management**

The Company is exposed to currency risk in respect of liabilities under policies of insurance denominated in currencies other than UK Sterling. The most significant currencies to which the Company is exposed are the US Dollar and the Euro.

The majority of the Company's administration costs are in UK Sterling and it uses forward currency contracts to protect its currency exposures. The Company does not enter into trade financial instruments, including derivative financial instruments, for speculative purposes.

The profile of the Company's assets categorised by settlement currency, at their translated carrying amount, is set out below.

As at 30 June 2025	Sterling £'000	US Dollar £'000	Euro £'000	Total £'000
Fixed income	7,166	147	196	7,509
Equity & Alternatives	9,309	32	-	9,341
UCITS	2,580	15	2	2,597
Reinsurers share of claims outstanding	5,275	-	-	5,275
Cash and cash equivalents	2,324	-	-	2,324
Debtors arising out of reinsurance operations	-	-	-	-
	26,654	194	198	27,046

As at 30 June 2024	Sterling £'000	US Dollar £'000	Euro £'000	Total £'000
Fixed income	5,571	124	147	5,842
Equity & Alternatives	7,880	2,171	1,374	11,425
UCITS	5,465	(2,152)	(1,429)	1,884
Reinsurers share of claims outstanding	1,366	-	-	1,366
Cash and cash equivalents	3,205	-	-	3,205
Debtors arising out of reinsurance operations	203	-	-	203
	23,690	143	92	23,925

Foreign currency sensitivity analysis

As at 30 June 2025 if UK Sterling weakened/strengthened by 10% against the Euro and US Dollar, with all other factors remaining unchanged free reserves for the year would have increased /decreased by £0.039m (2024: £0.024m).

PAMIA LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****4. Management of risk (continued)****4.2 Market risk (continued)****Interest rate risk management**

Interest rate risk arises primarily from investments in fixed interest securities the value of which is inversely correlated to movements in market interest rates.

Interest rate risk is managed through the investment strategy and accordingly debt and fixed interest securities are predominantly invested in high quality corporate and government backed bonds.

Interest rate sensitivity analysis

An increase of 100 basis points in interest rates at the year-end, with all other factors unchanged would have resulted in a £0.075m fall in the value of the Company's investments (2024: £0.059m fall).

A decrease of 100 basis points would have an equal and opposite effect.

Equity price risk

The Company is exposed to price risk through its holding of equities and alternatives as financial investments at fair value through profit or loss. At the year-end, the holding in equity instruments and alternatives amounted to 48% of the investment portfolio (2024: 60%).

A 1% increase in equity values is estimated to reduce the deficit before tax for the year by £0.093m (2024: increase the surplus before tax for the year by £0.114m). A 1% fall in equity values would have an equal and opposite effect. This analysis assumes that all other variables remain constant.

4.3 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

The key areas where the Company is exposed to credit risk are:

- Amounts recoverable from reinsurance contracts;
- Amounts due from members; and
- Counterparty risk with respect to cash and investments.

PAMIA LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****4. Management of risk (continued)****4.3 Credit risk (continued)****Amounts recoverable from reinsurance contracts**

The Company is exposed to credit risk from a counterparty failing to comply with their obligations under a contract of reinsurance. In order to manage this risk the Board considers the financial position of significant counterparties. The Company has set selection criteria whereby each reinsurer is required to hold a credit rating greater than or equal to "A" at the time the contract is made and no single reinsurer carries more than a 25% line. The terms of reinsurance contracts give the Company the right to remove any reinsurer whose rating falls below A- at any time during the year. The Board reviews reinsurance annually before renewal.

Amounts due from Members

Amounts due from members represents premium owing to the Company in respect of insurance business written. The Company manages the risk of Member default through a screening process to ensure the quality of new entrants to the Company and the ability to cancel cover and outstanding claims to Members that fail to settle amounts payable. In addition, the Directors reserve the right to offset outstanding claims payments with outstanding debt unless there is a contractual arrangement that prevents such offsetting. No amounts have been written off as bad debt in recent years.

Counterparty risk with respect to cash and investments

The Investment Mandate sets out the investment limits to which the Investment Manager has to adhere. The Investment Manager may only invest Capital in UK, US and German government bonds, AAA rated government bonds, and AAA rated corporate bonds with a total duration of no more than three years, UCITS and bank deposits. The amount invested in corporate bonds is not permitted to exceed 50% of the size of the fund. No rating is required for equity and alternative holdings.

PAMIA LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****4. Management of risk (continued)****4.3 Credit risk (continued)**

The following tables provide information regarding aggregate credit risk exposure for financial assets with external credit ratings.

As at 30 June 2025	BBB or less		Total
	AAA/AA/A	or not rated	
	£'000	£'000	£'000
Fixed income	7,509	-	7,509
Equities & Alternatives	-	9,341	9,341
UCITS	-	2,597	2,597
Reinsurers share of claims outstanding	5,275	-	5,275
Debtors arising out of reinsurance	-	-	-
Cash and cash equivalents	-	2,324	2,324
Debtors arising from direct insurance	-	-	-
	<u>12,784</u>	<u>14,262</u>	<u>27,046</u>

As at 30 June 2024	BBB or less		Total
	AAA/AA/A	or not rated	
	£'000	£'000	£'000
Fixed income	5,842	-	5,842
Equities & Alternatives	-	11,425	11,425
UCITS	-	1,884	1,884
Reinsurers share of claims outstanding	1,366	-	1,366
Debtors arising out of reinsurance	203	-	203
Cash and cash equivalents	-	3,205	3,205
Debtors arising from direct insurance	-	-	-
	<u>7,411</u>	<u>16,514</u>	<u>23,925</u>

There were no past due or impaired assets at 30 June 2025 (2024: Nil).

4.4 Liquidity risk

Liquidity and cash flow risk is the risk that cash may not be available to pay obligations as they fall due at a reasonable cost. The Company maintains holdings in short term deposits to ensure there are sufficient funds available to cover anticipated liabilities and unexpected levels of demand. As at 30 June 2025, the Company's short term deposits (including cash and UCITS) amounted to £4.921m (2024: £5.089m). The Company has sufficient liquid assets to meet its liabilities as they fall due.

PAMIA LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****4. Management of risk (continued)****4.4. Liquidity risk (continued)**

The tables below provide a maturity analysis of the Company's financial assets:

	Short term assets £'000	Within 1 year £'000	2-5 years £'000	Total £'000
As at 30 June 2025				
Fixed income	-	1,257	6,252	7,509
Equities & Alternatives	9,341	-	-	9,341
UCITS	2,597	-	-	2,597
Cash and cash equivalents	2,324	-	-	2,324
Other debtors	57	-	-	57
Accrued income	53	-	-	53
	14,372	1,257	6,252	21,881

	Short term assets £'000	Within 1 year £'000	2-5 years £'000	Total £'000
As at 30 June 2024				
Fixed income	-	341	5,501	5,842
Equities & Alternatives	11,425	-	-	11,425
UCITS	1,884	-	-	1,884
Cash and cash equivalents	3,205	-	-	3,205
Other debtors	63	-	-	63
Accrued income	45	-	-	45
Debtors arising out of reinsurance operations	-	203	-	203
	16,622	544	5,501	22,667

The tables below provide a maturity analysis of the Company's financial liabilities:

	Short term liabilities £'000	Within 1 year £'000	2-5 years £'000	Total £'000
As at 30 June 2025				
Provision for unearned premium	-	-	93	93
Creditors arising out of direct insurance operations	15	-	-	15
Other creditors	224	-	-	224
Accruals and deferred income	2,829	-	-	2,829
	3,068	-	93	3,161

PAMIA LIMITED**4. Management of risk (continued)****4.4. Liquidity risk (continued)**

As at 30 June 2024	Short term liabilities £'000	Within 1 year £'000	2-5 years £'000	Total £'000
Provision for unearned premium	-	-	136	136
Other creditors	814	-	-	814
Accruals and deferred income	2,696	-	-	2,696
	<u>3,510</u>	<u>-</u>	<u>136</u>	<u>3,646</u>

Given the bespoke nature of the claims and the uncertainty around timing of claims payments, including the reinsurance recoveries, the company has not provided a maturity analysis for the claims liabilities and reinsurance share of claims liabilities. The company's claims tend to require payment between 2 to 6 years after notification. Reinsurance recoveries will be provided on payment of claims, such that the maturity of reinsurance recoveries is closely aligned with the claims payments

4.5 Operational risk

Operational risks relate to the failure of internal processes, systems or controls due to human or other error. In order to mitigate such risks the Company has engaged Thomas Miller Professional Indemnity as Managers to document all key processes and controls in a procedures manual. This manual is embedded into the organisation and available to all Thomas Miller staff. Compliance with the procedures and controls documented within the manual is audited on a regular basis through quality control checks and the internal audit function, which is directed and reviewed by the Board of Directors. A human resource manual including all key policies has also been prepared.

PAMIA LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****4 Management of risk (continued)****4.6 Limitation of the sensitivity analysis**

The sensitivity analysis in note 4.2 shows the impact of a change in one input assumption with other assumptions remaining unchanged. In reality, there is normally correlation between changes in certain assumptions and other factors, which would potentially have a significant impact on the effects noted above.

4.7 Capital Management

The Company maintains capital, comprising of policyholders' funds (surplus and reserves), consistent with the Company's risk appetite and the regulatory requirements.

The Company is subject to the Solvency UK insurance regulatory regime, under which the Company's regulatory capital requirement, the Solvency Capital Requirement, has been assessed to be £4.734m as at 30 June 2025. Under the Company's Business Plan, the Company aims to maintain regulatory capital above its regulatory capital requirement and within a target range of capital defined by lower and upper levels. The value of the lower target level has been set as a 1 in 200 year capital loss in excess of the regulatory capital requirement. This capital loss is assessed to be £5.067m as at 30 June 2025. The value of the upper target level has been set as a 1 in 50 year capital loss on top of the lower target level. This capital loss assessed is £3.970m. This therefore gives a lower target level of regulatory capital of £9.800m and an upper target level of regulatory capital of £13.770m as at 30 June 2025.

The Company manages its regulatory capital position with reference to Tier 1 regulatory capital only, which at the year-end has been assessed to be £16.349m. This therefore exceeds the Company's regulatory capital requirement by £11.616m and is above the target range of capital under the Company's risk appetite by £2.579m.

The main reason for the increase has been the decrease in the Solvency Capital Requirement which has been driven predominantly by a decrease in Equity Risk largely as a result of a reduction in the amount of equities and alternatives held.

The Company's objective is to hold free reserves at a safe margin in excess of the solvency capital requirement and to ensure it is able to continue as a going concern. The company has exceeded its solvency requirements throughout the year and has complied with the capital requirements throughout the financial period.

5. Premium deferral

The Directors decided that all Members should continue to be entitled to deferral of premium. Those members purchasing cover of less than £2m, who were already committed, would be entitled to a 20% (2024: 20%) deferral of the advance call (net of brokerage) for the 2024 policy year (1 July 2024 to 30 June 2025) increasing to 25% (2024: 25%) for those members purchasing cover of £2m or more.

In the event of a policy year going into deficit and any additional funds being required, any deferred call made for that year would be recovered by the Company before any supplementary call was to be levied.

PAMIA LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6. Reinsurance premiums**

In respect of the year ended 30 June 2025, the Company had reinsurance cover relating to claims and settlement costs of £5m less an excess of £0.4m each and every claim but limited to £2.15m ultimate net loss in the aggregate including costs and expenses.

	2025	2024
	£'000	£'000
Treaty reinsurance	1,550	1,550
	<u>1,550</u>	<u>1,550</u>

7. Claims and technical provision

	2025	2024
	£'000	£'000
Gross claims paid	1,570	1,232
Third party recovery	(34)	(98)
Reinsurance recoveries	(287)	(616)
	<u>1,249</u>	<u>518</u>
Management fee (note 8)	400	372
	<u>1,649</u>	<u>890</u>

Insurance contract liabilities and assets

	2025	2024
	£'000	£'000
Gross technical provisions at the beginning of the year	3,826	4,915
Claims paid	(1,935)	(1,507)
Claims incurred	5,942	282
Provision for unearned premiums	(43)	136
Change in gross technical provisions	<u>3,964</u>	<u>(1,089)</u>
Gross technical provisions at the end of the year	<u>7,790</u>	<u>3,826</u>
Gross Reinsurers' share of technical provisions at the beginning of the year	1,366	2,459
Reinsurers' share of paid claims	287	616
Reinsurers' share of incurred claims	3,622	(1,709)
Change in gross reinsurance provisions	<u>3,909</u>	<u>(1,093)</u>
Reinsurers' share of technical provisions at the end of the year	<u>5,275</u>	<u>1,366</u>
Net technical provisions	<u>2,515</u>	<u>2,460</u>

PAMIA LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****7. Claims and technical provisions (continued)**

The nature of the business makes it very difficult to predict with certainty the likely outcome of any particular case and the ultimate cost of claims. The estimates for outstanding claims are based on the best estimates and judgment of the Managers of the final cost of individual cases. These estimates are reliable given the details of the cases and taking into account all the current information. However, the outcome of individual cases may prove to be significantly different to the estimates made at the balance sheet date. The estimates are reviewed regularly. The gross provision for claims includes allowances for adverse development and the Managers' claims handling costs (note 2.4).

The movement in the gross provision for claims is the difference between the provision for outstanding claims on all policy years at the beginning of the year and the equivalent provision at the end of the period, after deduction of all claims paid during the financial year and addition of the allowance for new claims notified in the 2024 Policy Year.

Claims development tables

The development of insurance liabilities provides a measure of the Company's ability to estimate the ultimate value of claims. The top half of the table below illustrates how the Company's estimate of total claims outstanding for each Policy Year has changed at successive year-ends. The bottom half of the table reconciles the cumulative claims to the amount shown in the statement of financial position.

Gross estimate of ultimate claims cost attributable to policy year

Policy Year	2015 £'000	2016 £'000	2017 £'000	2018 £'000	2019 £'000	2020 £'000	2021 £'000	2022 £'000	2023 £'000	2024 £'000
At the end of the reporting year	1,525	2,457	1,704	2,323	1,209	4,389	3,750	1,617	1,674	1,866
1 year later	982	833	2,436	1,205	775	2,173	2,023	493	667	
2 years later	571	902	563	1,321	517	1,182	1,196	349		
3 years later	371	2,465	316	912	181	1,006	829			
4 years later	413	498	78	683	159	4,880				
5 years later	295	248	77	658	97					
6 years later	274	203	93	1,476						
7 years later	223	203	93							
8 years later	203	203								
9 years later	203									
Estimate of ultimate claims	203	203	93	1,476	97	4,880	829	349	667	1,866
Cumulative payments to date	203	203	93	1,476	97	557	825	118	373	92
Liability recognised in statement of financial position	-	-	-	-	-	4,323	4	231	293	1,774
Total liability relating to last ten policy years										6,626
Other claims liabilities										1,071
Total gross technical provisions included in the statement of financial position										7,697

PAMIA LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****7. Claims and technical provisions (continued)****Claims development tables (continued)**

Net estimate of ultimate claims costs attributable to policy year

Policy Year	2015 £'000	2016 £'000	2017 £'000	2018 £'000	2019 £'000	2020 £'000	2021 £'000	2022 £'000	2023 £'000	2024 £'000
At the end of the reporting year	1,525	1,457	954	1,573	1,209	1,269	1,550	567	674	616
1 year later	982	833	861	1,205	775	1,183	1,000	493	667	
2 years later	571	827	563	971	517	971	980	349		
3 years later	371	515	316	722	181	856	829			
4 years later	413	498	78	507	159	856				
5 years later	295	248	77	658	97					
6 years later	274	203	93	1,476						
7 years later	223	203	93							
8 years later	203	203								
9 years later	203									
Estimate of ultimate claims	203	203	93	1,476	97	856	829	349	667	616
Cumulative payments to date	203	203	93	1,476	97	557	825	118	373	92
Liability recognised in statement of financial position	-	-	-	-	-	299	4	231	294	524
Total liability relating to last ten policy years										1,352
Other claims liabilities										1,070
Total net technical provisions included in the statement of financial position										2,422

PAMIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Management fee

The Companies Act 2006 requires the management fee paid to Thomas Miller Professional Indemnity to be apportioned between the different management functions. This fee has been allocated as follows:

- Acquisition costs, which include the cost of underwriting, actuarial opinions on underwriting, cost of processing renewals, premium adjustments, credit control and IT costs for operating the underwriting system.
- Claims handling costs; which includes the cost of claim handlers, actuarial costs for claims reserving, claims processing costs and IT costs for operating the claims system.
- Administrative costs, which includes the cost of general management, regulatory costs, internal assurance costs, finance cost of preparing financial and regulatory reports and related IT costs.
- Investment costs, which are charged, based on Funds under Management.

The apportionment of management costs under the required headings is as follows:

	2025	2024
	£'000	£'000
Acquisition costs (note 9)	558	527
Claims handling costs (note 7)	400	372
Administrative expenses (note 9)	404	376
Investment management costs (note 10)	140	131
	<u>1,502</u>	<u>1,406</u>

PAMIA LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****9. Net operating expenses**

	2025	2024
	£'000	£'000
Acquisition costs		
Management fee (note 8)	558	527
Brokerage	(13)	(23)
	<u>545</u>	<u>504</u>
Administration expenses		
Directors' and Officers' liability insurance	9	11
FCA regulatory fee	7	7
Auditors' remuneration – audit of financial statements	129	113
Meeting expenses	16	24
Subscription	19	8
Professional fees	93	24
Management fee (note 8)	404	376
	<u>677</u>	<u>563</u>
	<u>1,222</u>	<u>1,067</u>

There were no Directors' emoluments paid or payable during the period (2024: Nil).

The auditor's remuneration excluding VAT is £107,700 which is made up of £79,700 for the 2025 statutory audit, £18,000 for the 2025 SFCR audit and £10,000 as an adjustment to the 2025 statutory audit fee. The figure disclosed above is inclusive of VAT (£107,700 + £21,540 VAT = £129,240).

10. Investment return

	2025	2024
	£'000	£'000
Interest received	158	124
Dividends received	458	527
Gains/losses) on foreign exchange	(21)	4
	<u>595</u>	<u>655</u>
Gains/losses) on realisation of investments	(53)	104
	<u>542</u>	<u>759</u>

Unrealised gains/ (losses) on investments

Unrealised gains/(losses) movement for the year	684	772
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PAMIA LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****10. Investment return (continued)****Investment expenses and charges**

	2025	2024
	£'000	£'000
Investment management costs (note 8)	140	131
Bank, custodial and other charges	10	14
	<u>150</u>	<u>145</u>

11. Taxation

- (i). By virtue of its mutual status, the Company is not liable to tax on its insurance operations. It is liable to tax on its investment income and net gains. The charge in the income and expenditure account represents:

	2025	2024
	£'000	£'000
UK Corporation Tax at 25.0% (2024: 25.0%)	86	70
Under/(over) provision from previous year	(29)	45
Total current tax (note 11(ii))	<u>57</u>	<u>115</u>
Deferred tax movement	89	212
Adjustment in respect of previous periods	-	(182)
Total tax charge/credit)	<u>146</u>	<u>145</u>

- (ii). The Corporation Tax assessed for the year is the main companies standard rate in the UK of 25.00% for 2025 (in 2024 the rate applied was the main rate at 25.0%) The differences are explained below:

	2025	2024
	£'000	£'000
Surplus/(deficit) on ordinary activities before tax	<u>(255)</u>	<u>802</u>
Surplus/(deficit) on ordinary activities multiplied by standard rate of Corporation Tax in the UK of 25.00% (2024: 25.0%)	(64)	201
Effects of:		
Non-taxable mutual insurance operations	(113)	80
Disallowable expenses	352	2
Under/(over) provision from previous year	(29)	(138)
Total tax charge/credit) (note 11(i))	<u>146</u>	<u>145</u>

PAMIA LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****11. Taxation (continued)****(iii). Balance sheet**

	2025	2024
	£'000	£'000
Taxation debtor		
Taxation debtor brought forward	70	(45)
Under/(over) provision from previous year	(29)	45
Payment of corporation and foreign tax	(70)	-
	(29)	-
UK Corporation Tax	86	70
Taxation creditor (note 14)/(debtor) (note 13)	57	70
	2025	2024
	£'000	£'000
Deferred Tax		
Deferred tax (asset)/liability brought forward	(19)	(49)
Effect of change to tax rate of opening balances	-	-
Release for the year	89	212
Adjustment in respect of previous periods	-	(182)
Deferred tax movement	89	30
Deferred tax (asset)/liability carried forward	70	(19)

Deferred tax assets and liabilities are provided on investments, which are taxable on a realisations basis and are provided based on the Corporation Tax charge that would arise if realised at current market values at the year-end date. Deferred tax is provided at 25% (2024: 25.0%), the rate substantively enacted at 30 June 2025.

Capital losses realised are provided against the deferred tax liability to the extent that they do not exceed realised gains.

PAMIA LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****12. Other financial investments**

	Market Value 2025 £'000	Market Value 2024 £'000	Cost 2025 £'000	Cost 2024 £'000
Other financial investments comprise:				
Equities	9,441	7,897	9,031	7,402
Alternative	2,497	5,412	2,600	5,942
Fixed interest securities	7,509	5,842	7,316	5,906
	<u>19,447</u>	<u>19,151</u>	<u>18,947</u>	<u>19,250</u>

Equities comprises the
following:

	Market Value 2025 £'000	Market Value 2024 £'000	Cost 2025 £'000	Cost 2024 £'000
Equities	6,841	6,013	6,450	5,501
UCITS	2,600	1,884	2,581	1,901
	<u>9,441</u>	<u>7,897</u>	<u>9,031</u>	<u>7,402</u>

Undertakings for Collective Investment in Transferable Securities (UCITS) are funds held for the short term.

13. Debtors arising out of direct insurance operations and other debtors

	2025 £'000	2024 £'000
Deferred tax asset	-	19
Debts due from broker	<u>57</u>	<u>44</u>
	<u>57</u>	<u>63</u>

Debtors arising out of direct insurance operations are due from members for outstanding premiums. The Company actively pursues recovery of all outstanding debts

PAMIA LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****14. Other creditors including tax**

	2025	2024
	£'000	£'000
Insurance premium tax	98	98
Corporation Tax (note 11(iii))	127	70
Other creditor	-	647
	<u>225</u>	<u>815</u>

Insurance Premium Tax ("IPT") includes insurance premium taxes due to other EU countries in addition to UK IPT due.

15. Accruals and deferred income

	2025	2024
	£'000	£'000
Management fee	438	338
Accrued expenses	228	189
Premiums received in advance	<u>2,163</u>	<u>2,169</u>
	<u>2,829</u>	<u>2,696</u>

Premiums received in advance comprise of premiums received in the year relating to policies incepting in a subsequent accounting period.

16. Related party disclosures

The Company has no share capital and is controlled by the Members who are also the insured. There have been no related party transactions between the Company and its members outside the normal course of business.

All the Directors are Members of the Company other than the Chief Executive Officer and Chief Financial officer who are employed by Thomas Miller, Managers of Thomas Miller Professional Indemnity. Other than their own insurance, the Directors have no financial interests in the Company. The Member Directors received no remuneration for their services to the Company.

Thomas Miller Professional Indemnity received £1,501,889 (2024: £1,406,448) from the Company in respect of management fees for the year. This includes a recharged commission of £51,889 in respect of placing excess insurance for the members.

PAMIA LIMITED**17. Post Balance Sheet Note**

At the year end, an impairment loss of £882k was recognised against a reinsurance recovery related to a case which was disputed by the reinsurer. Subsequent to year end, a full and final settlement was reached where the reinsurer agreed to settle the reinsurance recovery of £882k in full, and a related claims settlement was agreed with the insured member for an additional £310k for defence and adverse claims costs previously not accepted. As these settlements were reached post year end, this is a non-adjusting event, and the financial impact will be a reversal of the impairment loss and the recognition of these claims liabilities in the next financial year. Together these have a net financial impact of £572k.

18. Location and nature of business

All operations are direct professional indemnity insurance written within the UK. All business is classified as third party liability business.

PAMIA LIMITED

MANAGERS AND OFFICERS

MANAGERS

Thomas Miller Professional Indemnity Limited,
90 Fenchurch Street,
London, EC3M 4ST

DIRECTORS OF THOMAS MILLER PROFESSIONAL INDEMNITY

R.P. Cunningham
R.A.A. Harnal
A. Mee
A. Salim

SECRETARY

K. Halpenny

INVESTMENT MANAGERS

Thomas Miller Investment Limited,
90 Fenchurch Street,
London, EC3M 4ST

INSURANCE CONSULTANTS

Willis Limited,
The Willis Building,
51 Lime Street,
London, EC3M 7DQ.

COMPANY INFORMATION

PAMIA LIMITED (A COMPANY LIMITED BY GUARANTEE)

Registered in England and Wales No. 02418817

REGISTERED OFFICE

90 Fenchurch Street
London, EC3M 4ST

Telephone: 020 7283 4646
Fax: 020 7283 5988

AUDITORS

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55 Baker Street
London, W1U 7EU