

# Saturn Holdings plc

(Previously named Saturn Holdings Limited)

Annual report and accounts 2025

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## Principal activities

Saturn Holdings plc ('Saturn' and the 'Company') is a holding company, whose principal activity is as a holding company of Tradex Insurance Company plc ('Tradex'), Soteria Insurance Limited ('Soteria') and, until it was dissolved on 16 December 2025, Soteria Finance Holdings Limited ('SFHL'). Together these companies form the 'Group'. Both Tradex and Soteria are general insurance companies, regulated by the Prudential Regulatory Authority ('PRA') and the Financial Conduct Authority ('FCA').

On 5 November 2025, Saturn changed its legal status from a limited company to a public limited company.

On 26th November 2025, Saturn issued a new subordinated term loan of £180.0m charged at 9.0% interest as public debt, with a maturity date of 26 February 2036.

The Group's principal activity is as a UK-based general insurer that underwrites a diverse mix of consumer and business lines insurance, predominantly in the motor and home categories. Its policies are distributed by brokers, the largest of which is Markerstudy Insurance Services Limited ('MISL'), a leading UK broker of motor and home insurance, which combines a wide market reach with industry leading data, analytics and technology platforms. Motor lines comprise a large proportion of the portfolio mix, with substantial consumer car, motor trade and taxi accounts, along with other, mainly motorcycle and commercial van, lines of business.

The Group's business model is centred on disciplined underwriting, strong governance of delegated authority partners, and the effective use of data and analytics to deliver sustainable profitability and good customer outcomes. Oversight of partners is a core component of the operating model, to ensure that products meet customer needs, are distributed appropriately, and that the level of service and claims management deliver good outcomes for our customers.

## Strategy

The Group's strategic objective is to become a top five insurer, by gross written premiums, in its chosen UK markets, predominantly motor and home. These are markets with substantial scale, providing scope for the Group to grow and benefit from premium renewals.

Following significant premium growth in 2024, driven by the new distribution agreement with Markerstudy, and expansion into motorcycle and commercial van markets, the strategy centred on consolidating this strong base. Tradex continued to expand distribution while maintaining underwriting discipline, delivering good outcomes for customers, building capability, and building the infrastructure to improve the operating ratio and end to end value.

On 20 December 2025, Saturn signed an agreement to acquire MISL. Subject to conditions precedent, the acquisition is expected to complete within 3 months of the date of signing this annual report and accounts. MISL is a Managing General Agent which also provides insurance services and has acted as an outsourced service provider to Tradex since its acquisition by Saturn in July 2023 and to Soteria since December 2020. The acquisition of MISL by Saturn will bring the currently outsourced operations under the control of Saturn and support the delivery of the business strategy of the Saturn Group.

To achieve future growth, Tradex is focused on building on its competitive strengths, effective integration of value adding acquisitions (including of MISL), consideration of footprint expansion in motor and home in a tested and controlled manner, consideration of other complementary product lines, delivering good outcomes for customers, expanding distribution reach, and consistently delivering strong underwriting performance.

## Results

### *Key performance indicators*

The business strategy for the Group measures success in the key areas of financial performance and capital adequacy & risk. This 'balanced scorecard' approach helps ensure focus on the implications to areas identified as being key in progressing towards the Group's strategic vision. In addition, the Board, in particular, focuses on a wide range of customer outcome measures which are beyond the scope of this report.

**Results (continued)****Key performance indicators (continued)**

Indicator	2025	2024
<b>Trading</b>		
<i>Trading measures focus on volumes of business</i>		
<b>Gross written premium</b>	£609.6m	£617.1m
<b>Financial</b>		
<i>Financial measures focus on profitability and the value of the business</i>		
<b>Profit before taxation</b>	£4.9m	£5.7m
<b>Trading profit<sup>1</sup></b>	£32.1m	£21.6m
<b>Combined ratio<sup>2</sup></b>	96.9%	92.9%
<b>Capital adequacy &amp; risk</b>		
<i>Risk measures focus on capital adequacy under Solvency II requirements</i>		
<b>Solvency coverage</b>	180.0%	182.3%

In addition to the above, given the differing strategies and statuses of Tradex and Soteria, further KPIs are considered for each of the subsidiaries. These are disclosed in more detail in the accounts for each of the individual entities, which can be found at [www.tradexinsurance.com](http://www.tradexinsurance.com) and [www.soteriainsurance.co.uk](http://www.soteriainsurance.co.uk).

The 2025 full year financial result was a profit before taxation of £4.9m which compares to a profit of £5.7m in 2024.

The increase in the trading profit from £21.6m in 2024 to £32.1m in 2025 has been driven by an improved return on investments of £24.4m, up from £12.2m in 2024. This has offset a reduction in the technical result, as shown in the income statement on page 19, which saw the 2024 profit of £10.5m reduced to a loss of £2.8m in 2025, caused by:

- softening of the market in the second half of 2025, whilst continuing to maintain a focus on writing profitable business;
- an increase in exceptional costs relating to various projects undertaken by the Group, from £3.6m in 2024 to £11.3m in 2025; and;
- an offsetting third party loss portfolio transfer entered into by Soteria on 21 March 2025 to cover its obligations relating to liability claims, transferring liabilities of £23.6m. The net impact on inception of the arrangement was a profit of £5.7m.

Deterioration in the combined ratio to 96.9% (2024: 92.9%) was driven by strategic investments in capability and pricing, and reduced gross written premiums towards the end of 2025, particularly Q4, compared to a higher 2024, and consciously writing to a higher target loss ratio at a different point in the cycle for core products.

Tradex showed significant growth in premiums in 2024 driven by the Group entering into a distribution agreement with MISL, expanding its footprint in motor and entering into the motorcycle and commercial van markets, supplemented with further rate increases.

Strong growth continued into the six months ended 30 June 2025 and intentionally slowed through H2, as the Group maintained discipline in a softening motor market, while leveraging its distribution partnership and expanding market reach. H2 was focused on building capability, and investing time and resource into other initiatives to improve 2026 gross written premium, such as footprint expansion, in a tested and controlled manner.

The benefits of operating leverage, increased investment returns, and continued underwriting discipline (as the more profitable business distributed through MISL has earned-through) have resulted in an increase in trading profit to £32.1 million in the year ended 31 December 2025 (2024: £21.6m).

Investment income for the year was £24.4m (2024: £12.2m), including interest of £24.8m and realised losses of £0.4m (2024: £18.2m and £6.0m, respectively). In addition, unrealised gains on investments amounted to £3.4m (2024: £2.6m). Investment income increased compared with prior year largely driven by an improved performance by listed debt securities, deposits with credit institutions and asset backed lending.

<sup>1</sup> This shows the level of profit before tax, excluding the following:

- investment expenses of £15.9m (2024: £12.3m) relating to interest on subordinated notes; and
- operating expenses of £11.3m (2024: £3.6m) relating to exceptional costs.

<sup>2</sup> This shows underwriting profitability and is calculated as total claims and expenses, excluding exceptional costs, divided by net earned premiums (net of XoL and quota share).

## Reserving

The Group holds claims reserves to cover the future cost of settling claims that have occurred prior to and at the balance sheet date, whether already known to the Group or not yet reported, net of associated reinsurance recoveries. Reserves are assessed by internal actuaries, who assess the ultimate claims cost by time period, class of business, and type of claim both gross and net of reinsurance. The Group also commissions an independent reserve review annually. The reserves (including best estimate and management margin) are subject to review quarterly by the Reserving Committee, the Group Chief Actuary and the Audit Committee of the Board of Directors.

As time passes between the initial estimate of claims and their final settlement, circumstances can change that may require established reserves to be adjusted either upwards or downwards. Factors such as changes in the legal environment, results of litigation, propensity of personal injury claims, changes in medical and care costs, and costs of vehicle and home repairs can all substantially impact overall costs and expenses of claims and cause a material divergence from the bases and assumptions on which the reserves were calculated. These factors can cause actual developments to vary materially from the projections and assumptions on which the Group's technical reserves were calculated. In recent years, the high level of claims inflation as well as the impact of the Civil Liability Act on motor injury claims have led to greater levels of uncertainty in reserving. However, these factors are now stabilising and the level of uncertainty is returning to normal levels.

Given this uncertainty, the Group maintains prudent reserves and has a policy to hold a management margin above best estimate reserves (net of reinsurance) in order to provide a buffer against the risk of adverse development. The potential sensitivity to movements in loss ratios is discussed further in note 5 on page 34.

## Capital resources

The Group is regulated by the PRA and is subject to insurance solvency regulations which specify the minimum amounts and type of capital that may be held in addition to insurance liabilities. The Group's policy is to maintain capital in excess of these regulatory requirements.

The Group is required to meet a Solvency Capital Requirement ('SCR') which is calibrated to seek to ensure a 99.5% confidence of the ability to meet its obligations over a 12-month time horizon. The Group calculates its SCR in accordance with the standard formula prescribed in the Solvency II UK regulations. The assumptions underlying the standard formula are considered to be a good fit for the Group's risk profile.

On a Solvency II basis, as submitted, the Group's capital resources showed eligible own funds of £314.0m at 31 December 2025 compared with a capital requirement of £174.4m, resulting in a solvency coverage ratio of 180.0% (31 December 2024: 182.3%).

	<b>2025</b>	2024
	<b>£m</b>	£m
Tier 1 unrestricted	<b>183.0</b>	215.7
Tier 1 restricted	<b>43.8</b>	10.8
Tier 2	<b>87.2</b>	56.3
Tier 3	-	0.9
<b>Eligible own funds</b>	<b>314.0</b>	283.7
<b>Solvency capital requirement ('SCR')</b>	<b>174.4</b>	155.6
<b>Coverage ratio</b>	<b>180.0%</b>	182.3%

During 2025, Saturn restructured its subordinated debt. At 31 December 2025, the subordinated debt is comprised of the following:

- a privately held £44.9m subordinated perpetual loan charged at a fixed rate of 17.042% interest per annum. This subordinated loan is classified as Tier 1 Restricted capital within Solvency II Own Funds.
- a publicly listed £180.0m subordinated term loan, due in 2036 at par, charged at a fixed rate of 9.0% interest per annum. This subordinated loan is classified as Tier 2 capital within Solvency II Own Funds.

Further information in relation to the solvency position can be found in the Group's Solvency and Financial Condition Report ('SFCR') which is available from [www.tradexinsurance.com](http://www.tradexinsurance.com).

## Regulatory background

### *Environmental, social and governance*

The regulatory focus on environmental, social and governance (ESG) matters and climate change continues to encourage companies to consider these matters for the business and wider society. The Group has adopted an ESG policy, has incorporated Climate Change risk into its Risk Management Framework and has assigned owners who are responsible for the management and reporting of Climate Change risk in respect of underwriting and investments.

Further information on the Group's approach in relation to Climate Change risk can be found in the Directors' Report on page 11.

### *Consumer Duty*

Throughout 2025, management continued to strengthen its approach to Consumer Duty, ensuring that customer interests remained central to decision-making and day-to-day operations. The Group enhanced product governance, customer insight and outcomes-testing frameworks, with regular reporting to the Board and the Consumer Duty Champion to provide independent challenge and oversight. The Group also reinforced oversight of outsourced partners to ensure consistent delivery of good customer outcomes across the value chain. The appointment of a Chief Customer Officer to Saturn's Executive team will lead the ongoing focus in this area.

## Reinsurance arrangements

Tradex had excess of loss and quota share reinsurance programmes in place throughout 2025, with a panel of reinsurers, the majority of whom have 'AA' or 'A' ratings.

On 21 March 2025, Soteria entered into a loss portfolio transfer ('LPT') arrangement with a third party to cover its obligations relating to liability claims, transferring liabilities of £23.6m. The net impact on inception of the arrangement was a profit of £5.7m.

## Future developments

The Group plans to grow, via Tradex, within the UK personal lines market, with a focus both on motor and home insurance.

Soteria will remain in run-off, with the Group considering options as the number of outstanding claims continues to reduce.

On 20 December 2025, Saturn signed an agreement to acquire MISL. Subject to conditions precedent, the acquisition is expected to complete within 3 months of the date of signing this annual report and accounts. MISL is a Managing General Agent which also provides insurance services and has acted as an outsourced service provider to Tradex since its acquisition by Saturn in July 2023 and to Soteria since December 2020. The acquisition of MISL by Saturn will bring the currently outsourced operations under the control of Saturn and support the delivery of the business strategy of the Saturn Group.

## Risks and uncertainties

The Group's business involves the acceptance and management of risk, whether financial or non-financial. The Group has developed a framework for identifying the risks it is exposed to and their impact on economic capital. The Group complies with the Solvency II regulations which establish the capital requirements required on a risk-based approach.

Subsequent to the acquisition of Tradex by Saturn in 2023, the Tradex Board commissioned an internal review of the implementation of certain regulatory requirements which identified areas for remediation. An external regulatory review was also undertaken and recommendations made. Tradex established a programme of work to deliver against all the review's recommendations and will complete that work in H2 2026. There has been no material impact to the current period financial statements, and whilst there is some remaining uncertainty inherent in such situations, the Directors do not consider that completion of the programme of work will have a material impact on the Company's financial position.

The Group is, from time to time, subject to threatened or actual litigation, reinsurance disputes, and/or other legal and/or regulatory disputes, investigations or similar actions. All potentially material matters are assessed, with external advice sought if appropriate. No provisions are currently held in relation to such matters.

**Risks and uncertainties (continued)**

The following are considered to be the high level risks facing the Group:

<b>Key Risk</b>	<b>Definition</b>
Conduct and regulatory risk	The risk that the Group's processes, behaviours, offerings or interactions will result in unfair outcomes or foreseeable harm for customers, or lead to regulatory sanctions, financial loss, and reputational damage due to a failure to comply with applicable laws, industry standards, and internal codes of conduct.
Insurance risk (premium risk and reserve risk)	Insurance risk comprises the risk of loss resulting from adverse change in the value of insurance liabilities and can relate to both unearned exposure (Premium risks) and earned exposure (Reserve risks). Premium risk includes the risk that future premium rates will not be adequate to cover future claims.
Solvency and liquidity risk	The risk of loss or of adverse change to the Group's financial position and capital adequacy resulting, directly or indirectly, from market volatility, interest rate fluctuations, or the failure of debtors to meet contractual obligations, which ultimately impairs the Group's ability to meet its own obligations as they fall due without incurring unacceptable losses.
Market risk	The risk of loss or of adverse change in the financial situation resulting, directly or indirectly, from fluctuations in the level and in the volatility of market risk drivers including interest rates, market prices of assets and liabilities.
Counterparty risk, including credit risk	The risk to earnings and capital arising from a debtor's failure to meet their legal and contractual obligations.
Operational risk and conflicts of interest risk	The risk of loss resulting from inadequate or failed internal processes, people and systems or external events, or from situations where personal interests, relationships or obligations influence, or may be perceived to influence, a person's ability to act in the best interests of the Group, its customers, or other stakeholders.

The most material risks that the Group is exposed to are insurance risk (both premium risk and reserve risk), counterparty risk and market risk.

A detailed description of each risk type can be found on pages 34 to 38.

## Section 172(1) statement & stakeholder engagement

The Board of Directors of Saturn ('the Board') considers that it has, in good faith, acted in a way that it considers would be most likely to promote the success of the Group for the benefit of its stakeholders as a whole, and, in doing so, has had regard to and recognised the importance of considering all stakeholders and other matters (as set out in s.172 (1) (a-f) of the Act) when making decisions.

### Overview

Good corporate governance underpins how we conduct ourselves as a Board; our culture, values, behaviours and how we do business. As a Board, we are conscious of the impacts that our business and decisions have on our direct stakeholders as well as our wider societal impact.

The Board is aware of its duties under the Companies Act, including the matters set out in s.172 and has adopted a framework of matters reserved for its decision. It has also approved terms of reference for matters delegated to its committees and reviews these periodically to ensure they accord with best practice.

For any principal decisions approved by the Board, a discussion takes place around impact on our key stakeholders, including our colleagues and our customers. The relevance of each stakeholder group may vary by reference to the issue in question, therefore the Board seeks to understand the needs of each stakeholder group and any potential conflicts as part of its decision-making.

### Board Decision Making

The table below sets out our key stakeholders, our approach to engaging with them, and how they are taken into regard in Board considerations.

Key stakeholders	Board matter	Board considerations
<p><b>Shareholders</b></p> <p>The Board maintains open and regular dialogue with its shareholders, particularly its main shareholder Pollen Street. A representative of Pollen Street serves as a non-independent director on the Saturn Board.</p> <p>The Saturn Board is attended by members of the Tradex and Soteria management teams, which supports regular communication between Pollen Street and management.</p>	<p>Performance and risks</p>	<p>In all discussions the Board regularly considers if and how it is acting in the best interest of its investors, whilst ensuring that any actions:</p> <ul style="list-style-type: none"> <li>do/will not breach any regulatory requirements applicable to the Group or the Board;</li> <li>do/will not have any adverse effect on the security of the Group's policyholder benefits; and</li> <li>comply with any legislation applicable to the Group.</li> </ul> <p>The Saturn Board receives performance updates on Tradex and Soteria, which includes the Tradex and Soteria Management teams attending meetings of the Saturn Board and Board Committees. Key interactions in the year were:</p> <ul style="list-style-type: none"> <li>with the Tradex Board in relation to the issue of £37.5m of additional share capital to Saturn;</li> <li>with the Soteria Board surrounding the proposal and payment of dividends and with regards to entering into the LPT arrangement.</li> </ul> <p>During the year the Saturn Board engaged with Pollen Street in relation to:</p> <ul style="list-style-type: none"> <li>the restructuring of its subordinated debt and the public debt issue; and</li> <li>the proposal and payment of the dividend.</li> </ul>
<p><b>Customers</b></p> <p>Protecting our customers and improving their overall customer experience remains at the heart of what we do.</p>	<p>Consumer Duty</p>	<p>The Group designs products to meet target customer needs and assesses the effectiveness of these products and the services to meet these needs. This is done in a way to ensure compliance with Consumer Duty and other regulatory requirements. The Board and the Consumer Duty Champion provide independent challenge and oversight of product governance, and customer outcomes. The Group has worked closely with the regulators throughout the period.</p> <p>The Group's Chief Customer Officer oversees Consumer Duty and product governance.</p> <p>The Group proactively monitors customer complaints and has a customer focused culture to ensure fair outcomes for all. For example, there is a standing agenda item for the Board Risk Committee on Customer Outcomes.</p>

## Section 172(1) statement &amp; stakeholder engagement (continued)

Key Stakeholders	Board Matter	Board Considerations
<b>Customers (continued)</b>		The Group ensures all complaints are handled efficiently and effectively and in accordance with the Treating Customers Fairly ('TCF') regulatory Principle for Business, the Dispute Resolution Rules ('DISP') as set down by the Financial Conduct Authority ('FCA') and those applied by the Financial Ombudsman Service ('FOS'). Complaints are seen as an opportunity to improve the customer journey.
<b>Colleagues</b> The Board recognise the importance of engaging our colleagues, ensuring their views are considered when making decisions and supporting their wellbeing.	Colleague reward	The Board and Remuneration Committee were engaged and considered in the approach to colleague engagement including: <ul style="list-style-type: none"> <li>the growth in the business which has resulted in changes in opportunities and responsibilities for colleagues employed by Tradex and across the wider Saturn group and a need to support colleagues throughout the transition;</li> <li>a defined people plan and processes inclusive of any key person risk as well as the need to attract and retain key talent with regular updates on people metrics; and</li> <li>regular communication with all colleagues to provide business updates along with the opportunity for Q&amp;A with senior leadership.</li> </ul>
<b>Regulator</b> As Tradex and Soteria are regulated entities, the Group must comply with the requirements of the PRA and the FCA and to report to them on a regular basis.	Regulation and compliance	In addition to the standard regulatory reporting requirements, the Board engaged with the regulators on the following matters: <ul style="list-style-type: none"> <li>with the PRA regarding the transition of Tradex from a limited company to a plc in 2024;</li> <li>with the PRA regarding reinsurance arrangements in respect of Soteria's liability claims;</li> <li>with the PRA in respect of a Part VII transfer of commercial liabilities from Soteria to another insurer;</li> <li>with the PRA regarding Soteria's proposed dividend payments, the first of which was approved and subsequently paid in June 2025, and the second of which was approved by the PRA in December 2025;</li> <li>with the PRA regarding the transition of Saturn from a limited company to a plc in 2025;</li> <li>with the PRA in relation to the restructuring of the subordinated debt in Saturn in 2025;</li> <li>with the FCA regarding the ongoing regulatory review in Tradex;</li> <li>with the FCA in relation to the GI Values reporting by Tradex; and</li> <li>with the FCA in relation to Tradex's handling of Home insurance claims.</li> </ul>

Approved by the Board on 21 May 2026 and signed on its behalf by:



Mark Summerfield

Director

### General information

Saturn is a public limited company registered in England & Wales under the Companies Act 2006 (registered number 13802733). Saturn is a holding company. Saturn changed its legal status in November 2025 from a limited company to a public limited company. Its subsidiaries, Tradex (FRN 202917) and Soteria (FRN 435022), are authorised by the Prudential Regulation Authority ('PRA') and regulated by the Financial Conduct Authority ('FCA') and the PRA. The Group is supervised by the PRA.

### Other matters

Subsequent to the acquisition of Tradex by Saturn in 2023, the Tradex Board commissioned an internal review of the implementation of certain regulatory requirements which identified areas for remediation. An external regulatory review was also undertaken and recommendations made. Tradex established a programme of work to deliver against all the review's recommendations and will complete that work in H2 2026. There has been no material impact to the current period financial statement, and, whilst there is some remaining uncertainty inherent in such situations, the Directors do not consider that completion of the programme of work will have a material impact on the Group's financial position.

### Post balance sheet events

Since the end of 2025, geopolitical instability has increased, particularly in the Middle East and, whilst the Group only operates in the UK, this can have an impact on supply chains and investment markets. The Group's management is closely monitoring the situation for any indirect exposure or other impact. At the current date there are no significant changes to the Group's principal risks and uncertainties or its solvency coverage.

On 20 December 2025, Saturn signed an agreement to acquire MISL. Subject to conditions precedent, the acquisition is expected to complete within 3 months of the date of signing this annual report and accounts. MISL is a Managing General Agent which also provides insurance services and has acted as an outsourced service provider to Tradex since its acquisition by Saturn in July 2023 and to Soteria since December 2020. The acquisition of MISL by Saturn will bring the currently outsourced operations under the control of Saturn and support the delivery of the business strategy of the Saturn Group.

### Results and dividends

The financial statements shown on pages 19 to 24 set out the financial position of the Group and the Company and the results of the Group for the year ended 31 December 2025. On 23 October 2025 the Directors declared a dividend of £16.1m which was paid on 26 November 2025 (2024: £nil).

### Political donations

There were no political donations during the year or prior year.

### Directors' details

The Directors of Saturn during the financial year are listed below. Their appointments were for the full period unless otherwise stated:

#### Non-Executive Directors:

Michael England

Sharon Ludlow

Neil Southworth

Andrew Johnston

Ewen Gilmour (resigned 31 December 2025)

Stuart Vann (appointed 29 January 2026)

#### Executive Directors:

Mark Summerfield

## Corporate responsibility and the environment

Saturn has a Board-approved Environmental, Social and Governance (ESG) Policy, which is reviewed on an annual basis.

The Group's direct immediate exposure to climate change risk is limited at present as all policies are written for a maximum period of 12 months and the major future potential detriments, as a result of climate change, would have no material impact on current results. Flood risk, which is becoming more clearly an increased risk as a result of climate change, is monitored closely and taken into account when assessing potential risks before they are written or renewed. The Group is not highly exposed to climate related risks at present.

The Board will continue to monitor the potential impacts of climate change on the business but there are not expected to be any material detriments in the short to medium term planning horizon.

The Group is not liable for any direct liabilities for power supply as the rent paid by the Group for its office space is inclusive of such costs, however, an estimate of energy usage for the purposes of Streamlined Energy and Carbon Reporting has been calculated for each of the companies within the Group. The Group estimates that, for 2025, the energy usage of each of the Group companies was less than 40Mwh for the year and therefore no further disclosure is required.

## Statement of going concern

The Annual Report and Accounts are prepared on a going concern basis and the Directors are satisfied that the Group and the Company have the resources to continue in business for at least the period from the date of approval of the financial statements up to 31 December 2027. In making this assessment, the Directors have performed a detailed analysis of future capital and liquidity.

The going concern assessment performed takes into account that the Group and Company continue as a going concern. Their ability to continue as a going concern has been considered by reference to their liquidity, the Group's projected coverage of regulatory capital requirements and their resilience to withstand foreseeable stress scenarios. It also takes into account the option to cancel or defer, respectively, the interest payments on the Tier 1 and Tier 2 loan instruments in the event that the Group or Company has insufficient solvency.

In the Group forecast, solvency projections show the Solvency Capital Requirement (SCR) coverage is set to remain above 140% throughout the forecast period. Liquidity projections assess expected liquid assets (cash, money market funds and UK gilts) for the Group and the Company, which are expected to be in excess of the Board's risk appetite throughout the period of review.

The Directors have then considered the potential impact of various stresses including, but not limited to, adverse claims experience, large loss events and a fall in the market value of assets. In all cases, solvency coverage remains above 100%. In each scenario, the Group has sufficient liquidity to pay liabilities as they fall due. Even in the event of an extreme stress scenario (such as an inflationary uplift on outstanding claims or the failure of a key reinsurer or outsourced partner), it is projected that the Group would likely be able to meet its required payments solely from existing cash holdings and forecast premium income.

The Directors have also considered a reverse stress test, which involves several of the stress scenarios happening concurrently, and is therefore extremely unlikely. In this scenario, the SCR coverage ratio is projected to fall below 100%, however, the coverage ratios would naturally recover over time as premium income and investment returns were received.

## Risk management and internal controls

The Boards have overall responsibility for the Group's internal control systems and for monitoring their effectiveness. Implementation and maintenance of the internal control systems are the responsibility of the Board and senior management.

The Boards have established a management structure with defined lines of responsibility and clear delegation of authority. The control framework cascades through the business, detailing clear responsibilities for ensuring appropriate controls are in place at an operational level, including controls relating to the financial reporting process. The Group's approach to Risk Management is set out in further detail on pages 34 to 38.

The Group's internal control systems are designed to manage, rather than eliminate, the risks of failure to meet business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss. In assessing what constitutes reasonable assurance, the Board has regard to materiality and to the relationship between the cost of, and benefits from, internal control systems.

On behalf of the Board, the Saturn Risk Committee and Audit Committee regularly review the effectiveness of the Group's internal control systems. Their monitoring covers all material controls. Principally they review and challenge, on an ongoing basis, reports from management, the internal audit function and external auditors. This enables them to consider how to manage or mitigate risk in line with the Group's risk strategy.

Whenever any significant control weaknesses are identified actions are taken, or agreed plans are put in place and tracked by the Board to implementation.

## Annual Report and Accounts

So far as the Directors are aware, there is no relevant audit information of which the Group's auditors are unaware, and the Directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Group's auditors have been made aware of that information.

## Statement of Directors' responsibilities in respect of the report of the Board of Directors and the Annual Report and Accounts

The Directors are responsible for preparing the Strategic Report, the 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) ('UK GAAP'). 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- provide additional disclosures when compliance with the specific requirements in United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland and FRS 103, Insurance Contracts) is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company financial position and financial performance.

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.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report and a Directors' Report that comply with that law and regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on Saturn's website.

## Auditors

On 21 May 2026, the Audit Committee recommended to the Board that Ernst & Young LLP be reappointed as external auditor for the financial year ended 31 December 2026. The Board endorsed the recommendation and proposed a shareholder resolution regarding the reappointment at the Annual General Meeting to be held in June 2026.

By order of the Board



Mark Summerfield

Director

21 May 2026

## Opinion

In our opinion:

- Saturn Holdings plc’s group financial statements and parent company financial statements (the “financial statements”) give a true and fair view of the state of the Group’s and of the parent company’s affairs as at 31 December 2025 and of the Group’s profit 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 Saturn Holdings plc (the ‘parent company’) and its subsidiaries (the ‘group’) for the year ended 31 December 2025 which comprise:

Group	Parent company
Consolidated statement of financial position as at 31 December 2025	Statement of financial position as at 31 December 2025
Consolidated income statement for the year then ended	Statement of changes in equity for the year then ended
Consolidated statement of comprehensive income for the year then ended	A summary of significant accounting policies
Consolidated statement of changes in equity for the year then ended	
Consolidated statement of cash flows for the year then ended	
Related notes 1 to 36 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 FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (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 are independent of the Group and parent 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 listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## 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 Group and parent company's ability to continue to adopt the going concern basis of accounting included:

- confirming our understanding of management's going concern assessment process and obtaining management's assessment which covers the period to 31 December 2027;
- reviewing the solvency and liquidity position, understanding how severe the downside solvency and liquidity scenarios would have to be to result in the elimination of available headroom;
- reviewing latest profit forecasts submitted to the regulator, and considering the impact on the Group and parent company's ability to continue operating as a going concern;
- reviewing correspondence with the regulator regarding future growth plans;
- performing enquiries of management and those charged with governance to identify risks or events that may impact the company's ability to continue as a going concern. We also reviewed minutes of meetings of the Board and its committees to assess whether there were any other matters discussed that may have an impact on the company's ability to continue as a going concern; and
- assessing the appropriateness of the going concern disclosures by comparing them for consistency with management's assessment and for compliance with the relevant reporting requirements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and parent company's ability to continue as a going concern for a period to 31 December 2027.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group and parent company's ability to continue as a going concern.

## Overview of our audit approach

Audit scope	• We performed central procedures on Saturn Holdings plc and 100% of its subsidiaries.
Key audit matters	• Inappropriate setting of claims outstanding (specifically IBNR).
Materiality	• Overall group materiality of £15.2m (2024: £15.4m) which represents 2.5% (2024: 2.5%) of Gross Written Premiums.

## An overview of the scope of the parent company and group audits

We performed our audit work over the parent and subsidiary companies, Soteria Insurance Limited and Tradex Insurance Company plc.

## Climate change

Stakeholders are increasingly interested in how climate change will impact Saturn Holdings plc. The Group has determined that Climate change risk is limited as all policies are written for a maximum period of 12 months and the major future risks from climate change do not currently pose a material risk to the Company. This is explained on page 6 in the strategic report, which forms part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The Group has explained in Basis of preparation how they have reflected the impact of climate change in their financial statements.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, physical and transition risks and the resulting conclusion that there was no material impact from climate change, and the adequacy of the Group's disclosures in the financial statements (pages 6, 11, 25 and 37) which explain the rationale.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, 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. These matters included 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 our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Inappropriate setting of claims outstanding (specifically IBNR) (£130.4m, 2024: £162.4m- both on a gross of reinsurance basis)</p> <p>Refer to the Accounting policies (page 27); and Note 28 of the Financial Statements (page 50).</p> <p>IBNR reserves are inherently uncertain and subjective by nature and therefore more susceptible to fraud or error than most other financial statement balances. There is a risk that inappropriate reserve projections are made, whether from the use of inaccurate underlying data, invalid or inappropriate statistical modelling techniques, or the use of unreasonable assumptions.</p> <p>Significant new business has been underwritten over the last 2.5 years, for which the Group has limited claims experience upon which to base actuarial assumptions, and may therefore be reliant on benchmark data.</p> <p>This could lead to reserves falling outside a reasonable range of possible estimates and a misstatement in the financial statements. These balances, by nature, are also subject to a risk of manipulation and given the magnitude of the balance, a small manipulation of an assumption could have a great impact on the result for the year.</p> <p>Financial statement risks principally arise from:</p> <ul style="list-style-type: none"> <li>• The quality and timeliness of source data (premiums, claims paid and claims outstanding) used to populate the actuarial triangles underlying the IBNR estimates;</li> <li>• Sensitivity of assumptions made by Management for the purpose of applying the adopted reserving methodology, including the determination of a management margin;</li> <li>• Limitations of models and modelling techniques used for the preparation of the actuarial best estimates; and</li> <li>• Uncertainties around IBNR reserves due to elevated economic inflation which may drive future loss cost increases.</li> </ul>	<p>Our audit of the claims outstanding and management's key judgements was supported by our EY actuaries, as part of the audit team, and included the following:</p> <p>We updated our understanding of the reserving process employed by Management, paying particular attention to the setting of IBNR, and assessed the design and implementation of key controls within that process;</p> <p>We evaluated management's methodology against market practice and assessed management assumptions and their consideration of major sensitivities, based on our market knowledge and industry data;</p> <p>Using management's data, we independently re-projected the gross motor and home IBNR for significant classes of business based on our risk assessment. For certain classes our projections used market benchmark data given the limited development history specifically in respect of Tradex;</p> <p>In doing our independent analysis, we considered a variety of actuarial claims projections techniques to identify if they showed contradictory conclusions;</p> <p>We assessed the appropriateness of the net discount rate used to discount the gross Period Payment Orders (PPOs) claims outstanding balance having regard to the inflation and investment return assumptions;</p> <p>We challenged the level of margin held compared to market practice, prior periods and in the context of the areas of uncertainty for which the margin is held;</p> <p>We validated the completeness and accuracy of data used in reserving processes and checked consistency with other policyholder data used in the financial reporting processes; and</p> <p>We considered the adequacy of the disclosures in respect of the valuation sensitivities and key assumptions applied.</p> <p>The procedures above applied to Soteria Insurance Limited and Tradex Insurance Company plc which included the historic business underwritten by Tradex as well as the new business sourced through MISL since July 2023, as applicable.</p>	<p>We consider that the claims outstanding (specifically IBNR), lie within what we consider to be a reasonable range of estimates.</p> <p>In addition, we consider that the disclosures made provide information that assists in understanding the uncertainty inherent in the estimation of claims outstanding.</p>

## **Our application of materiality**

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

### **Materiality**

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £15.2m (2024: £15.4m), which is 2.5% (2024: 2.5%) of Gross Written Premiums. We believe that Gross Written Premium provides us with the appropriate basis that enables us to identify misstatements that may influence the users of the financial statements, as Gross Written Premiums is the UK GAAP measure that is also one of the Key Performance Indicators of the Company.

We determined materiality for the parent company to be £7.9 million (2024: £9.2 million), which is 4.5% (2024: 5%) of net assets.

### **Performance materiality**

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 50% (2024: 50%) of our planning materiality, namely £7.6m (2024: £7.7m). We have set performance materiality at this percentage due to our assessment of the risk of misstatement and our expectation of the quantum and magnitude of uncorrected misstatements.

Audit work was undertaken at the subsidiaries for the purpose of responding to the assessed risks of material misstatement of the Group financial statements. The performance materiality set for each subsidiaries is based on the relative scale and risk of the subsidiary to the Group as a whole and our assessment of the risk of misstatement at that component.

### **Reporting threshold**

*An amount below which identified misstatements are considered as being clearly trivial.*

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.8m (2024: £0.8m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

## **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 there is 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

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 directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and the parent 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.

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 Group or parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Group or parent 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.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 12, 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 Group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent 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.

### **Explanation as to what extent the audit was considered 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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and the parent company and determined that the most significant are those that related to the financial reporting framework (FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", FRS 103 "Insurance Contracts" and the Companies Act 2006), the licence conditions and supervisory requirements of the Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA) applicable to the subsidiary companies, and the relevant direct and indirect tax compliance legislation in the United Kingdom.
- We understood how the Group and the parent company are complying with those frameworks by making inquiries of management, internal audit and those responsible for legal and compliance matters. In assessing the effectiveness of the control environment, we reviewed minutes of Board and other Committee meetings, reviewed correspondences with the UK regulatory bodies and gained an understanding of the Group and the parent company's approach to governance, demonstrated by the Board's approval of the governance framework and Board's review of the risk management framework and internal control processes.
- We assessed the susceptibility of the Group and the parent company's financial statements to material misstatement, including how fraud might occur by considering the controls that the Company has established to address risks identified by the entity, or that otherwise seek to prevent, deter or detect fraud. We also considered areas of significant judgement, performance targets, economic or external pressures and the impact these have on the control environment. The fraud risk, including management override, was considered to be higher in respect of the estimation of claims outstanding (specifically IBNR), and we performed audit procedures to address the risk as detailed in the key audit matter above and our communication to the Audit Committee.

## Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved:
  - Making inquiries of those charged with governance and senior management to ascertain their awareness of any non-compliance with the relevant laws and regulations,
  - Identifying the policies which those charged with governance have implemented to prevent, detect, and monitor non-compliance with laws and regulations by officers and employees,
  - Reviewing correspondence with regulators and formal minutes of the Board and relevant sub-committees to determine whether there was any non-compliance with laws and regulations.
- For instances of actual or suspected non-compliance with laws and regulations, we performed procedures such as inquiries and review of regulatory correspondence, and where appropriate, we involved specialists from our firm to support the audit team.
- The Group operates in the insurance industry which is a highly regulated environment. As such, the Senior Statutory Auditor considered the experience and competence of the engagement team to ensure that the team had appropriate competence and capabilities, which included the use of specialists where appropriate.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://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.

Signed by:

*Vinood Ramabhai*

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Vinood Ramabhai (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

21 May 2026

## Consolidated Income Statement

For the year ended 31 December 2025

All amounts are stated in £m unless otherwise indicated

	Notes	2025	2024
<b>Technical account – general business</b>			
<b>Earned premiums, net of reinsurance</b>			
Gross premiums written	8	609.6	617.1
Outward reinsurance premiums	8	(375.8)	(384.5)
Net written premiums		233.8	232.6
Change in the provision for unearned premiums			
- gross amount	8	49.0	(180.1)
- reinsurers' share	8	(35.0)	124.5
<b>Earned premiums, net of reinsurance</b>	8	247.8	177.0
Other technical income, net of reinsurance	9	0.6	1.5
<b>Total technical income</b>		248.4	178.5
<b>Claims incurred, net of reinsurance</b>			
Claims paid			
- gross amount	10	(359.7)	(226.2)
- reinsurers' share	10	180.0	104.7
	10	(179.7)	(121.5)
Change in the provision for claims			
- gross amount	28	(126.2)	(125.1)
- reinsurers' share	28	84.8	98.5
<b>Claims incurred, net of reinsurance</b>		(221.1)	(148.1)
Net operating expenses	11	(30.1)	(19.9)
<b>Total claims and expenses</b>		(251.2)	(168.0)
<b>Balance on the technical account for general business</b>		(2.8)	10.5
<b>Non-technical account</b>			
<b>Balance on the general business technical account</b>		(2.8)	10.5
Investment income	12	24.4	12.2
Net unrealised gains on investments	12	3.4	2.6
Investment expenses and charges	13	(20.2)	(16.2)
Goodwill amortisation	15	-	(3.4)
Other income	9	0.1	-
<b>Profit on ordinary activities before tax</b>		4.9	5.7
Tax on profit on ordinary activities	14	(2.9)	6.8
<b>Profit for the financial year</b>		2.0	12.5

## Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

All amounts are stated in £m unless otherwise indicated

	Notes	2025	2024
<b>Profit and total comprehensive income for the financial year</b>		2.0	12.5

Consolidated Statement of Financial Position  
For the year ended 31 December 2025  
All amounts are stated in £m unless otherwise indicated

	Notes	2025	2024
<b>Assets</b>			
<b>Goodwill</b>			
Negative goodwill	15	<u>(52.6)</u>	(52.6)
<b>Investments</b>			
Financial investments	18	<u>465.5</u>	328.1
		<u>465.5</u>	328.1
<b>Reinsurers' share of technical provisions</b>			
Provision for unearned premiums	27	157.7	192.7
Claims outstanding	28	<u>406.3</u>	321.2
		<u>564.0</u>	513.9
<b>Debtors</b>			
Debtors arising out of direct insurance operations - intermediaries		256.7	246.3
Debtors arising out of reinsurance operations		98.4	49.6
Deferred corporation tax	29	8.4	9.3
Corporation tax debtor	29	7.6	2.4
Other debtors	20	<u>45.7</u>	9.3
		<u>416.8</u>	316.9
<b>Other assets</b>			
Tangible assets	16	0.7	1.2
Cash at bank and in hand	21	<u>254.7</u>	243.9
		<u>255.4</u>	245.1
<b>Prepayments and accrued income</b>			
Accrued interest		4.1	3.0
Deferred acquisition costs	22	24.2	31.4
Other prepayments and accrued income		<u>8.3</u>	7.0
		<u>36.6</u>	41.4
<b>Total assets</b>		<u>1,685.7</u>	1,392.8

Consolidated Statement of Financial Position  
For the year ended 31 December 2025  
All amounts are stated in £m unless otherwise indicated

	Notes	2025	2024
<b>Equity and Liabilities</b>			
<b>Capital and reserves</b>			
Share capital	23	1.0	1.0
Share premium	24	100.2	144.2
Retained earnings	25	27.5	(2.4)
<b>Total capital and reserves</b>		<b>128.7</b>	<b>142.8</b>
<b>Technical provisions</b>			
Provision for unearned premiums	27	260.0	308.9
Claims outstanding	28	773.4	604.6
		<b>1,033.4</b>	<b>913.5</b>
<b>Creditors</b>			
Creditors arising out of direct insurance operations		13.2	20.2
Creditors arising out of reinsurance operations		207.4	152.4
Debenture loans	26	219.8	70.2
Other creditors including taxation and social security	30	27.1	33.4
		<b>467.5</b>	<b>276.2</b>
<b>Accruals and deferred income</b>			
Accrued expenses and deferred income		13.2	8.5
Reinsurers' share of deferred acquisition costs	22	42.9	51.8
		<b>56.1</b>	<b>60.3</b>
<b>Total liabilities</b>		<b>1,557.0</b>	<b>1,250.0</b>
<b>Total equity and liabilities</b>		<b>1,685.7</b>	<b>1,392.8</b>

Approved by the Board of Directors on 21 May 2026 and signed on its behalf by:



Mark Summerfield, Director



Sharon Ludlow, Director

**Company Statement of Financial Position**  
For the year ended 31 December 2025  
All amounts are stated in £m unless otherwise indicated

	Notes	2025	2024
<b>Assets</b>			
<b>Investments</b>			
Investment in group undertakings	17	<u>272.2</u>	243.7
<b>Debtors</b>			
Corporation tax debtor	29	0.7	-
Other debtors	20	<u>65.6</u>	30.2
		<u>66.3</u>	30.2
<b>Other assets</b>			
Cash at bank and in hand	21	<u>63.9</u>	1.6
<b>Total assets</b>		<u>402.4</u>	275.5
<b>Liabilities</b>			
<b>Capital and reserves</b>			
Share capital	23	1.0	1.0
Share premium	24	100.2	144.2
Retained earnings	25	<u>73.5</u>	53.0
<b>Total capital and reserves</b>		<u>174.7</u>	198.2
<b>Provisions for other risks</b>			
Corporation tax creditor	29	-	<u>0.5</u>
<b>Creditors</b>			
Debenture loans	26	219.8	70.2
Intercompany loans	26	3.1	6.1
Other creditors including taxation and social security	30	-	0.1
		<u>222.9</u>	76.4
<b>Accruals and deferred income</b>			
		<u>4.8</u>	0.4
<b>Total liabilities</b>		<u>227.7</u>	77.3
<b>Total equity and liabilities</b>		<u>402.4</u>	275.5

Approved by the Board of Directors on 21 May 2026 and signed on its behalf by:



**Mark Summerfield, Director**



**Sharon Ludlow, Director**

## Consolidated Statement of Cash Flows

For the year ended 31 December 2025

All amounts are stated in £m unless otherwise indicated

Group	Notes	2025	2024
<b>Cash flows from operating activities</b>			
Profit before tax		4.9	5.7
Adjustment for:			
Investment income		(24.4)	(12.2)
Gains less losses arising from financial instruments		(3.4)	(2.6)
Depreciation of property, plant and equipment		0.5	0.3
Amortisation of goodwill		-	3.4
Net proceeds on purchases and sales of financial investments		(134.0)	(62.4)
Investment interest received		23.3	12.0
Increase in insurance contract liabilities		119.9	302.7
Increase in reinsurance liabilities		55.0	96.3
Increase in reinsurers' share of technical provisions		(50.1)	(230.4)
Increase in debtors, prepayments and accrued income		(57.6)	(167.5)
(Decrease)/ increase in creditors, accruals and deferred income		(17.4)	64.0
Purchase of tangible assets		-	(0.1)
Tax paid		(7.0)	(4.3)
<b>Net cash flows from operating activities</b>		<b>(90.3)</b>	<b>4.9</b>
<b>Cash flows from investing activities</b>			
Cost of acquisition of subsidiary undertakings		(32.2)	(6.0)
<b>Net cash flows from investing activities</b>		<b>(32.2)</b>	<b>(6.0)</b>
<b>Cash flows from financing activities</b>			
Dividends paid		(16.1)	-
Redemption of subordinated tier 2 notes		(60.0)	-
Issuance of perpetual restricted tier 1 notes		32.9	-
Issuance of subordinated tier 2 notes		180.0	-
Costs of issuance of subordinated tier 2 notes		(3.5)	-
Issuance of share capital and share premium		-	72.2
<b>Net cash flows from financing activities</b>		<b>133.3</b>	<b>72.2</b>
<b>Net increase in cash at bank and in hand</b>		<b>10.8</b>	<b>71.1</b>
Cash at bank and in hand at the start of the financial year		243.9	172.8
<b>Cash at bank and in hand at the end of the financial year</b>		<b>254.7</b>	<b>243.9</b>
<b>Comprising:</b>			
Cash at bank	21	90.1	142.3
Cash on deposit	21	-	3.5
Money market funds	21	164.6	98.1
		<b>254.7</b>	<b>243.9</b>

### Cash flows from operating activities

The Group classifies the cash flows for the acquisition and disposal of financial assets as operating cash flows. This is because purchases are funded from the cash flows associated with the origination of insurance contracts, net of the cash flows for payments of claims incurred for insurance contracts, which are classified under operating activities.

# Consolidated and Company Statement of Changes in Equity

For the year ended 31 December 2025

All amounts are stated in £m unless otherwise indicated

<b>Group</b>	<b>Called up share capital</b>	<b>Share premium</b>	<b>Retained earnings</b>	<b>Total</b>
<b>2025</b>				
Balance at the beginning of the financial year	1.0	144.2	(2.4)	142.8
Profit and total comprehensive income for the financial year	-	-	2.0	2.0
Share premium reduction	-	(44.0)	44.0	-
Dividends paid	-	-	(16.1)	(16.1)
<b>Balance at the end of the financial year</b>	<b>1.0</b>	<b>100.2</b>	<b>27.5</b>	<b>128.7</b>
<b>2024</b>				
Balance at the beginning of the financial year	0.7	72.3	(14.9)	58.1
Profit and total comprehensive income for the financial year	-	-	12.5	12.5
Issuance of ordinary shares	0.3	71.9	-	72.2
<b>Balance at the end of the financial year</b>	<b>1.0</b>	<b>144.2</b>	<b>(2.4)</b>	<b>142.8</b>
<b>Company</b>				
<b>Company</b>	<b>Called up share capital</b>	<b>Share premium</b>	<b>Retained earnings</b>	<b>Total</b>
<b>2025</b>				
Balance at the beginning of the financial year	1.0	144.2	53.0	198.2
Loss and total comprehensive expense for the financial year	-	-	(7.4)	(7.4)
Share premium reduction	-	(44.0)	44.0	-
Dividends paid	-	-	(16.1)	(16.1)
<b>Balance at the end of the financial year</b>	<b>1.0</b>	<b>100.2</b>	<b>73.5</b>	<b>174.7</b>
<b>2024</b>				
Balance at the beginning of the financial year	0.7	72.3	41.2	114.2
Profit and total comprehensive income for the financial year	-	-	11.8	11.8
Issuance of ordinary shares	0.3	71.9	-	72.2
<b>Balance at the end of the financial year</b>	<b>1.0</b>	<b>144.2</b>	<b>53.0</b>	<b>198.2</b>

## 1. General information

Saturn Holdings plc ('Saturn' or the 'Company'), a Public Limited Company registered in England under the Companies Act 2006, together with its subsidiaries, Tradex Insurance Company plc ('Tradex'), Soteria Insurance Limited ('Soteria') and, until it was dissolved on 16 December 2025, Soteria Finance Holdings Limited ('SFHL') are collectively referred to as the 'Group'. The Company and its subsidiaries' registered office is McLaren House, 100 Kings Road, Brentwood, CM14 4EA. The Group underwrites insurance, predominantly in personal lines (Motor and Home) via Tradex. Soteria ceased underwriting and entered run-off in 2021.

## 2. Basis of preparation and statement of compliance

The consolidated financial statements of the Group and the financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards ('UK GAAP'), including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ('FRS 102'), Financial Reporting Standard 103, "Insurance Contracts" ('FRS 103'), the Companies Act 2006 and the provisions of Schedule 3 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 relating to insurance companies.

As permitted by FRS 103, the Group continues to apply the existing accounting policies that were applied prior to this standard, for its insurance contracts.

The Company has taken advantage of the exemption in section 408 of the Companies Act 2006 not to publish its individual profit and loss account and the related notes on the condition that the Company's individual balance sheet shows the Company's loss for the financial year.

The financial information has been prepared under the historic cost convention, except for certain financial instruments which are measured at fair value.

The preparation of the annual report and accounts requires the use of certain critical accounting estimates and judgments. Information about assumptions and other sources of estimation uncertainty is disclosed in note 4, where these have a significant impact on the annual report and accounts.

Following the 2024 Periodic Review, amendments were made to FRS 102 which are effective from 1 January 2026. The principal changes include enhanced recognition for leases and the introduction of a five-step model for revenue recognition. The changes to FRS 102 are being reviewed to consider the impact on the report and accounts. The Group will assess leases held to determine whether they fit exemption criteria, or if recognition of a right-of-use asset and lease liability is required on an individual basis. Changes to revenue recognition will be considered in regard to non-technical income, as technical income is in scope of FRS 103 which is not impacted by this amendment.

### Impact of climate change

In preparing these financial statements the Directors have considered the impact of the physical and transition risks of climate change and identified this as an area of focus, as set out on page 11, but have concluded that it does not have a material impact on the recognition and measurement of the assets and liabilities in these financial statements as at 31 December 2025.

The financial investments are reported at fair value under UK GAAP and therefore, as set out in note 35, utilise market prices at the period end where these are available. These market prices will include the current expectations of the impact of climate change on the financial investments. For financial investments valued using alternative valuation techniques, there is considered to be a low risk of significant exposure to climate change due to the nature and duration of these investments.

Insurance liabilities are accrued based on past insurable events so will not be affected by any future impact of climate change.

The Directors recognise that legislation and reporting requirements surrounding climate change risk continue to develop and the future impact of any changes cannot be fully predicted. Future valuations of assets may therefore differ as the market responds to these potential changes as well as to extreme weather events caused by climate change.

### Going concern

The Annual Report and Accounts are prepared on a going concern basis and the Directors are satisfied that the Group and the Company have the resources to continue in business for at least the period from the date of approval of the financial statements up to 31 December 2027. In making this assessment, the Directors have performed a detailed analysis of future capital and liquidity.

The going concern assessment performed takes into account that the Group and Company continue as a going concern. Their ability to continue as a going concern has been considered by reference to their liquidity, the Group's projected coverage of regulatory capital requirements and their resilience to withstand foreseeable stress scenarios. It also takes into account the option to cancel or defer, respectively, the interest payments on the Tier 1 and Tier 2 loan instruments in the event that the Group or Company has insufficient solvency.

In the Group forecast, solvency projections show the Solvency Capital Requirement (SCR) coverage is set to remain above 140% throughout the forecast period. Liquidity projections assess expected liquid assets (cash, money market funds and UK gilts) for the Group and the Company, which are expected to be in excess of the Board's risk appetite throughout the period of review.

The Directors have then considered the potential impact of various stresses including, but not limited to, adverse claims experience, large loss events and a fall in the market value of assets. In all cases, solvency coverage remains above 100%. In each scenario, the Group has sufficient liquidity to pay liabilities as they fall due. Even in the event of an extreme stress scenario (such as an inflationary uplift on outstanding claims or the failure of a key reinsurer or outsourced partner), it is projected that the Group would likely be able to meet its required payments solely from existing cash holdings and forecast premium income.

## 2. Basis of preparation and statement of compliance (continued)

### Going concern (continued)

The Directors have also considered a reverse stress test, which involves several of the stress scenarios happening concurrently, and is therefore extremely unlikely. In this scenario, the SCR coverage ratio is projected to fall below 100%, however, the coverage ratios would naturally recover over time as premium income and investment returns were received.

### Functional and presentational currency

The functional and presentational currency for the Group and Company is pounds sterling. All amounts presented are in pounds sterling, rounded to the nearest 0.1 million pounds, unless stated otherwise.

## 3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in this annual report and accounts.

### a) Basis of consolidation and goodwill

The Group financial statements comprise a consolidation of Saturn, Tradex, Soteria and SFHL from their acquisition dates, per the requirements of FRS 102, whereas the Company financial statements are comprised solely of Saturn. FRS 102 requires a parent company to consolidate entities it controls. A parent controls an entity when it has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Business combinations are accounted for using the acquisition method. Under this method the acquirer recognises the acquiree's fair value of the identifiable assets, liabilities (including contingent liabilities) at the acquisition date.

Goodwill represents the difference between the fair value of the consideration paid for an acquisition plus directly attributable acquisition costs and the fair value of the net identifiable assets acquired, and is measured on initial recognition at cost. Following initial recognition, goodwill is stated at cost less amortisation and accumulated impairment losses. The goodwill asset is amortised to offset the recognition of a deferred tax asset which was unrecognised at the point of purchase of Tradex. Goodwill assets are tested for impairment annually or when there is evidence of possible impairment. Goodwill is impaired when the recoverable amount is less than the carrying value.

Negative goodwill is the excess of the fair value of identifiable net assets acquired in a business combination over the fair value of the consideration and directly attributable costs. It is capitalised at cost and shown as a negative asset. Subsequently it is recognised in the income statement in the periods expected to be benefited. Negative goodwill is recognised in the income statement to offset any reserves strengthening, by book of business, relating to the reserves at the point of acquisition, over a maximum period of five years.

### b) Investments in subsidiaries

Subsidiaries are entities that the Company controls, by being exposed to, or having rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated with the parent company in the Group financial statements and carried as an asset in the Company financial statements.

Investment in subsidiaries in the Company financial statements are held at cost less accumulated impairment losses, and are considered for impairment at each reporting date.

### c) Revenue recognition

#### *i) Premium income from insurance contracts*

The Group's accounting policy in respect of revenue arising from insurance contracts is set out within the insurance specific accounting policy note 3 d) ii).

#### *ii) Investment return*

Investment return comprises all investment income, including realised investment gains and losses and movements in unrealised gains and losses.

Investment income derived from assets held at fair value includes dividends and interest income. Dividends are recorded on the date on which the right to receive the payment is established. For listed equities this is when they are declared ex-dividend. For unlisted equities, a final dividend is recognised once declared by the Directors and an interim dividend only when received. Interest income is recognised on an accruals basis.

Realised gains and losses on investments held at fair value are calculated as the difference between net sales proceeds and purchase price. Movements in unrealised gains and losses on investments represent the difference between the valuation at the balance sheet date and the valuation at the last balance sheet date or their purchase price for those acquired during the period, together with the reversal of unrealised gains and losses recognised in earlier accounting periods in respect of investment disposals in the current period.

For assets held at amortised cost interest income is recognised using the effective interest rate (EIR) method. The EIR basis spreads the interest income over the expected life of the instrument. The EIR is the rate that, at inception of the instrument, exactly discounts expected future cash payments and receipts through the expected life of the instrument back to the initial carrying amount.

### 3. Significant accounting policies (continued)

#### c) Revenue recognition (continued)

##### iii) *Commission income and profit commission due under reinsurance arrangements*

Reinsurance commission, netted off within the net operating expenses in the Technical Account, represents commission income relating to the ceding of policies. Minimum commission income, as set out in the reinsurance contract, is initially recognised when the underlying policies are written. Where there are variable commission arrangements in place, adjustments to the minimum commission amount are accrued based on loss ratios in accordance with the terms of the reinsurance contract. The commission income is recognised in the same accounting period as the related direct business being reinsured.

Profit commission due under reinsurance arrangements is recognised in the income statement in line with the associated premiums ceded and ceded incurred claim costs, in accordance with the contractual terms of the relevant reinsurance contract.

#### d) Insurance contracts

##### i) *Classification of insurance contracts*

Contracts under which the Group accepts significant insurance risk from another party (the policyholder), by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder or other beneficiary, are classified as insurance contracts. A contract that qualifies as insurance remains an insurance contract until all the risks and obligations are extinguished or expire.

All contracts of general insurance business written by the Group are classified as insurance contracts. General insurance business is accounted for on an annual basis.

##### ii) *Recognition of premium income*

Gross written premiums comprise premiums receivable on those contracts which inceptioned during the financial year, irrespective of whether they relate in whole or in part to a later accounting period, together with any adjustments in the accounting period relating to premium receivable in respect of business written in prior periods.

Gross written premiums:

- are stated gross of commission and exclude any taxes or levies based on premiums; and
- include an estimate for cancellations for those renewal contracts which inceptioned prior to the year-end but which may be cancelled after the statement of financial position date.

Gross written premium (whether paid in advance or by instalments) is earned evenly over the period of the contract.

##### iii) *Unearned premium provision*

The proportion of written premiums, including where relevant those of prior accounting periods, attributable to the risks borne during the year is accounted for as earned premium. The proportion of written premiums relating to periods of risk beyond the year end is carried forward to future accounting periods as the unearned premium provision. The relevant proportions are calculated using the daily 365<sup>th</sup> pro rata basis. Unearned premiums are deferred for a maximum of one year, being the standard duration for the policies issued.

Outward reinsurance premiums are treated as earned in accordance with the profile of the related direct contracts being reinsured.

##### iv) *Acquisition costs*

Costs directly associated with the acquisition of new business, including commission, are capitalised and amortised in accordance with the rate at which the gross written premiums associated with the underlying contract are earned. The reinsurers' share of deferred acquisition costs mirrors the treatment of the deferred acquisition costs of the contracts to which the reinsurance relates.

##### v) *Claims incurred*

Insurance claims incurred comprises claims paid during the year, together with related claims handling costs and the change in the gross liability for claims in the period, net of related recoveries including salvage and subrogation.

##### vi) *Claims provisions and related reinsurance recoveries*

Claims outstanding comprises provisions representing the estimated ultimate cost of settling:

- estimates on claims reported by the statement of financial position date (claims reported); and
- expected additional cost in excess of claims reported for all claims occurring by the statement of financial position date (claims incurred but not reported), assessed on a statistical basis based upon the history of past claims development patterns taking into account current expectations and developments.

The provision for outstanding claims is based upon realistic assumptions in the light of all relevant currently available information. Aggregate claims provisions, which include attributable claims handling expenses as well as a management margin above actuarial best estimate, are set at a level such that no adverse run off deviations are expected.

Outstanding reserves are discounted in respect of periodical payment orders and a portion of historic liability claims from the electric industry for which separate assets are held of similar duration. All other claims provisions are undiscounted.

Estimates of salvage and subrogation recoveries are included separately within 'debtors arising out of direct insurance operations'.

### 3. Significant accounting policies (continued)

#### d) Insurance contracts (continued)

##### vii) Reinsurance

Contracts with reinsurers that give rise to a significant transfer of insurance risk are accounted for as reinsurance contracts. Amounts recoverable under such contracts are recognised in the same period as the related claim. Premiums, claims and receivables are presented on a gross basis in the income statement and statement of financial position.

The reinsurers' share of claims incurred, in the profit and loss account, reflects the amounts received or receivable from reinsurers in respect of those claims incurred during the period. The amounts that will be recoverable from reinsurers are estimated based upon the gross provisions. Reinsurance recoveries in respect of estimated claims incurred but not reported are assumed to be consistent with the historical pattern of such recoveries, adjusted to reflect changes in the nature and extent of the Group's reinsurance programme over time.

Amounts recoverable under reinsurance contracts are assessed for impairment at each statement of financial position date. If objective evidence of impairment exists, reinsurance assets are reduced to their recoverable amount and an impairment loss is recognised in the income statement.

On commutation of reinsurance contracts, the reinsurer is discharged from all obligations relating to the contract. Reinsurance assets and liabilities relating to the commuted contracts are settled in the period in which the commutation agreement is signed.

Ceded reinsurance arrangements do not relieve the Group from its obligations to policyholders. The Group held £192.7m as funds withheld on the balance sheet as at 31 December 2025 (2024: £149.9m). These amounts are reflected within 'Creditors arising out of reinsurance operations'.

##### viii) Quota share

A quota share reinsurance contract transfers insurance risk on a proportional basis. The income statement is shown net of premiums ceded, claims recoverable and commission earned under these arrangements.

Premiums ceded under these arrangements may be held in a notional funds withheld account, against which claims paid recoveries, earned commission and margin paid, are deducted. These amounts are reflected within 'Creditors arising out of reinsurance operations'.

##### ix) Coinsurance

Coinsurance contracts are contracts entered into by the Group with other insurers, where the Group shares the risks for losses on insurance policies issued by the Group. The coinsurance operations are administered in the same way, but the Group includes only its own proportion of the amounts arising out of coinsurance operations in the financial statements.

##### x) Unexpired risk provision

Additional provision is made for unexpired risks where the claims and expenses, likely to arise after the end of the financial year in respect of contracts concluded before that date, are expected to exceed the unearned premiums less deferred acquisition costs carried forward for those contracts.

Unexpired risk provision is calculated for each category of business. Where categories of business are managed together a combined calculation is performed. Surpluses and deficits within each category are offset within the calculation. The provision is determined after taking account of future investment return arising on investments supporting the unearned premium provision and unexpired risk provision.

Such provisions seek to ensure that the carrying amount of unearned premiums provision less related deferred acquisition costs is sufficient to cover the current estimated future cash flows, including claims handling expenses, and therefore meets the requirements of the liability adequacy test as set out in FRS 103 (Insurance Contracts). There is no provision at the end of the current year or the prior year for unexpired risks.

#### e) Financial instruments

The Group has elected to apply the provisions of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of FRS 102 to all of its financial instruments.

##### i) Recognition of financial assets and financial liabilities

Financial investments are recognised by the Group on the trade date, which is the date it commits to purchase the instruments. All other financial instruments are recognised on the date that the Group becomes a party to the contractual provisions of the instrument.

##### ii) Derecognition of financial assets and financial liabilities

Financial assets are derecognised when they are sold and:

- the rights to receive cash flows from the assets have ceased; or
- the Group has transferred substantially all the risks and rewards of ownership of the assets.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing liability is replaced by the same counterparty on substantially different terms, or when the terms of an existing liability are substantially modified, the original liability is derecognised and a new liability is recognised. Any difference in carrying amounts recognised in the income statement.

### 3. Significant accounting policies (continued)

#### e) Financial instruments (continued)

##### iii) Basic financial instruments

The following instruments have been identified as 'basic financial instruments' in accordance with Section 11 of FRS 102.

##### **Debt securities**

Initial measurement of the Group's holdings in debt securities is at fair value, being purchase price on the date on which the Group commits to purchase. Directly attributable transaction costs are expensed immediately on recognition. They are managed and their performance is evaluated on a fair value basis in accordance with a documented risk management and investment strategy, and information is provided internally to key management personnel on that basis. Consequently, subsequent valuation is at fair value with changes in fair value being recognised within the income statement in the period in which they arise.

##### **Equities**

Equities are initially measured at fair value, being purchase price on the date on which the Group commits to purchase. Directly attributable transaction costs are expensed immediately on recognition. Subsequent valuation is at fair value with changes in fair value being recognised within the income statement in the period in which they arise.

##### **Deposits with credit institutions**

Deposits with credit institutions are initially measured at their transaction price, plus including any transaction costs and are subsequently measured at amortised cost.

##### **Debtors**

Debtors are initially measured at fair value plus transaction costs that are directly attributable to the financial asset. Subsequently, they are measured at amortised cost. The amortised cost is the initial amount at recognition less principal repayments and less impairment provisions for incurred losses. Debtors are not discounted as they have no stated interest rate and are expected to be received within one year.

##### **Cash at bank and in hand**

Cash at bank and in hand is initially measured at transaction price and is subsequently measured at amortised cost using the effective interest rate. Money market funds are measured at fair value, with changes in fair value being recognised within the income statement in the period in which they arise.

##### **Financial liabilities**

Financial liabilities are contractual obligations to deliver cash or other financial assets.

Borrowings are primarily subordinated bond issues and are initially recognised at fair value, which equates to issue proceeds net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between proceeds net of transaction costs and the redemption value is recognised in the income statement over the period to the earliest possible redemption date using the effective interest rate method.

Other financial liabilities are initially recognised at fair value, net of directly attributable transaction costs and are subsequently measured at amortised cost.

##### iv) Other financial instruments

The Group holds investments in asset-estate backed lending, collective investment undertakings and derivatives which are classified as 'other financial investments' in accordance with Section 12 of FRS 102. These assets are valued initially at fair value, being purchase price on the date on which the Group commits to purchase. Directly attributable transaction costs are expensed immediately on recognition. Subsequent valuation is at fair value with changes in fair value being recognised within the income statement in the period in which they arise.

##### v) Fair value measurement

Fair value for quoted investments in an active market is the bid price, which management believe is representative of fair value. If the market for a quoted financial investment is not active or the investment is unquoted the fair value is determined using valuation techniques. For these investments, the fair value is established using quotations from independent third parties, such as brokers or pricing services, or by using alternative valuation techniques. Priority is given to publicly available prices from independent sources, when available, but overall, the source of pricing and/or valuation technique is chosen with the objective of arriving at a fair value measurement which reflects the price at which an orderly transaction would take place between market participants on the measurement date. Alternative valuation techniques include the use of recent arm's length transactions, reference to the current fair value of other instruments that are substantially the same and discounted cash flow analysis.

Managers may use the following valuation techniques to calculate the fair value of credit assets, which form the majority of Saturn's unquoted investments:

- Contractual cashflows from the credit asset are projected forwards to their expected payment date;
- The probability of default, loss given default and exposure at default are used to project expected credit losses; and
- The cash flows, net of expected credit losses, discounted back to their present value using the appropriate market discount rate at the reporting date.

### 3. Significant accounting policies (continued)

#### e) Financial instruments (continued)

##### v) Fair value measurement (continued)

The discount rate can depend on the following factors:

- Risk free interest rates and other similar benchmark interest rates;
- Prevailing credit spreads for the given type of asset;
- Currency; and
- Duration.

The selection of discount rate needs to be considered carefully because some of the above items are easily observable (e.g. the risk free rate) and others are unobservable (e.g. prevailing credit spreads). In some case the observable and unobservable factors are inversely correlated so as one increases the other reduces. Managers may generally calculate the implied discount rate at initial recognition and make adjustment to this for known changes at the reporting date. A Valuation Committee at each of the sub-fund managers holding the investments is responsible for approving the appropriate discount rate to use in the fair value calculations and will take into consideration the above requirements along with any changes in reference rates that are deemed material. The valuations are subject to regular independent review.

##### vi) Impairment of financial assets held at cost or amortised cost

At the statement of financial position date, the Group and Company assesses its financial assets held at cost or amortised cost for objective evidence that an impairment loss has occurred. Only if there are indicators of an impairment is an impairment loss calculated.

The amount of the impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original or current effective interest rate (if the asset has a variable interest rate). Any impairment losses are recognised immediately through the income statement with a corresponding reduction in the value of the financial asset.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed with the amount of the reversal recognised in the income statement. The reversal shall not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

#### f) Impairment of non-financial assets

The carrying value of the Group's and Company's non-financial assets, excluding deferred tax assets, are reviewed at the date of the statement of financial position to determine whether there is any indication of impairment. Only if there is an indication of an impairment is a full impairment test required. This involves estimating the asset's recoverable amount, being the greater of fair value less costs to sell and value in use (as assessed by reference to discounted future cash flows).

An impairment loss is recognised in the income statement to the extent that the carrying value of an asset exceeds its recoverable amount. An impairment loss recognised in respect of goodwill is never reversed. For other non-financial assets, a loss is reversed if the reasons for the impairment loss have ceased to apply. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed that which would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### g) Cash at bank and in hand

Cash at bank and in hand comprises cash balances and balances which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Money market funds are classified as cash and are deemed to be equivalent to cash on deposit. Banking facilities that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash at bank and in hand for the purpose of the cash flow statement.

#### h) Offsetting

FRS 103 prohibits the offsetting of reinsurance assets against the related insurance liabilities except where required or permitted. Reinsurance assets and liabilities arising under the quota share arrangements, with the same reinsurer, are offset and the net amount reported in the statement of financial position as there is a legally enforceable right to set off the amounts, and there is an intention to settle on a net basis, as set out in the contractual terms of the quota share agreements.

Other financial assets and liabilities are offset, with the net amount reported in the statement of financial position, where there is a legally enforceable right to offset the recognised amounts and there is an intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

### 3. Significant accounting policies (continued)

#### i) Income tax

Tax in the income statement for the year comprises current and deferred tax, which is recognised in the income statement except to the extent that it relates to items in other comprehensive income, in which case it is recognised in the statement of comprehensive income.

#### ij) Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

When there is uncertainty over the income tax treatment, if it is probable that a particular tax treatment is accepted, the Group and Company determine taxable profit/(loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment included in the Group and Company's corporation tax filing. If it is not probable that a particular tax treatment is accepted, the Group and Company use the most likely amount or the expected value of the tax treatment when determining taxable profit/(loss), tax bases, unused tax losses, unused tax credits and tax rates, whichever gives better predictions of the resolution of the uncertainty.

#### ii) Deferred tax

Deferred tax is provided based on timing differences that arise from the inclusion of income and expenses in tax assessments in different periods from those in which they are recognised in the financial statements.

The amount of deferred tax provided for is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date. The following timing differences are not provided for:

- the initial recognition of goodwill not deductible for tax purposes; and
- timing differences arising on investments in subsidiaries where the Group controls the timing of the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### j) Tangible assets and depreciation

Tangible assets are stated at cost less depreciation. Depreciation is provided on all tangible assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life on a straight-line basis. The expected useful lives of the principal categories of assets are:

Computer equipment and software	3 to 5 years
Leasehold improvements	6 years

#### k) Leases

Where a significant proportion of the risk and rewards of ownership of a leased asset are retained by the lessor, these contracts are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease. Lease incentives are recognised in the income statement on a straight-line basis over the lease term. All leases currently held by the Group are considered operating leases and no liability is recognised in the statement of financial position.

#### l) Fee and commission expenses

Fees and commission expenses mainly relates to commission payable to insurance intermediaries that is recognised over the lifetime of the related policy. All other fees and commission expenses are recognised on an accruals basis as the service is provided.

#### m) Pensions

The Group operates defined contribution pension plans which receive fixed contributions from the Group. The Group's legal or constructive obligation for these plans is limited to those contributions. Contributions are recognised as an employee benefit expense when they fall due.

#### n) Share capital and share premium

Ordinary shares are classified as equity. Share premium represents the excess of share issue proceeds over the nominal value of shares issued and is included within equity.

### 3. Significant accounting policies (continued)

#### o) Dividends to shareholders

Dividends are only recognised in the annual report and accounts by the Group and Company once they have been appropriately authorised. Dividends proposed, declared and authorised may be cancelled, deferred or withheld by the Directors at any time prior to payment. As a result, a dividend does not create a contractual obligation until the point it is actually paid, and payment is conditional on it not having been cancelled, deferred or withheld before that time.

#### p) Foreign currencies

The Company holds some investments denominated in US Dollars, Euros and Polish Zloty which are translated to the Company's functional currency at the exchange rate at the reporting date. Transactions in foreign currencies are recorded at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Foreign exchange gains and losses resulting from the settlement of transactions and the translation of investments at the financial reporting date are recognised in the non-technical profit and loss account. The Group holds currency hedges to minimise foreign exchange exposure.

#### q) Provisions and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that: an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

The Group is, from time to time, subject to threatened or actual litigation, reinsurance disputes, and/or other legal and/or regulatory disputes, investigations or similar actions. All potentially material matters are assessed, with external advice sought if appropriate. No provisions are currently held in relation to such matters.

### 4. Use of estimates and judgments

The preparation of the annual report and accounts requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

#### General insurance contracts – assumptions, changes in assumptions and sensitivity

##### i) Basis of assessing liabilities

The Group uses a combination of recognised actuarial and statistical techniques to assess the ultimate cost of claims. These include:

- projecting historic claims payment and recoveries data;
- projecting numbers of claims;
- deriving average costs per claim to apply to claim numbers; and
- projecting historic claims paid and incurred data (payment plus estimates) – statistical actuarial techniques including chain ladder, Bornhuetter-Ferguson and Cape Cod.

Detailed claims data, including individual case estimates, are used to derive patterns in average claims costs and timings between occurrence and estimate/payment of claims. The most common method used is the chain ladder method. This technique involves the analysis of historical claims development trends and the selection of estimated development factors based on this historical pattern. The selected development factors are then applied to cumulative claims data for each accident or underwriting quarter, which is not yet fully developed, to produce an estimated ultimate claims cost for each accident or underwriting quarter. A degree of judgment is required in selecting the most appropriate development factors.

The chain ladder method can be volatile for relatively undeveloped origin periods so a Bornhuetter-Ferguson method is often used in such cases. This method uses a prior expectation of the ultimate claims and stabilises the projected ultimate by weighting between the prior expected ultimate and that projected based on the assumed development factors.

The work is undertaken and supervised by suitably qualified personnel. Claims provisions are separately computed for each claim type such as bodily injury, accidental damage, storm, flood and subsidence. All provisions are calculated with explicit allowance for reinsurance and subrogation recoveries. Provisions are not discounted for investment return other than any required additional provision for unexpired risks, periodic payment settlements and provisions relating to exposure within the electric industry.

Discounted reserves in respect of periodic payment settlements are £116.9m (2024: £116.4m) and historic liability claims from the electric industry discounted reserve amounts to £1.2m (2024: £1.5m). The impact of the unwinding of the discounting in the year was £4.1m (2024: £4.2m). Further details around expected settlement patterns for claims arising on these reserves are disclosed within the market risk section on pages 36 to 37.

#### 4. Use of estimates and judgments (continued)

##### General insurance contracts – assumptions, changes in assumptions and sensitivity (continued)

###### *i) Basis of assessing liabilities (continued)*

The historic liability claims from the electric industry reserve was based on a report produced for the industry in March 2022 by Willis Towers Watson, an actuarial consultancy. This gave Willis Towers Watson's estimate of both the undiscounted and discounted incurred but not reported (IBNR) reserves as at the end of June 2021. This was the most recent report available when Soteria calculated its year end 2025 reserves.

As outlined within the risk management section, there is significant uncertainty in the assessment of liabilities and provisions are set to be adequate to cover the anticipated eventual cost. A management margin is added to the 'actuarial best estimate', so that, in most years, no adverse run-off deviations are envisaged. Sensitivity analysis is performed to assist the selection of key parameters and, hence, the provisions adopted. Provisions are subject to detailed review regarding the appropriateness of key assumptions and the quantum of the provisions established.

Reserves are assessed by internal actuaries, who assess the ultimate claims cost by time period, class of business, and type of claim both gross and net of reinsurance. The Group also commissions an independent reserve review annually. The reserves (including best estimate and management margin) are subject to review quarterly by the Reserving Committee, the Group Chief Actuary and the Audit Committee of the Board of Directors.

###### *ii) Key assumptions*

Principal assumptions underlying the claims provisions include:

- The consistency of individual case estimates applied by claims handlers, particularly in respect of large individual motor claims;
- The future development pattern for claims payments and incurred amounts being in line with those observed in the past;
- Allowance for future inflation rates being different to those implied in the claims data;
- The pattern of future claims notifications relating to mesothelioma claims decaying as projected; and
- For bodily injury claims, allowance has been made for:
  - i. use of the appropriate Ogden Tables and the current discount rate (+0.5% in England and Wales);
  - ii. awards for general damages in accordance with the 16th edition of the Judicial College Guidelines;
  - iii. a proportion of large claims being settled by periodic payments; and
  - iv. the interest rate used to discount the value of future payments from claims settled by Periodical Payment Orders.

##### ***Movement in insurance liabilities***

An analysis of movements in claims and claims handling costs in respect of prior years for both Tradex and Soteria can be found in the individual Annual Report and Accounts of each of the companies.

##### **Perpetual restricted tier 1 notes and subordinated tier 2 notes**

Both the perpetual restricted tier 1 notes ('RT1 notes') and the subordinated tier 2 notes ('T2 notes') are classified as liabilities, as the terms create a contractual obligation on the Company to deliver cash to the noteholders and the Company does not have an unconditional right to avoid settling in cash or by delivery of another financial asset.

These debt liabilities are initially recognised at fair value, which equates to issue proceeds net of transaction costs incurred, and subsequently stated at amortised costs. Any difference between proceeds net of transaction costs and the redemption value is recognised in the income statement over the period of the debt using the effective interest rate method.

Transaction costs of £0.1m have been capitalised in relation to the issue of the RT1 notes, and transaction costs of £4.7m have been capitalised in relation to the issue of the T2 notes.

##### **Fair values of financial assets and liabilities**

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the annual report and accounts:

#### 4. Use of estimates and judgments (continued)

##### General insurance contracts – assumptions, changes in assumptions and sensitivity (continued)

###### ii) Key assumptions (continued)

###### Financial investments

The fair value of listed securities is based on market prices provided by independent, external pricing sources at the statement of financial position date without any deduction for transaction costs. The fair value of unlisted securities is based on independent valuations which are updated at least quarterly.

Assets which are valued using alternative valuation techniques are those classified as level 3 in note 35. Details of the assumptions made in valuing these investments can be found in note 3 e).

###### Deferred tax assets

In preparing the financial statements, management is required to make judgments regarding the recognition of deferred tax assets. Deferred tax assets are recognisable for deductible temporary differences and tax loss carry forwards to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be utilised.

The assessment of the recoverability of deferred tax assets includes judgment, particularly in relation to the forecast of future taxable profits. Management considers various factors, including:

- Historical financial performance, including analysis of past profitability and performance compared with forecasts;
- Approved business plans, including evaluation of strategic initiatives and other key considerations that underpin forecast future profits; and
- Tax legislation, including consideration of changes in tax rates which may impact the realisation or valuation of deferred tax assets.

Within the Group, there are deferred tax assets for Tradex and Soteria. As at the reporting date, the Groups has recognised Tradex's deferred tax asset as Group's management have determined that it is probable that Tradex will have sufficient taxable profits available in the future to utilise the recognised deferred tax asset. However, if future taxable profits are lower than expected, or if there are changes in tax legislation, this could lead to a reduction in the carrying amount of deferred tax assets, which would be recognised in profit or loss. The Group has not recognised Soteria's deferred tax asset of £47.9m (2024: £54.1m) on the basis it is uncertain whether Soteria will generate future taxable profit against which the deductible temporary difference may be utilised.

#### 5. Risk management

The Group is exposed to a variety of financial and non-financial risks. This section summarises these risks and the way the Group manages them.

##### Our approach to risk management

Effective Risk Management is essential for the achievement of business success and is everyone's responsibility. Customers, regulators and other stakeholders expect the Group to manage risk effectively.

The Group's Risk Management Framework (RMF) identifies processes, ownership, responsibilities and the oversight required to support effective implementation of Risk Management across the Group.

The RMF has been built around the 'Three Lines of Defence' model as follows:

- First line: manage risk in day to day operations.
- Second line: provide oversight and challenge.
- Third line (Internal Audit): provide assurance that the RMF is being executed as intended.

The Group provides first line oversight of all outsourced activities. The second line also provides review and oversight in accordance with Saturn's risk profile.

##### Risk assessment of the Group

The principal risks of the Group are risks associated with the business of the Group's trading subsidiaries, Tradex and Soteria. The Group assesses the principal risks facing the business at least annually and a projection of how these risks are expected to evolve as the risk profile changes is completed as part of the ORSA process. These risks are summarised on page 7.

The RMF requires the Executive Team to attest that they understand the risks and controls in their areas of accountability and support an open risk management culture. In support of the attestation, each Executive is required to undertake a Risk and Control Self-Assessment ('RCSA'), which identifies the risks to the achievement of their objectives and the controls in place to mitigate these risks, together with an assessment of the effectiveness of the controls (Design and Performance, with appropriate testing of control performance). The RCSA is designed to cover all material controls including financial, operational and compliance controls as well as the minimum requirements set out in the Group's risk policies.

## 5. Risk management (continued)

### Responsibilities Map

The Group maintains a Responsibilities Map which sets out the accountabilities delegated by the CEO to each member of the Executive Team, which are also reflected within their individual role profiles. These accountabilities include the Senior Managers & Certification Regime ('SM&CR') senior management function and prescribed responsibilities which are considered in conjunction with delegated authorities.

### Risk management structure

The Saturn Board is responsible for approving the strategy and the level of acceptable risks articulated through its statements of risk appetite. The Saturn Board is also responsible for overall corporate governance, which includes ensuring that there is an adequate system of risk management in place.

The Group has developed and implemented a governance and organisation structure, which supports the Saturn Board with its responsibilities. The Saturn, Tradex and Soteria Boards have established separate risk and audit committees to:

- Oversee and advise the Boards of Saturn, Tradex and Soteria on current and potential risks and the overall risk framework.
- Ensure that risk appetite is appropriate and adhered to and that key risks are identified and managed.
- Review the effectiveness of internal controls and risk management systems.

To assist the Saturn Board in carrying out its functions and to ensure that there are internal controls and risk management, the Saturn, Tradex and Soteria Boards have delegated certain responsibilities to a set of Board committees and, in the case of Tradex and Soteria, to the Chief Executive Officer (CEO). The CEO has in turn, delegated elements of these responsibilities to appropriate members of the Executive. To ensure independent oversight the Chief Risk Officer (CRO) also has accountability to the Tradex and Soteria Board Risk Committee (BRC).

All Board committees have Terms of Reference describing the authority delegated to them by their Board, and the Board ensures that each committee is provided with sufficient resources to enable its duties to be undertaken.

### Conduct and regulatory risk

Conduct risk is the risk that the Group's processes, behaviours, offerings or interactions will result in unfair outcomes or foreseeable harm for customers. The Group has in place Board approved Customer Outcome metrics which are regularly monitored; outcomes outside of tolerance identify areas where further investigations or actions are required. The Saturn Customer Committee is in place to support this process and to ensure that customers, including vulnerable customers, receive fair value and do not face any foreseeable harm.

Regulatory risk is the risk of regulatory sanctions, regulatory censure, material financial loss or loss to reputation the Group may suffer as a result of its failure to comply with regulations, rules, related self-regulatory organisation standards, and codes of conduct applicable to its activities.

The Group's objective is to be compliant with all relevant regulatory requirements.

Regulatory risks are regularly monitored and reported to the Group Executive, Risk Committee and Board.

### Insurance risk

Insurance risk comprises the risk of loss resulting from adverse change in the value of insurance liabilities and can relate to both unearned exposure (Premium risks) and earned exposure (Reserve risks).

The nature of insurance contracts is that the obligations of the insurer are uncertain as to the timing or quantum of liabilities arising from contracts. Given the uncertainty in estimating future loss ratios and establishing claims provisions, it is possible that the outcome will prove to be different from the original liability anticipated.

As Soteria is in run-off, it therefore has no live exposure to underwriting risk. Whereas Tradex is still active and susceptible to this risk. For Tradex insurance risk concentrations are managed by having underwriting guidelines in place which ensure a suitable mix of exposure geographically and by underwriting class. There were no significant concentrations of insurance risk at the statement of financial position date or at the prior year end date.

#### Insurance risk – premium risk

Premium risk volatility is minimised through proactive pricing and underwriting that can respond quickly to changes in customer risk profiles, claims experience and market considerations.

#### Insurance risk – reserve risk

The overriding objective in claims handling is to ensure all claims are properly scrutinised and paid where they fall within the terms and conditions of the policy. The proper scrutiny of claims is facilitated by the use of various technical aids such as fraud databases and the use of claims specialists. The basis for assessing claims provisions is set out in note 4 (page 32).

The nature of insurance contracts is that the obligations of the insurer are uncertain as to the timing or quantum of liabilities arising from contracts. The Group takes all reasonable steps to ensure that it has information regarding its claims exposures. However, given the uncertainty in establishing claims provisions, it is possible that the final outcome will prove to be different from the original liability established. The Group manages this risk through the Quarterly Reserving Committee, which supports the CFO in their responsibility to formally review claims reserves on a quarterly basis. Analysis of claims development can be found in note 28 (page 51).

## 5. Risk management (continued)

### **Insurance risk – reinsurance**

The Group uses reinsurance to manage insurance risk and holds both excess of loss cover, to cover large motor losses, and catastrophe cover.

Quota share reinsurance arrangements are also held to cede parts of the portfolio.

### **Market risk**

The Group considers market risk as the risk of loss or of adverse change in the financial situation resulting, directly or indirectly, from fluctuations in the level and in the volatility of market risk drivers including interest rates, market prices of assets and liabilities.

**Interest Rate** – The risk of exposure to losses resulting from fluctuations in risk-free interest rates. The risk that the fair value or future cashflows of financial assets fluctuate due to changes in market interest rates. The Group's bond holdings are sensitive to rate movements, which also affect the valuation of insurance liabilities. Duration matching and interest rate hedging are used to mitigate this risk.

**Credit-Spread** – Credit spread risk arises from changes in the credit and liquidity risk-premia on marketable assets held within the Company. This risk is reflected in a reduction in the market value of marketable assets but is only crystallised if the asset is sold. Credit quality thresholds and diversification are used to manage this risk.

**Credit Default** – The risk of financial loss due to issuer or counterparty default, or delay in payments upon bank deposits, bonds or money-market instruments other than those issued by the UK government. This includes direct exposures, and indirect exposures via pooled vehicles. Credit quality thresholds and diversification are used to manage this risk.

**Currency** – The risk of loss due to currency fluctuations affecting assets, liabilities, or cashflows denominated in foreign currencies. The Group writes contracts of insurance in the United Kingdom and insurance liabilities and borrowings are denominated in sterling. Funds include investments denominated in Euros, US Dollars and Polish Zloty as well as sterling, and consequently there is an exposure to currency risk, which is managed through hedging and exposure limits.

**Other Risks** – Market Risks other than those risks listed above, including risks such as Equity and Property Risks. The risk of losses due to a reduction in value of the assets. The Group also holds investments in equities and asset-backed lending, including real-estate backed lending. A diversified approach is adopted across asset classes together with restrictions around loan to value.

### **Market risk – objective and strategy**

During 2025 Aon Investments Limited (Aon) was appointed as the Outsourced Chief Investment Officer (OCIO). For legacy related assets Hundle was instructed to manage the assets on a care and maintenance basis in line with the Group's revised investment management agreements. The Group's invested assets, managed under the OCIO arrangement, are structured to balance liability hedging, capital growth, and liquidity needs. These objectives are pursued within a framework that supports the Group's regulatory obligations and strategic ambitions.

The OCIO-managed portfolio is designed to:

- Hedge the Technical Provisions liabilities, aiming to reduce exposure to interest rate and inflation risk where possible.
- Provide capital growth through investment in return-seeking assets, balancing risk and capital efficiency.
- Maintain adequate liquidity, in conjunction with additional liquidity holdings managed outside the OCIO mandate.
- Support solvency coverage targets, in line with ranges set out in the Capital Policy, and in line with Solvency II UK requirements.

In practice, this results in the majority of assets being invested in high-quality fixed income instruments and money market funds, with the remainder allocated to diversified, return-seeking investments intended to generate excess returns in a capitally efficient manner. The Strategic Asset Allocation (SAA) targets and investment mandate are captured as part of the Investment Risk Policy.

The Group is expected to deliver profitable growth, and premium income can therefore be used to help meet expected claims and other outgoing costs. The investment strategy includes:

- Matching assets: A "core" portfolio of high-quality fixed income and cash investments, focused on supporting the technical provisions and maintaining liquidity with a relatively low level of risk (including mitigating duration and FX risk); and
- Surplus assets: Allocations to higher risk/higher return assets (including private market investments) intended to deliver a real return on the capital surplus above the technical provisions and provide improved diversification.

## 5. Risk management (continued)

### **Market risk – sensitivity analysis**

The most significant aspect of market risk to which the Group is exposed is the effect of changes in value of investments, which directly impacts the profits reported under UK GAAP, and changes in credit-spreads on corporate bonds, which also affect the Group's solvency.

An increase of 100 basis points in credit-spreads would reduce the value of the Group's assets at the end of the financial year by approximately £4.4m (2024: £2.6m). This would reduce the Group's solvency (on all bases) by £3.3m (2024: £2.0m) net of tax, although it is likely that the overall net impact on solvency would be lower than this as the fall would be partially offset by a reduction in the value of liabilities arising from Soteria's use of the Volatility Adjustment (under Solvency II) to value claims provisions. The impact of a decrease of 100 basis points in credit-spreads would have similar but opposite effects.

An increase in the discount rate of 100 basis points would decrease the value of gross PPO reserves by £14.1m (2024: £14.1m) and the value of net PPO reserves by £4.4m (2024: £4.4m). A decrease in the discount rate of 100 basis points would increase the value of PPO reserves by £18.3m (2024: £18.3m) and the value of net PPO reserves by £5.8m (2024: £5.7m). Profit and equity would decrease by the same amount, less tax at 25%.

### **Climate change**

The financial risks from climate change arise through 2 primary channels or risk categories:

- **Physical risks:** arise from specific weather events (e.g. floods) and longer term shifts in the climate (e.g. weather variability and sea level rise). These could impact property insurance via higher claims cost but could also impact the Group's assets.
- **Transition risks:** arise from the adjustment to a low-carbon economy. These could impact a firm's assets, in particular the value of investments, but also impact underwriting e.g. electric cars. The stance taken by the Group could also be a potential source of reputational risk.

Insurance, market, credit, regulatory and operational risk are identified as potentially being impacted. Insurance risk arises due to potential for increased weather related losses. Credit risk arises because reinsurers are exposed to extreme catastrophes and market risk themselves, which could reduce their financial strength, hence the Group's ability to recover claims.

Given that the Group has low risk, short term investments, then market risk is not a significant risk although we note that if the investment mandate changes going forwards then this may increase the Group's exposure to climate related risks.

In that operational risk relates to access to premises, this is also not a significant risk and is dealt with as part of business continuity planning.

### **Currency risk**

The Group is exposed to currency risk on its investments as corporate bonds, other government bonds and asset backed lending include investments denominated in Euros, US Dollars and Polish Zloty. The Group holds currency hedges against the majority of these assets to minimise exposure. At the end of the year, the net currency exposure after the impact of hedging was £1.9m (2024: £2.0m).

The Group's currency exposure is immaterial to the financial statements, and any reasonably possible fluctuations that would arise through sensitivity analysis would not be material.

### **Operational risk**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or external events. The Group's objective is to minimise operational risk through the implementation of a robust control environment which minimises the potential for loss as a result of the failure of processes, people and technology or due to external events.

The Group is committed to managing operational risk effectively and proportionately. This includes maintenance of robust internal control processes and governance frameworks and the embedding of risk policies. All core servicing and claims activities provided under the outsourced service agreement have agreed service levels, including activities undertaken by third-party suppliers on behalf of MISL.

The Group has a corporate insurance programme to transfer specific risks to insurers as part of its risk management approach which, in 2025, included employer's liability and Directors' and Officers' insurance.

### **Liquidity risk**

Liquidity risk is the current and prospective risk to earnings or solvency arising from the Group's inability to meet its obligations when they come due without incurring unacceptable losses. The Group's objective is to maintain at all times, liquid resources which are adequate to meet all policyholder and other funding obligations as they fall due primarily through the use of cash and highly liquid UK government and corporate bonds.

Saturn's Board sets risk appetite thresholds for liquid investments, based on forecast cash flows, and assesses liquidity against these.

The actual and projected levels of cash and other assets held by each of the group entities are monitored and managed through an appropriate finance governance committee, with oversight by the BRC and Board. As at 31 December 2025, liquid assets of £294.0m (2024: £281.2m) were held by the Group. See note 32 for details of cashflows arising from liabilities.

## 5. Risk management (continued)

### **Credit risk**

Credit risk is the risk to earnings and capital arising from a debtor's failure to meet their legal and contractual obligations. The Group does not aim to earn a return from credit risk hence its appetite for credit risk is very low. Potential losses arising from credit risk are minimised by the use of high-quality reinsurers and highly rated investments.

The Group's key credit risk exposure is from default or delay in respect of insurance receivables, where default is defined as failure to pay resulting in financial loss to the Group. The two main potential causes of this would be i) reinsurance counterparties failing to meet financial obligations or entering into restructuring arrangements that may adversely affect reinsurance recoveries ii) Insurance receivables, such as premiums, not being paid. A third, albeit much smaller source of credit risk would be if our insurers do not pay amounts when due. See note 19 for details in relation to credit quality.

The Group manages credit risks associated with cash and corporate bonds as part of market risk. See market risk section on page 36 for details.

Where reinsurance is used to manage insurance risk, there is a risk that the reinsurer fails to meet its obligations in the event of a claim. The Group places limits over exposure to a single reinsurance counterparty, or counterparty group, based upon their credit-worthiness. These limits applied when reinsurance was initially placed, and are regularly monitored. Where concern exists over the credit quality of a reinsurer, a review will be undertaken to determine the most appropriate management action.

The quota share reinsurance arrangements mostly operate on a funds withheld basis, which means that only the reinsurer margin is transferred to the reinsurer.

## 6. Capital Management

The Group's capital and capital requirement is defined in the Strategic Report on page 5.

### **Objectives when managing capital**

The Group's strategy in respect of capital management is to ensure that the following objectives are met:

- It has sufficient capital to meet all regulatory requirements.
- It has sufficient additional capital above the regulatory requirements to make any breach of the regulatory requirement unlikely, ensuring that policyholders are protected.

### **Required capital**

Under the Solvency II regulatory framework, the Prudential Regulation Authority (PRA) requires the Group to calculate a capital requirement and to hold sufficient capital to meet it.

#### **(a) Regulatory required capital**

The Solvency II regulatory regime came into force as at 1 January 2016 and, from 31 December 2024, has been replaced by the Solvency II UK regulatory regime, as prescribed by the PRA. Under this solvency framework, Saturn is required to hold capital at the greater of two measures, namely the Solvency Capital Requirement (SCR) and the Minimum Capital Requirement (MCR). These measures are described below.

- SCR: The SCR is a risk-responsive capital measure, calibrated to ensure that an insurer will be able to meet its obligations over the next 12 months with a probability of at least 99.5%. The Group currently calculates its SCR using the Standard Formula (SF). The Standard Formula is calibrated based on market wide data and not on a specific firm's data, so the PRA must approve the SF SCR as being appropriate for a particular firm.
- MCR: The calculation of the MCR is prescribed under the Solvency II guidance and is set at a lower level than the SCR. Initially, the MCR is calculated by applying set factors to net technical provisions and the previous 12 months' net written premiums and is then subject to a cap of 45% and a floor of 25% of the SCR.

#### **(b) Internal required capital**

The Saturn Board sets a capital risk appetite. As the material risks arising occur within the insurance subsidiaries, the more detailed risk limits are delegated to Tradex and Soteria.

The Group has maintained capital above all its regulatory requirements throughout 2025, and SCR coverage has been maintained above the risk appetite throughout the year. The Group reviews the solvency position of Tradex and Soteria through monthly or, when appropriate, more frequent monitoring. Quarterly reports on the solvency of the Group are provided to the Board. Quarterly reports on the solvency of Tradex and Soteria are provided to the Investments, Finance and Capital Committee and to the Board.

**6. Capital Management (continued)****(b) Internal required capital (continued)**

In the event that the Group falls below its risk appetite, it would be possible to reduce capital requirements by executing actions that reduce risk, albeit often resulting in reduced returns. Management have identified potential actions which fall into three main categories:

- Actions to reduce insurance risk – for example, through the purchase of reinsurance.
- Actions to reduce other types of risk – for example, de-risking the investment portfolio.
- Actions to increase available capital – for example, through possible issuance of additional subordinated debt.

Potential actions are routinely assessed at least once a year so that contingent management actions are available.

**(c) Capital composition**

The policies and processes employed by the Group are designed to benefit policyholder protection by giving the business an accurate understanding of the amount and quality of capital and resources. This helps the business ensure that sufficient capital is held to absorb unexpected losses and maintain solvency.

Under the Solvency II regime capital resources are referred to as own funds. Own funds correspond to capital and reserves which can serve as a buffer against risks and absorb financial losses. Each type of own funds is classified within a tier, with tier 1 being the highest quality capital.

All of the Group's excess of assets over liabilities, which comprises share capital and retained profits calculated on a Solvency II basis, is classified as tier 1 capital. In addition, the perpetual subordinated debt and term subordinated debt held by the business, disclosed in note 26, served as tier 1 restricted and tier 2 capital respectively, and any deferred tax assets are classified as tier 3 capital.

100% of tier 1 own funds held at the end of the reporting period were eligible to meet the SCR and MCR. The Solvency II regulations restrict the use of lower tier capital to support the SCR, the value of Tier 2 and Tier 3 items not being permitted to exceed 50% of the value of the SCR. 100% of tier 1 capital, 20% of tier 2 capital and 0% of tier 3 capital is eligible to meet the MCR. Restricted Tier 1 items must form less than 20% of total Tier 1 items eligible to meet the SCR and MCR.

Further information, including an explanation of the valuation of assets and liabilities on a Solvency II basis, is included in the Group Solvency & Financial Condition Report published annually.

**7. Class of business**

These results include items directly attributable to a class of business as well as those that can be allocated on a reasonable basis. The accounting policies of the business classes are the same as those described in the summary of significant accounting policies. The results below are those of Saturn's insurance subsidiaries, Tradex and Soteria, and do not represent a full group consolidation.

**Business classes**

Tradex and Soteria comprise the following classes of business:

<b>Motor</b>	Private motor car, fleet and commercial vehicles.
<b>Home</b>	Domestic buildings, contents and personal possessions.
<b>Other</b>	Commercial risks covering property, liability, and financial loss. Other minor personal risks, run off of inwards reinsurance liabilities and finance costs.

**Class of business income statement for the year ended 31 December 2025**

	<b>Motor</b>	<b>Home</b>	<b>Other</b>	<b>Total</b>
Gross premiums written	568.4	38.1	3.1	609.6
Gross premiums earned	619.9	34.7	4.0	658.6
Gross claims incurred	(466.9)	(16.8)	(2.5)	(486.2)
Gross other technical income	-	-	-	-
Gross operating expenses	(104.8)	(14.8)	(0.3)	(119.9)
Reinsurance balance (including quota share)	(55.2)	(2.5)	7.0	(50.7)
<b>Balance on the technical account for general business</b>	<b>(7.0)</b>	<b>0.6</b>	<b>8.2</b>	<b>1.8</b>

## 7. Class of business (continued)

### Class of business income statement for the year ended 31 December 2024

	Motor	Home	Other	Total
Gross premiums written	586.6	25.6	4.9	617.1
Gross premiums earned	410.5	23.0	3.5	437.0
Gross claims incurred	(327.3)	(19.5)	(4.5)	(351.3)
Gross other technical income	(0.1)	-	-	(0.1)
Gross operating expenses	(68.0)	(11.6)	(0.7)	(80.3)
Reinsurance balance (including quota share)	6.1	(2.1)	0.3	4.3
<b>Balance on the technical account for general business</b>	<b>21.1</b>	<b>(10.2)</b>	<b>(1.4)</b>	<b>9.5</b>

The whole of the underwriting results, turnover, and pre-tax profit noted in the above with Tradex and Soteria arose solely in the United Kingdom.

## 8. Net earned premiums

	2025	2024
<b>Gross premiums</b>		
Gross written premiums	609.6	617.1
Change in unearned premium provision	49.0	(180.1)
<b>Gross earned premiums</b>	<b>658.6</b>	<b>437.0</b>
<b>Outward reinsurance premiums</b>		
Premiums ceded	(375.8)	(384.5)
Change in unearned premium provision	(35.0)	124.5
<b>Premiums ceded to reinsurers</b>	<b>(410.8)</b>	<b>(260.0)</b>
<b>Net earned premiums</b>	<b>247.8</b>	<b>177.0</b>

## 9. Other income

	2025	2024
<b>Other technical income, net of reinsurance</b>		
Reinsurance commission earned	0.6	1.5
<b>Other non-technical income</b>	<b>0.1</b>	<b>-</b>
<b>Total other income</b>	<b>0.7</b>	<b>1.5</b>

Reinsurance commission earned relates to profit commission due from reinsurers under reinsurance arrangements.

## 10. Net claims paid

	Note	2025	2024
<b>Gross claims paid</b>			
Current year claims		123.4	81.9
Prior year claims		237.5	146.2
		<hr/>	<hr/>
Gross claims paid	28	360.9	228.1
<b>Less salvage and subrogation</b>			
Current year claims		-	-
Prior year claims		(1.2)	(1.9)
		<hr/>	<hr/>
Salvage and subrogation received		(1.2)	(1.9)
		<hr/>	<hr/>
Claims paid		359.7	226.2
<b>Less amounts receivable from reinsurers</b>			
Current year claims		(61.5)	(40.6)
Prior year claims		(118.5)	(64.1)
		<hr/>	<hr/>
Amounts receivable from reinsurers	28	(180.0)	(104.7)
		<hr/>	<hr/>
<b>Net claims paid</b>		179.7	121.5

## 11. Net operating expenses

	2025	2024
Acquisition costs	63.9	59.2
Change in deferred acquisition costs	7.2	(14.2)
Reinsurance commissions	(85.6)	(105.3)
Reinsurance share of change in deferred acquisition costs	(8.9)	46.5
Administration expenses	53.5	33.7
	<hr/>	<hr/>
Operating expenses	30.1	19.9

Acquisition costs relate to commissions paid to brokers.

Included within administrative costs is £11.3m (2024: £3.6m) of exceptional costs that relate to costs outside of the usual scope of business and are of a non-recurring nature. Of these exceptional costs, £7.0m relates to capital projects, £2.8m relates to regulatory projects, and the remaining £1.5m relates to other non-recurring projects.

The Group has a limited number of employees, with other services provided by MISL. MISL has acted as an outsourced service provider to the Group since Saturn's acquisition of Tradex and for Soteria since December 2020. All core servicing and claims activities provided under the outsourced service agreement have agreed service levels, including activities undertaken by third-party suppliers on behalf of MISL.

Key management compensation is disclosed in note 34. Staff costs included within administrative expenses are shown below. Included within the administration expenses is £0.7m (2024: £0.5m) paid by the Group in respect of regular pension contributions.

Details of the Directors' remuneration paid by the Group can be found in note 34. No remuneration is paid in respect of Saturn, as the services provided are not deemed to be a significant portion of the overall time spent on the Group.

### Staff costs

	2025	2024
Wages and salaries	10.8	8.1
Social security costs	1.3	0.9
Pension costs - defined contribution scheme	0.7	0.5
	<hr/>	<hr/>
	12.8	9.5

## 11. Net operating expenses (continued)

### Average number of employees

	2025	2024
Administration	54	37
Management	8	9
	<b>62</b>	<b>46</b>

### Amounts payable to auditors

	2025	2024
Audit of these financial statements	0.1	0.1
Audit of subsidiary financial statements	1.2	1.1
Other assurance services relating to the Company	0.4	0.1
Other services relating to the subsidiaries	0.7	0.3
	<b>2.4</b>	<b>1.6</b>

Included within 'Other services relating to the subsidiaries' is £0.2m (2024: £nil) relating to services for regulatory reporting, with the £0.5m (2024: £0.3m) remainder for other services.

The above amounts are exclusive of VAT.

## 12. Investment return

	2025	2024
Interest and similar income:		
Deposits with credit institutions (including money markets)	7.2	2.9
Listed debt securities	11.7	12.0
Equities	0.4	0.5
Asset backed lending	4.4	1.5
Collective investments	1.1	1.3
	<b>24.8</b>	<b>18.2</b>
Realised gains/(losses) on investments:		
Deposits with credit institutions (including money markets)	(1.4)	-
Listed debt securities	(0.5)	(9.1)
Equities	0.2	0.1
Asset backed lending	0.6	0.2
Collective investments	0.6	1.8
Derivatives	0.1	1.0
	<b>(0.4)</b>	<b>(6.0)</b>
Total investment income	<b>24.4</b>	<b>12.2</b>
Unrealised gains/(losses) on investments:		
Deposits with credit institutions (including money markets)	0.3	-
Listed debt securities	0.6	4.8
Equities	1.4	(6.1)
Asset backed lending	0.1	3.7
Collective investments	0.4	0.6
Derivatives	0.6	(0.4)
	<b>3.4</b>	<b>2.6</b>

Included in investment returns are realised losses of £1.3m (2024: gains of £0.3m) and unrealised losses of £1.6m (2024: £0.3m) relating to foreign exchange movements on investments denominated in currencies other than GBP.

### 13. Investment expenses and charges

	2025	2024
Interest incurred on subordinated debt	13.3	12.3
Other subordinated debt costs	2.6	-
Other interest expenses	0.1	-
Investment management expenses	4.2	3.9
	<u>20.2</u>	<u>16.2</u>

### 14. Income tax

	2025	2024
<b>Current tax</b>		
UK tax charge for the current year	(2.1)	(2.5)
Adjustment in respect of previous periods	0.1	-
	<u>(2.0)</u>	<u>(2.5)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(1.0)	9.3
Adjustment in respect of previous periods	0.1	-
	<u>(0.9)</u>	<u>9.3</u>
Total tax (charge)/credit recognised in the income statement	<u>(2.9)</u>	<u>6.8</u>

Further information about deferred tax is presented in note 29.

### Reconciliation of effective tax rate

The tax charge in the income statement differs from the theoretical amount that would arise using the corporation tax rate in the UK as follows:

	2025	2024
Profit before taxation	4.9	5.7
Tax calculated at domestic corporation tax rate of 25.0% (2024: 25.0%)	(1.2)	(1.4)
Effect of:		
Expenses not deductible for tax purposes	(2.8)	(4.0)
Income not taxable	0.1	-
Deferred tax not recognised	0.8	12.2
Adjustment in respect of prior years	0.2	-
Income tax (charge)/credit	<u>(2.9)</u>	<u>6.8</u>

## 15. Goodwill

Group	Goodwill on purchase of Tradex	Negative goodwill on purchase of Soteria	Total
<b>2025</b>			
Opening net book value	-	(52.6)	(52.6)
Amortised during the year	-	-	-
Closing net book value	-	(52.6)	(52.6)
<b>2024</b>			
Opening net book value	4.1	(59.2)	(55.1)
New in the year	-	5.9	5.9
Amortised during the year	(4.1)	0.7	(3.4)
Closing net book value	-	(52.6)	(52.6)

## 16. Tangible Assets

Group	Computer Equipment and Software	
	2025	2024
<b>Cost</b>		
At the start of the year	7.6	7.6
Additions	-	0.1
Disposals	-	(0.1)
At the end of the year	7.6	7.6
<b>Depreciation</b>		
At the start of the year	(6.4)	(6.2)
Charge for the year	(0.5)	(0.3)
Disposals	-	0.1
At the end of the year	(6.9)	(6.4)
<b>Net Book Value</b>		
At the end of the year	0.7	1.2
At the start of the year	1.2	1.4

## Notes to the annual report and accounts

All amounts are stated in £m unless otherwise indicated

### 17. Investment in group undertakings

Company	2025	2024
Investment in Tradex	177.2	139.7
Investment in Soteria	95.0	103.6
Investment in SFHL	-	0.4
	<hr/>	<hr/>
At the end of the year	272.2	243.7

On 19 February 2024, ownership of Soteria was transferred from SFHL to Saturn and Soteria became a directly owned subsidiary of Saturn. On 30 June 2025, Saturn subscribed for 3 new shares issued by Tradex for £7,500,000. On 22 December 2025, Saturn subscribed for a further 12 new share issued by Tradex for £30,000,000.

On 25 June 2025 Soteria paid a dividend to the Company of £15.0m. As a result, the net assets of Soteria were reduced to being lower than the Company's carrying value of the investment and an impairment review was triggered. Subsequently, the Company made an impairment charge to its investment in Soteria of £8.6m, reducing its value to £95.0m.

SFHL was dissolved on 16 December 2025, reducing the investment to nil.

### 18. Financial investments

Group	2025 Carrying value	2025 Cost	2024 Carrying value	2024 Cost
Corporate bonds	239.4	240.2	143.7	145.8
Gilts	35.9	44.2	37.8	46.2
Other government bonds	26.7	26.7	23.5	23.7
Equities	52.5	52.6	51.3	52.8
Asset backed lending	53.8	49.4	56.7	52.3
Collective investment assets	56.7	55.6	15.2	14.6
Derivatives	0.5	-	(0.1)	-
	<hr/>	<hr/>	<hr/>	<hr/>
	465.5	468.7	328.1	335.5

At 31 December 2025, corporate bonds, gilts, other government bonds, equities and asset backed lending of £266.4m (2024: £190.3m) are expected to be recovered more than 12 months after the reporting date. Corporate bonds, other government bonds, gilts, collective investment assets, equities and asset backed lending of £94.7m (2024: £nil) are expected to be recovered within 12 months of the reporting date. All other amounts have no maturity date. There are no secured deposits included in the above figures.

£42.6m of the equity investments relates to shares in an alternative investment fund, subject to level 3 investment alternative valuation techniques. The recoverability of this amount is based on the valuation of collateral (secured by properties), with any shortfalls mitigated by guarantees. The LTV has been assessed as less than 80%, comprising property and guarantees.

The collective investment assets include investments in funds of European asset-backed credit and global credit. These funds have no maturity date and units are readily tradeable.

Derivatives consist of interest rate swaps, foreign exchange hedges and options.

Included in investments are corporate bonds of £13.8m, gilts of £2.2m and other government bonds of £0.6m which are held in respect of the reinsurance arrangement with a third party. Any income received on these investments is transferred to the third party and Saturn is not exposed to any risk in relation to these assets.

## Notes to the annual report and accounts

All amounts are stated in £m unless otherwise indicated

### 19. Credit rating

As at the statement of financial position date, the table below provides analysis of the credit rating of those assets subject to credit risk. The Group's policy for making provisions for possible impairment is described within the accounting policy section on page 30.

	AAA	AA	A	BBB	BB and below	Not rated	Total
<b>As at 31 December 2025</b>							
Investment assets:							
Corporate bonds	-	3.2	31.5	76.2	17.7	97.0	225.6
Gilts	-	33.6	-	-	-	-	33.6
Other government bonds	-	25.0	-	1.2	-	-	26.2
Asset backed lending	-	-	-	-	-	53.8	53.8
Collective investments	-	-	-	-	-	56.7	56.7
Derivatives	-	-	-	-	-	0.5	0.5
Reinsurance assets	-	170.4	287.5	-	-	46.7	504.6
Insurance receivables and other assets	-	-	-	-	-	272.2	272.2
Cash at bank and in hand	191.4	-	61.4	-	-	0.1	252.9
	<b>191.4</b>	<b>232.2</b>	<b>380.4</b>	<b>77.4</b>	<b>17.7</b>	<b>527.0</b>	<b>1,426.1</b>

Assets not subject to credit risk

241.2

1,667.3

	AAA	AA	A	BBB	BB and below	Not rated	Total
<b>As at 31 December 2024</b>							
Investment assets:							
Corporate bonds	2.7	2.7	12.5	11.4	21.3	93.1	143.7
Gilts	-	37.8	-	-	-	-	37.8
Other government bonds	15.6	5.0	2.1	0.8	-	-	23.5
Asset backed lending	-	-	-	-	-	56.7	56.7
Collective investments	-	-	-	-	-	15.2	15.2
Derivatives	-	-	-	-	-	(0.1)	(0.1)
Reinsurance assets	-	100.1	259.1	1.3	10.2	0.1	370.8
Insurance receivables and other assets	-	-	-	-	-	261.4	261.4
Cash at bank and in hand	102.8	-	137.6	-	-	3.5	243.9
	<b>121.1</b>	<b>145.6</b>	<b>411.3</b>	<b>13.5</b>	<b>31.5</b>	<b>429.9</b>	<b>1,152.9</b>

Assets not subject to credit risk

239.9

1,392.8

The maximum exposure to credit risk is represented by the carrying value of each financial asset in the table. £11.6m of assets held at the end of the year are past due. No provision has been made in respect of these.

The figures above exclude investments of £16.6m (2024: £nil) and cash of £1.8m (2024: £nil) held in relation to a third party reinsurance arrangement.

## 20. Other debtors

<b>Group</b>	<b>2025</b>	<b>2024</b>
Amounts receivable:		
Other	<b>12.5</b>	1.9
From related parties	<b>33.2</b>	7.4
	<b>45.7</b>	9.3

Included within amounts receivables from related parties is £31.8m (2024: £0.1m) due from MISL, as disclosed within Note 34.

<b>Company</b>	<b>2025</b>	<b>2024</b>
Amounts due from group undertakings	<b>33.8</b>	30.1
Amounts due from other related parties	<b>31.8</b>	0.1
	<b>65.6</b>	30.2

## 21. Cash at bank and in hand

<b>Group</b>	<b>2025</b>	<b>2024</b>
Cash at bank	<b>90.1</b>	142.3
Cash on deposit	-	3.5
Money market funds	<b>164.6</b>	98.1
	<b>254.7</b>	243.9

This balance is included as cash at bank and in hand for the purpose of the statement of cash flows. The balance represents the net position across the Group's various bank accounts.

Included in cash at bank and in hand is £28.7m (2024: £16.0m) held in the Group's custodian accounts for investment purposes. A further £164.6m (2024: £101.6m) is held in money market funds for investment purposes.

Money market funds of £63.0m (2024: £nil) and cash at bank of £0.9m (2024: £1.6m) was held by the Company at the year end.

## 22. Deferred acquisition costs

<b>Group</b>	<b>2025</b>	<b>2025</b>	<b>2025</b>	2024	2024	2024
	<b>Gross</b>	<b>Reinsurance</b>	<b>Net</b>	Gross	Reinsurance	Net
At 1 January	<b>31.4</b>	<b>(51.8)</b>	<b>(20.4)</b>	17.2	(5.3)	11.9
Expenses for the acquisition of insurance contracts deferred during the year	<b>(7.2)</b>	<b>8.9</b>	<b>1.7</b>	14.2	(46.5)	(32.3)
At 31 December	<b>24.2</b>	<b>(42.9)</b>	<b>(18.7)</b>	31.4	(51.8)	(20.4)

## 23. Share capital

<b>Group and Company</b>	<b>2025</b>	<b>2024</b>
<b>Authorised</b>		
97,905,509 ordinary shares of £0.01 each (2024: 97,905,509 shares of £0.01 each)	<b>1.0</b>	1.0
<b>Issued and fully paid</b>		
At the start of the year	<b>1.0</b>	0.7
Share issuances	-	0.3
At the end of the year	<b>1.0</b>	1.0

The ordinary shares have attached to them full voting, dividend and capital distribution rights. The ordinary shares do not confer any rights of redemption.

## Notes to the annual report and accounts

All amounts are stated in £m unless otherwise indicated

### 23. Share capital (continued)

On 28 March 2024, Saturn issued 6,882,454 shares for £18,880,000. This equates to an increase in share capital of £68,824.54 and an increase in share premium of £18,811,175.46 at the subscription date.

On 26 June 2024, Saturn issued 10,205,207 shares for £27,995,000. This equates to an increase in share capital of £102,052.07 and an increase in share premium of £27,892,947.93 at the subscription date.

On 26 June 2024, Saturn issued 1,877,557 shares for £5,625,000. This equates to an increase in share capital of £18,775.57 and an increase in share premium of £5,606,224.43 at the subscription date.

On 2 October 2024, Saturn issued 2,909,988 shares for £9,702,959. This equates to an increase in share capital of £29,099.88 and an increase in share premium of £9,673,859.12 at the subscription date.

On 23 December 2024, Saturn issued 3,030,303 shares for £10,000,000. This equates to an increase in share capital of £30,303.03 and an increase in share premium of £9,969,696.97 at the subscription date.

### 24. Share premium

<b>Group and Company</b>	<b>2025</b>	<b>2024</b>
At the start of the year	<b>144.2</b>	72.3
Share issuances (refer to note 23)	-	71.9
Share premium reduction	<b>(44.0)</b>	-
	<hr/>	<hr/>
At the end of the year	<b>100.2</b>	144.2

On 28 October 2025 the Company's share premium was reduced by £44.0m with a corresponding increase in retained earnings.

### 25. Retained earnings and other reserves

<b>Group</b>	<b>2025</b>	<b>2024</b>
<b>Retained earnings</b>		
At the beginning of the financial year	<b>(2.4)</b>	(14.9)
Profit for the financial year	<b>2.0</b>	12.5
Share premium reduction	<b>44.0</b>	-
Dividend payment	<b>(16.1)</b>	-
	<hr/>	<hr/>
At the end of the financial year	<b>27.5</b>	(2.4)

Any retained earnings would represent amounts available for dividend distribution to the equity shareholders of the Group, subject to certain conditions being met.

<b>Company</b>	<b>2025</b>	<b>2024</b>
<b>Retained earnings</b>		
At the beginning of the financial year	<b>53.0</b>	41.2
(Loss)/profit for the financial year	<b>(7.4)</b>	11.8
Share premium reduction	<b>44.0</b>	-
Dividend payment	<b>(16.1)</b>	-
	<hr/>	<hr/>
At the end of the financial year	<b>73.5</b>	53.0

## Notes to the annual report and accounts

All amounts are stated in £m unless otherwise indicated

### 26. Borrowings

The fair value amounts of the borrowings held during the year are as follows:

	Group and Company	Group and Company	Group and Company	Group and Company	Company only	Company only
	£44.9m loan at 17.0%	£180.0m loan at 9.0%	£12.0m loan at 17.5%	£60.0m loan at 16.9%	£3.1m loan at 7.0%	£3.0m loan at 7.0%
<b>2025</b>						
At the beginning of the financial year	-	-	11.6	58.6	3.1	3.0
Redeemed in year	-	-	-	(58.7)	-	(3.0)
Issued in the year	32.9	175.3	-	-	-	-
Transferred in the year	11.6	-	(11.6)	-	-	-
Loan revaluation	-	-	-	0.1	-	-
At the end of the financial year	44.5	175.3	-	-	3.1	-
<b>2024</b>						
At the beginning of the financial year	-	-	11.6	58.5	3.1	-
Issued in the year	-	-	-	-	-	3.0
Loan revaluation	-	-	-	0.1	-	-
At the end of the financial year	-	-	11.6	58.6	3.1	3.0

On 10 October 2023, Saturn acquired a £12.0m subordinated perpetual loan charged at 17.5% interest per annum and a £60.0m subordinated term year loan charged at 16.875% interest per annum. These loans were originally issued by SFHL on 2 December 2020, then transferred from SFHL to Saturn on 10 October 2023.

On 26 November 2025, the £12.0m subordinated perpetual loan was increased to £44.9m at an interest rate of 17.042% through deed of amendment. On the same date, the £60.0m subordinated term year loan was redeemed, and a new subordinated term year loan of £180.0m charged at 9.0% interest was issued as public debt, with a maturity date of 26 February 2036.

Costs incurred during the year by the Group and Company in relation to the subordinated notes comprise:

- Interest costs of £13.3m (2024: £12.3m), included within finance costs;
- Other subordinated debt costs, including the early redemption charge, of £2.6m (2024: £nil), included in investment expenses and charges; and
- £4.8m (2024: £nil) in relation to direct costs incurred in the debt restructuring which has been capitalised.

The Company acquired an unsecured £3.1m perpetual loan from Tradex on 7 July 2023, charged at 7% per annum and repayable on demand. Finance costs incurred during the financial year include £0.2m (2024: £0.2m) in relation to interest on the perpetual loan.

The Company took out an unsecured £3.0m perpetual loan from Soteria on 28 June 2024, charged at 7% per annum and repayable on demand. This was settled in full on 30 June 2025. Finance costs incurred during the financial year include £0.1m (2024: £0.1m) in relation to interest on the perpetual loan.

There were no defaults or breaches of contractual obligations attaching to the loans during the financial year.

### 27. Provision for unearned premiums

Group	Gross 2025	Reinsurance 2025	Net 2025	Gross 2024	Reinsurance 2024	Net 2024
At the beginning of the financial year	308.9	(192.7)	116.2	128.9	(68.3)	60.6
Increase in the financial year	609.6	(375.8)	233.8	617.1	(384.5)	232.6
Release in the financial year	(658.5)	410.8	(247.7)	(437.1)	260.1	(177.0)
Movement in the financial year	(48.9)	35.0	(13.9)	180.0	(124.4)	55.6
At the end of the financial year	260.0	(157.7)	102.3	308.9	(192.7)	116.2

## 28. Claims outstanding

### Group

#### Change in insurance contract liabilities (net of salvage and subrogation)

	Gross	Unexpired risk provision	Salvage & Subrogation	Net
<b>2025</b>				
At the beginning of the financial year	619.7	-	(16.9)	602.8
Movement in the financial year	153.7	-	(27.5)	126.2
At the end of the financial year	773.4	-	(44.4)	729.0
<b>2024</b>				
At the beginning of the financial year	482.6	-	(4.9)	477.7
Movement in the financial year	137.1	-	(12.0)	125.1
At the end of the financial year	619.7	-	(16.9)	602.8

Salvage and subrogation is included within 'debtors arising out of direct insurance operations.'

#### Claims and claims handling costs

	Gross 2025	Reinsurance 2025	Net 2025	Gross 2024	Reinsurance 2024	Net 2024
At the start of the financial year	604.6	(321.2)	283.4	481.9	(215.2)	266.7
At the start of the financial year:						
Claims reported	440.1	(266.2)	173.9	337.1	(170.9)	166.2
Claims incurred but not reported	162.4	(60.7)	101.7	142.0	(57.5)	84.5
Claims settlement expenses	2.1	-	2.1	2.8	-	2.8
	604.6	(326.9)	277.7	481.9	(228.4)	253.5
Quota Share	-	5.7	5.7	-	13.2	13.2
At the start of the financial year	604.6	(321.2)	283.4	481.9	(215.2)	266.7
Claims paid	(360.9)	180.0	(180.9)	(228.1)	104.7	(123.4)
Increase/(decrease) in liabilities	486.3	(264.8)	221.5	350.6	(203.2)	147.4
Provision for claims handling costs	0.2	-	0.2	0.2	-	0.2
	125.6	(84.8)	40.8	122.7	(98.5)	24.2
Quota Share	-	(0.3)	(0.3)	-	(7.5)	(7.5)
Total movement	125.6	(85.1)	40.5	122.7	(106.0)	16.7
At the end of the financial year:						
Claims reported	598.1	(353.4)	244.7	440.1	(266.2)	173.9
Claims incurred but not reported	130.4	(58.3)	72.1	162.4	(60.7)	101.7
Claims settlement expenses	1.7	-	1.7	2.1	-	2.1
	730.2	(411.7)	318.5	604.6	(326.9)	277.7
Quota Share	-	5.4	5.4	-	5.7	5.7
At the end of the financial year	730.2	(406.3)	323.9	604.6	(321.2)	283.4

The balance in the quota share funds withheld account is £12.0m (2024: £11.8m). The figures for quota share in the table above represent the quota share funds withheld net of the expected future profit commission of £6.6m (2024: £6.1m). In 2025, Salvage and subrogation is included within 'debtors arising out of direct insurance operations.'

Included within the movement in claims liabilities is £4.1m gross (2024: £4.2m), £1.4m net (2024: £1.5m), being the unwind of discounting relating to Periodic Payment Order (PPO) claims.

## Notes to the annual report and accounts

All amounts are stated in £m unless otherwise indicated

### 28. Claims outstanding (continued)

#### Analysis of claims development

	Underwriting year										Total
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
<b>Gross of reinsurance</b>											
At end of the underwriting year:	-	-	-	-	-	-	-	71.2	219.8	276.7	<b>567.7</b>
One year later	-	-	-	-	-	-	57.0	174.2	429.1		<b>660.3</b>
Two years later	-	-	-	-	-	53.6	63.1	171.2			<b>287.9</b>
Three years later	-	-	-	-	287.5	67.9	60.4				<b>415.8</b>
Four years later	-	-	-	435.2	284.8	62.1					<b>782.1</b>
Five years later	-	-	474.1	435.0	277.4						<b>1,186.5</b>
Six years later	-	473.8	468.8	439.6							<b>1,382.2</b>
Seven years later	469.1	473.5	468.0								<b>1,410.6</b>
Eight years later	468.9	474.4									<b>943.3</b>
Nine years later	477.9										<b>477.9</b>
Estimate for cumulative claims	477.9	474.4	468.0	439.6	277.4	62.1	60.4	171.2	429.1	276.7	<b>3,136.8</b>
Cumulative payments to date	(427.7)	(455.1)	(446.0)	(406.9)	(249.6)	(39.6)	(36.1)	(88.1)	(252.2)	(124.0)	<b>(2,525.3)</b>
Gross outstanding claims liabilities	50.2	19.3	22.0	32.7	27.8	22.5	24.3	83.1	176.9	152.7	<b>611.5</b>
Provision for prior years											<b>117.0</b>
Gross outstanding claims liabilities											<b>728.5</b>
Gross claims reported											<b>598.1</b>
Gross claims incurred but not reported											<b>130.4</b>
Gross outstanding claims liabilities											<b>728.5</b>

Included in the analysis above is £116.9m (2024: £116.4m) of discounted reserves relating to PPOs. PPO reserves in Soteria are discounted at 4.5% and in Tradex reserves are discounted at 3.0%, reflecting the expected yield on the investments held to back the PPO claims, adjusted for credit risk. Undiscounted reserves relating to PPOs are £235.1m (2024: £235.9m). The above analysis excludes claim handling expenses of £1.7m (2024: £2.1m).

	Underwriting year										Total
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
<b>Net of reinsurance</b>											
At end of the underwriting year:	-	-	-	-	-	-	-	27.8	105.7	144.0	<b>277.5</b>
One year later	-	-	-	-	-	-	21.0	76.9	219.6		<b>317.5</b>
Two years later	-	-	-	-	-	26.9	17.6	69.6			<b>114.1</b>
Three years later	-	-	-	-	226.9	27.7	17.0				<b>271.6</b>
Four years later	-	-	-	297.5	222.3	26.6					<b>546.4</b>
Five years later	-	-	345.9	298.7	214.1						<b>858.7</b>
Six years later	-	339.4	341.0	296.9							<b>977.3</b>
Seven years later	320.8	340.8	341.8								<b>1,003.4</b>
Eight years later	320.2	342.6									<b>662.8</b>
Nine years later	323.8										<b>323.8</b>
Estimate for cumulative claims	323.8	342.6	341.8	296.9	214.1	26.6	17.0	69.6	219.6	144.0	<b>1,996.0</b>
Cumulative payments to date	(310.2)	(333.2)	(327.7)	(284.4)	(197.4)	(18.6)	(11.0)	(45.7)	(127.2)	(62.2)	<b>(1,717.6)</b>
Net outstanding claims liabilities	13.6	9.4	14.1	12.5	16.7	8.0	6.0	23.9	92.4	81.8	<b>278.4</b>
Provision for prior years											<b>38.5</b>
Net outstanding claims liabilities											<b>316.9</b>
Net claims reported											<b>244.6</b>
Net claims incurred but not reported											<b>72.3</b>
Net outstanding claims liabilities											<b>316.9</b>

Included in the analysis above is £35.5m (2024: £33.4m) of discounted reserves relating to PPOs. It is to be expected that releases will normally be made to prior years' claims as current reserves are set such that no adverse deterioration is expected. However, from time to time the random occurrence of significant large individual claims or events being worse than expected can give rise to a required strengthening, in addition to normal claims development being adverse.

The above figures exclude claim handling expenses of £1.7m (2024: £2.1m) relating to Soteria and quota share funds withheld.

## 29. Taxation

<b>Group</b>	<b>2025</b>	<b>2024</b>
<b>Current tax</b>		
Asset at the beginning of the financial year	2.4	0.6
Adjustment in respect of prior periods	0.2	-
Tax on structured settlements	0.1	-
Tax charged to income statement	(2.1)	(2.5)
Tax paid during the financial year	7.0	4.3
	<hr/>	<hr/>
Asset at the end of the financial year	7.6	2.4
	<hr/>	<hr/>
	<b>2025</b>	<b>2024</b>
<b>Deferred tax asset</b>		
At the beginning of the financial year	9.3	-
Adjustment in respect of prior periods	0.1	-
Tax (charged)/credited to the income statement	(1.0)	9.3
	<hr/>	<hr/>
At the end of the financial year	8.4	9.3
	<hr/>	<hr/>
<b>Analysis of deferred tax asset</b>		
Capital allowances on fixed assets	0.1	0.1
Tax losses	8.3	9.2
	<hr/>	<hr/>
Asset at the end of the financial year	8.4	9.3
	<hr/>	<hr/>
	<b>2025</b>	<b>2024</b>
<b>Deferred tax liability</b>		
Liability at the beginning of the financial year	-	-
Tax credited to the income statement	-	-
	<hr/>	<hr/>
Liability at the end of the financial year	-	-
	<hr/>	<hr/>
<b>Analysis of deferred tax liability</b>		
Capital allowances on fixed assets	0.2	0.2
FRS 102 transitional adjustments	(2.6)	(3.1)
Tax losses	2.4	2.9
	<hr/>	<hr/>
Liability at the end of the financial year	-	-
	<hr/>	<hr/>

The deferred tax asset has been recognised on the basis of projections of future profits, which show that the asset is expected to reverse within the next five years.

A deferred tax asset in relation to Tradex of £0.3m (2024: £0.4m), relating to timing differences of £1.2m (2024: £1.6m) between depreciation and capital allowances on fixed assets has not been recognised on the basis that it is expected to be recovered outside the forecast period. A deferred tax asset of £12.0m (2024: £13.5m) in relation to Soteria's carried forward tax losses of £47.9m (2024: £54.1m) has not been recognised on the basis it is uncertain whether Soteria will generate future taxable profit against which the deductible temporary difference may be utilised.

Deferred tax assets of £5.1m are expected to reverse in the next accounting period.

Deferred tax has been calculated at 25%, which is the Corporation Tax rate applicable for tax periods after 1 April 2023, which received Royal Assent on 30 November 2021.

<b>Company</b>	<b>2025</b>	<b>2024</b>
<b>Current tax</b>		
Liability at the beginning of the financial year	(0.5)	-
Adjustment in respect of prior periods	(0.2)	-
Tax charged to income statement	-	(0.5)
Tax paid during the financial year	1.4	-
	<hr/>	<hr/>
Asset/(Liability) at the end of the financial year	0.7	(0.5)
	<hr/>	<hr/>

### 30. Other creditors including taxation and social security

<b>Group</b>	<b>2025</b>	<b>2024</b>
Tax and social security	<b>11.3</b>	20.3
Other creditors	<b>15.8</b>	13.1
	<b>27.1</b>	33.4
<b>Company</b>	<b>2025</b>	<b>2024</b>
Amounts due to group undertakings	-	0.1

### 31. Obligations under operating leases

The minimum lease payments to which the Group was committed under non-cancellable operating leases for the coming year at the year-end were as follows:

<b>Group</b>	<b>2025</b>	<b>2024</b>
On leases expiring:		
Within 1 year	<b>0.1</b>	0.1
Between 1-5 years	<b>0.1</b>	0.2
After 5 years	-	-
	<b>0.2</b>	0.3

Amounts paid under operating leases during the year were £0.1m (2024: £0.1m).

### 32. Cashflows arising from liabilities

The following table indicates the time profile of undiscounted cash flows arising from financial liabilities and insurance contract liabilities (based upon contractual maturity).

	<b>Carrying value</b>	<b>Gross nominal outflow</b>	<b>Up to 1 year</b>	<b>1 – 2 years</b>	<b>2 – 3 years</b>	<b>3 – 4 years</b>	<b>4 – 5 years</b>	<b>More than 5 years</b>
<b>As at 31 December 2025</b>								
Insurance contract liabilities	773.4	890.4	221.8	114.3	84.5	60.7	42.1	367.0
Financial liabilities at amortised cost:								
Reinsurance liabilities	207.4	207.4	207.4	-	-	-	-	-
Insurance and other payables	53.5	53.5	53.5	-	-	-	-	-
Subordinated perpetual loan	44.5	206.9	7.6	7.6	7.6	7.6	7.6	168.9
Subordinated term loan	175.3	164.7	16.2	16.2	16.2	16.2	16.2	83.7
	<b>1,254.1</b>	<b>1,522.9</b>	<b>506.5</b>	<b>138.1</b>	<b>108.3</b>	<b>84.5</b>	<b>65.9</b>	<b>619.6</b>
Other liabilities	302.9							
Total recognised liabilities	<b>1,557.0</b>							

### 32. Cashflows arising from liabilities (continued)

	Carrying value	Gross nominal outflow	Up to 1 year	1 – 2 years	2 – 3 years	3 – 4 years	4 – 5 years	More than 5 years
<b>As at 31 December 2024</b>								
Insurance contract liabilities	604.6	722.2	156.6	98.1	69.9	52.8	41.3	303.5
Financial liabilities at amortised cost:								
Reinsurance liabilities	152.4	152.4	152.4	-	-	-	-	-
Insurance and other payables	62.1	62.1	62.1	-	-	-	-	-
Subordinated perpetual loan <sup>3</sup>	11.6	54.1	2.0	2.0	2.0	2.0	2.0	44.1
Subordinated term loan	58.6	58.8	9.9	9.9	9.9	9.9	9.9	9.3
	<b>889.3</b>	<b>1,049.6</b>	<b>383.0</b>	<b>110.0</b>	<b>81.8</b>	<b>64.7</b>	<b>53.2</b>	<b>356.9</b>
Other liabilities	360.7							
Total recognised liabilities	<b>1,250.0</b>							

### 33. Parent company

Saturn owns 100% of the share capital of Tradex and Soteria. Together these entities form the Group. The results of Saturn and its subsidiaries are not consolidated into any other financial statements.

As at 31 December 2024, PSC Nominee 4 Limited was the principal investor in the Group, holding over 78% of the share capital of Saturn on behalf of the investors in PSC Fund IV, with other investors individually holding no more than 10%.

From March 2025, following transactions on 4 March 2025 and 28 March 2025, the principal investor in the Group was PSC Accelerator Nominee II Limited, which holds over 78% of the share capital of Saturn on behalf of the investors in PSC Fund Accelerator II, with other investors individually holding no more than 10%.

### 34. Related party transactions

Group	2025	2024
<b>Balances at the end of the year</b>		
Amounts due from related parties:		
Markerstudy Insurance Services Limited	284.9	222.8
Other Markerstudy group companies	13.2	12.8
Clegg Gifford & Co Limited	2.4	11.6
Pollen Street Capital	1.4	-
Amounts due to related parties:		
Pollen Street Capital	(3.8)	-
<b>Transactions during the year</b>		
Income from transactions with related parties:		
Pollen Street Capital	5.2	-
Other Markerstudy group companies	1.5	-
Clegg Gifford & Co Limited	0.2	0.2
Expenditure from transactions with related parties:		
Markerstudy Insurance Services Limited	(57.5)	(39.4)
Pollen Street Capital	(4.4)	(8.9)
Clegg Gifford & Co Limited	(4.0)	-
Other Markerstudy group companies	-	(12.8)

<sup>3</sup> Subordinated and perpetual terms loans were not included in the cashflows arising from liabilities in the prior year signed financial statements. These have now been included for both 2024 and 2025 to enhance comparability of the disclosure.

## Notes to the annual report and accounts

All amounts are stated in £m unless otherwise indicated

### 34. Related party transactions (continued)

Related party transactions consist of:

- Gross brokerage and commissions paid to MISL relating to policies for which MISL acts as a broker. £581.8m premiums were written by MISL during the year (2024: £564.8m).
- Gross brokerage and commissions paid to Clegg Gifford & Co Limited ('CG') relating to policies for which CG acts as a broker. £27.7m premiums were written by CG during the year (2024: £52.3m).
- Transactions with other Markerstudy group companies relating to asset backed loans held as investments by Tradex.
- Income from CG relating to premium finance facilities, less net expenses.
- Rent paid to CG for office premises.
- Interest payments made to Pollen Street Capital in relation to subordinated debt.
- Interest receivable from Tradex relating to perpetual restricted tier 1 notes of £20m and subordinated tier 2 notes of £30m, which were issued on 28 June 2024.

Amounts due to/from related parties, with the exception of asset backed loans held as investments, represent unsecured balances which are payable when due.

#### Company

<b>Balances at the end of the year</b>	<b>2025</b>	<b>2024</b>
Amounts due to other group companies:		
Soteria Insurance Limited	-	(3.2)
Tradex Insurance Company plc	(1.4)	(3.1)
Amounts due to other related parties:		
Pollen Street Capital	(3.8)	-
Amounts due from other group companies		
Tradex Insurance Company plc	30.0	30.0
Amounts due from other related parties:		
Markerstudy Insurance Services Limited	31.8	0.1
Pollen Street Capital	1.4	-
<b>Transactions during the year</b>	<b>2025</b>	<b>2024</b>
Income from transactions with other group companies:		
Tradex Insurance Company plc	7.6	1.8
Soteria Finance Holdings Limited	-	44.1
Income from transactions with other related parties:		
Pollen Street Capital	5.2	-
Expenditure from transactions with other group companies:		
Soteria Insurance Limited	(0.1)	-
Tradex Insurance Company plc	(0.3)	-
Expenditure from transactions with other related parties:		
Pollen Street Capital	(4.0)	-

## Notes to the annual report and accounts

All amounts are stated in £m unless otherwise indicated

### 34. Related party transactions (continued)

#### Key management compensation

Key management is considered to include the members of the Company's Board and the Board and Executive committee members of Saturn's subsidiaries. Details of transactions and balances with Key Management during the financial period are provided below.

Group	2025	2024
<b>Salaries and short term benefits</b>		
In respect of key management	<u>3.6</u>	3.6
In respect of Executive and Non-Executive Directors	<u>2.3</u>	2.2
In respect of the highest paid Director	<u>1.2</u>	1.0

In addition to the above, for key management and Executive and Non-Executive Directors, £0.3m (2024: £nil) was paid during the year in respect of payments for loss of office

### 35. Fair value estimation

As described in note 4, the fair value of listed securities is based on market prices provided by independent, external pricing sources at the statement of financial position date without any deduction for transaction costs. The fair value of unlisted securities is based on independent valuations which are updated at least quarterly.

For receivables and payables with a remaining life of less than one year, the nominal amount is deemed to reflect the fair value where the effect of discounting is immaterial.

The following table provides an analysis of financial investments that are valued or disclosed at fair value, by the three level fair value hierarchy as defined within FRS 102, where valuations are based on:

- Level 1            The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2            Inputs other than quoted prices included within level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3            Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

Based upon guidance issued by The Committee of European Securities Regulators (CESR), Soteria classifies debt securities in level 1 only if it can be demonstrated on an individual security by security basis that the price quotes obtained are representative of actual trades in an active market (through obtaining binding quotes or through corroboration to published market prices). Pricing providers cannot guarantee that the prices that they provide are based on actual trades in the market. Therefore, all of the corporate bonds, gilts and equities are classified as level 2 and valued using the market prices as at the reporting date multiplied by the number of each security held.

Level 3 investments are valued using valuation techniques described in note 3 e) v) Other financial instruments on page 29.

#### Valuation of financial investments

2025	Level 1	Level 2	Level 3	Total
Financial investments	-	<u>347.7</u>	<u>117.8</u>	<u>465.5</u>
<b>2024</b>				
Financial investments	-	<u>210.3</u>	<u>117.8</u>	<u>328.1</u>

### **36. Events after the Reporting Period**

Since the end of 2025, geopolitical instability has increased, particularly in the Middle East and, whilst Saturn only operates in the UK, this can have an impact on supply chains and investment markets. The Group's management is closely monitoring the situation for any indirect exposure or other impact. At the current date there are no significant changes to the Group's principal risks and uncertainties or its solvency coverage.

On 20 December 2025, Saturn signed an agreement to acquire MISL. Subject to conditions precedent, the acquisition is expected to complete within 3 months of the date of signing this annual report and accounts. MISL is a Managing General Agent which also provides insurance services and has acted as an outsourced service provider to Tradex since its acquisition by Saturn in July 2023 and to Soteria since December 2020. The acquisition of MISL by Saturn will bring the currently outsourced operations under the control of Saturn and support the delivery of the business strategy of the Saturn Group.

## **Cautionary statement**

This report should be read in conjunction with the documents distributed by Saturn through The Regulatory News Service (RNS).

This report includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this report and include, but are not limited to, statements regarding the intentions of the Group, beliefs or current expectations concerning, among other things, the Group's business, results of operations, financial position, prospects, dividends, growth and strategies.

By their nature, all forward-looking statements are subject to known and unknown risks and uncertainty because they relate to future events and circumstances. Accordingly, there are or will be important factors that could cause actual results - and Saturn's related plans, expectations and targets - to differ materially from those indicated in these statements. Please see Saturn's most recent Annual Report and Accounts for further details of risks, uncertainties and other factors relevant to the business and its securities. Forward-looking statements should be construed in light of such aforementioned factors.

Unless required to do so by law or regulation, Saturn undertakes no obligation to update the forward-looking statements in this report or any other forward-looking statements it may make. Forward-looking statements in this report are current only as of the date on which such statements are made and readers are cautioned not to place undue reliance on such forward-looking statements. Such statements should be regarded as indicative and illustrative only, and Saturn does not provide any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this report will actually occur.

The information in this report does not constitute an offer to sell or an invitation to buy securities in Saturn or an invitation or inducement to engage in any other investment activities.

## **Saturn Holdings plc**

Registered under the Companies Act 2006

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Registered number: 13802733