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life assurance

Red Sands Life Assurance Company (Europe) Limited

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2025

101001

Red Sands Life Assurance Company (Europe) Limited

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Red Sands Life Assurance Company (Europe) Limited

DIRECTORS, OFFICERS AND OTHER INFORMATION

Directors:	Joseph Louis Caruana Shaun Cawdery Louise Cruz Richard Foster Zainya Gillingwater John Henderson Christopher Lathey
Secretary:	Ania Kostyk
Registered Office:	Level 3, Ocean Village Business Centre 23 Ocean Village Promenade Gibraltar
Auditors:	EY Limited Regal House Queensway Gibraltar
Independent Reviewing Actuary:	Philip Simpson Milliman LLP 11 Old Jewry London EC2R 8DU

Red Sands Life Assurance Company (Europe) Limited

DIRECTORS' REPORT

The directors submit their report and the audited financial statements of Red Sands Life Assurance Company (Europe) Limited (the 'Company' or 'RSL') for the year ended 31 December 2025.

Principal activity

The principal activity of the Company is the provision of insurance services. The Company is licensed by the Gibraltar Financial Services Commission ("GFSC"), under the Financial Services (Insurance Companies) Act, to underwrite Long Term Business Insurance in Class I (Life & Annuity) and General insurance in Class 1 (Accident) and Class 2 (Sickness).

Since 1 January 2021, the Company has ceased selling new policies as a result of the United Kingdom and Gibraltar's exit from the European Union, and therefore until 28 June 2024 focused on providing reinsurance capacity and running off its legacy books of business. From 28 June 2024, the Company no longer retroceded policies in Poland and is therefore in solvent run-off, with no new business being written either directly or indirectly.

On 7 January 2025, at the request of the Company, the GFSC issued a direction that the Company must not enter into new contracts of insurance business, including renewals, with immediate effect and gave notice that the Company's Part 7 Permission had been varied to remove the regulated activity of effecting contracts of insurance.

In 2025, RSL was acquired by Cert. Insurance Group Limited ("CIGL"), a UK-registered entity within the wider group, as part of a broader group restructuring.

Review of business

In December 2023, Generali signed an agreement with 4LifeDirect for the purchase of 100% ownership of the life insurance distribution company in Poland. As part of the transaction, the Company commuted its retrocession treaty and therefore from 28 June 2024, the Company no longer retroceded policies in Poland and placed its Polish operations into solvent run-off.

The Company maintains its commitment to its policyholders and has fully engaged with the appropriate EU regulators in the host state territories to ensure contract continuity. During the course of 2025, the Company paid £2.7m worth of benefits to clients in Hungary, the Czech Republic, Slovakia and Greece (2024: £5.1m). The Company has continued to refine its valuation assumptions based on greater experience on the Whole of Life product and a full and regular actuarial analysis continues to be performed on all products across all countries.

Gross technical provisions have increased from £3.4m in 2024 to £4.3m in 2025. The movement includes a £6.4m (2024: £3.3m) overhead expense reserve to provide for a minimum level of overhead expense to support the business over a projected run-off period of fifty years.

Review of business (continued)

The Company has maintained an investment portfolio which seeks to optimise risk based returns given the solvency position of the Company. Total investment gains after fees during 2025 were £1.4m (2024: gains of £1.5m), reflecting a positive investment performance in the current year. The Company does not actively seek to time the market and normal market fluctuations are planned into the investment thesis and monitored with our independent investment consultants.

The overall result for 2025 was a profit of £1.9m (2024: £1.2m). The value of in-force business (net of reinsurance) decreased from £4.6m to £1.9m during the year. In 2025 the VIF was updated to include the overhead expense reserve.

The Company engages the services of Philip Simpson of Milliman LLP, as the independent reviewing actuary, who provides the Company with a review of the calculation of the Long-Term Business Provisions ("LTBP"). Milliman LLP also provide actuarial services in the assessment of the appropriateness of the technical provisions for Solvency II. The unaudited Solvency II SCR coverage as at December 2025 was calculated to be 277.3% (2024: 255.5%).

Directors

The directors of the Company during the year and as at the date of signing this report were as follows:

- Joseph Louis Caruana
- Shaun Cawdery
- Louise Cruz
- Richard Foster
- Zainya Gillingwater
- John Henderson
- Christopher Lathey

Principal risks and uncertainties

Although inflationary pressures appeared to be easing during 2025, ongoing conflict and heightened geopolitical tensions in the Middle East in early 2026 have contributed to significant volatility in global energy and commodity markets, with knock on effects on inflationary pressures already being experienced. The Company continues to monitor inflation in relation to claims experience given the ongoing macro-economic, geopolitical outlook and heightened economic uncertainty.

The Company has obtained recognition in all European Union host state territories in which it has risk exposures, in order to ensure that policyholders are not adversely affected by Gibraltar's exit from the European Union.

Principal risks and uncertainties (continued)

The Company continues to monitor the implications of the free trade agreement between the United Kingdom and the European Union, and in particular the inflationary pressures on supply chains. The European Union and the United Kingdom have now reached political agreement on a treaty intended to maintain fluidity at the border between Gibraltar and Spain. The treaty is not currently effective but is expected to enter into force shortly. The treaty, once effective, reduces the risk of certain operational stresses, particularly in relation to cross-border workforce mobility.

The principal risks and uncertainties arising from the Company's life insurance business are insurance risk and financial risk. The Company is exposed to financial instruments risks in particular, interest rate risk on cash flows, price risk, credit risk, liquidity risk and currency risk. These risks are covered in substantial detail in note 10 to the financial statements.

The Company uses forward foreign currency contracts to reduce exposure to the variability of foreign exchange rates by fixing the rate of any material payments in a foreign currency. The Company does not undertake any hedge accounting transactions.

The Company maintains a very strong statement of financial position and prudent liquidity position and therefore is well positioned to see through any further deterioration of the macro-economic backdrop arising from these risks.

Financial risk management objectives and policies

The risk management objectives and policies are driven by the need to protect the Company's regulatory capital position, to meet insurance obligations to policyholders as they fall due and to have the financial strength to manage a solvent run-off.

Information on the use of the financial instruments by the Company and its management of financial risk is disclosed in Note 10 to the financial statements.

Long term business provision

The total held separately in the statement of financial position as Long-Term Business Provision amounted to £4,248,753 at the year-end (2024: £3,314,538). The description and underlying assumptions of the provisions are set out in Note 13.

Dividends

The directors do not recommend the payment of a dividend (2024: £12m). A dividend of £12m has been recommended for payment by the directors on 26 March 2026.

Going concern

The Company has a significant number of active insurance contracts with policyholders based in the European Union as a result of its activities prior to the withdrawal of the United Kingdom (and Gibraltar) from the European Union on 31 January 2020. The Company has fully engaged with the appropriate EU regulators in the host territories to ensure contract continuity. From 28 June 2024, the Company no longer retroceded policies in Poland and is therefore, in solvent run-off with no new business being written either directly or indirectly.

The directors consider that the Company has sufficient capital to settle all existing liabilities and as a result, the financial statements have been presented on a going concern basis.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

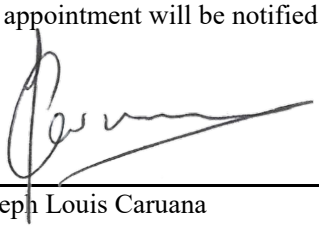
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Gibraltar Companies Act 2014 and the Financial Services (Insurance Companies) (Accounts) Regulations 2021. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Auditors

The retiring auditors are EY Limited who will not be reappointed as statutory auditors due to auditor rotation requirements applicable within the group. A resolution to appoint PricewaterhouseCoopers Limited as auditors will be put to the shareholder at the annual general meeting. In line with applicable regulatory requirements, the appointment will be notified to the GFSC.



Joseph Louis Caruana
Director

Zainya Gillingwater
Director

26 March 2026

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RED SANDS LIFE ASSURANCE COMPANY (EUROPE) LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Red Sands Life Assurance Company (Europe) Limited ('the Company'), which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2025 and of the Company's profit for the year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 102 and 103, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland, as applied in pursuant to the requirements of the Gibraltar Companies Act' ('FRS 102 and 103'); and
- have been properly prepared in accordance with the Companies Act 2014 and the Financial Services (Insurance Companies) (Accounts) Regulations 2021.

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 257 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs'). 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 Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('IESBA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Gibraltar, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RED SANDS LIFE ASSURANCE COMPANY (EUROPE) LIMITED (*Continued*)

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.

Key audit matter
Valuation of insurance technical provisions for long-term business
As at 31 December 2025, the Company reported gross insurance technical provisions for long-term business of £4,249k (2024: £3,315k) and £3,538k (2024: £2,629k) net of reinsurance. The long-term business provision includes the estimated provision to run-off the business.
(refer to pages 18 to 19 Note 3.1 Judgements and key sources of estimation uncertainty, pages 23 to 26 Note 3.2 Significant accounting policies, pages 27 to 28 Note 4 Claims incurred, net of reinsurance, pages 34 to 37 Note 10 Risk management policies, pages 43 to 44 Note 13 Long term business provision)
At the balance sheet date, the Company makes an estimate of the insurance technical provisions for long-term business. The estimation requires application of significant judgement in setting of key assumptions. Since 2017, the Company has chosen to use assumptions that are more consistent with the calculation of the best estimate liability ("BEL") under Solvency II regulations. Due to the use of significant judgement in the selection of assumptions and the high degree of estimation uncertainty associated with the outcome, this area has been assessed a significant risk area and a key audit matter.

How our audit addressed the key audit matter
Our audit procedures comprised of: • a walkthrough to confirm our understanding of the Company's reserving process and to understand and assess the design and implementation of the controls relevant to the identified risk; • tested the accuracy and completeness of the underlying data used in the actuarial valuation which includes amounts of claims already reported to the Company but are still outstanding and claims already paid as at the balance sheet date using substantive procedures; • involved EY actuarial professionals with audit experience to determine the reasonableness of the Company's projected best estimate: a. review of the actuarial valuation reports; b. discussions with management and the specialists to be involved in the actuarial valuations to obtain an understanding of the methodologies and key assumptions used in the actuarial valuations; and c. evaluation of key assumptions and methodologies against market peers and our knowledge current trend information and expected future developments to determine the reasonableness. • a retrospective review of the prior period estimates against the re-estimation in the current period for evidence of management bias; • a reconciliation of the reserves recorded in the financial statements against the actuarial best estimate; • an evaluation of reinsurance credits taken against the underlying contracts; • understanding of management's approach in respect of reinsurance recoveries, including verification of the accuracy and recoverability of outstanding amounts and; • assessment of whether reserving is in accordance with the Company's accounting policy and the applicable reporting framework.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RED SANDS LIFE ASSURANCE COMPANY (EUROPE) LIMITED (*Continued*)

Key observations commented to the Audit Committee
We conclude that the methodologies and key assumptions used in the valuation of the insurance technical provisions for long-term business as at 31 December 2025 are reasonable. Accordingly, we conclude that the insurance technical provisions for long-term business as at year-end is reasonable.

Other Information

Other information consists of the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Financial Statements

Management is responsible for the preparation and true and fair presentation of the financial statements in accordance with applicable law in Gibraltar and FRS 102 and 103, and for such internal control as management determines 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Audit Committee are responsible for overseeing the Company's financial reporting process.

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 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstance, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Opinion on other matter prescribed by the Companies Act 2014

In our opinion the Directors' Report has been properly prepared in accordance with the Companies Act 2014 and the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2014 requires us to report to you if, in our opinion:

- we have identified material misstatements in the Directors' Report.
- we have not received all the information and explanations we require for our audit.

Other matters we are required to address

- Following the recommendation from the Audit Committee, we were appointed by the Company on 29 November 2013 to audit the financial statements for the year ended 31 December 2013 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments is 13 years, covering the years ended 31 December 2013 to 31 December 2025.

- The non-audit services prohibited by the Financial Services Act 2019 were not provided to the Company and we remain independent of the Company in conducting the audit.

- The audit opinion is consistent with the additional report to the Audit Committee.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RED SANDS LIFE ASSURANCE COMPANY (EUROPE) LIMITED (*Continued*)

- 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 below, to detect irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

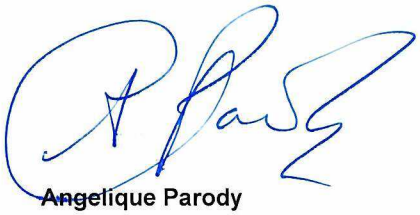
  However, the primary responsibility for the prevention and detection of fraud rests with both the Audit Committee of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are direct laws and regulations related to elements of Company law and tax legislation, and the financial reporting framework. Our considerations of other laws and regulations that may have a material effect on the financial statements included permissions and supervisory requirements of the Gibraltar Financial Services Commission ('GFSC').

- We understood how the Company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance matters. This involved obtaining understanding of the Company's policies and procedures in place to prevent and detect non-compliance with laws and regulations.

- We assessed the susceptibility of the 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 judgment, and the impact these have on the control environment. Where this risk was considered to be higher, we performed audit procedures to address each identified fraud risk as highlighted in the key audit matters section above. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved making enquiries of members of senior management regarding their knowledge of awareness of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements. We also reviewed correspondence between the Company and the GFSC and reviewed minutes of Board for indicators of non-compliance with laws and regulations.



Angelique Parody
Statutory auditor for and on behalf of

EY LIMITED
Registered auditors

Chartered Accountants
Regal House
Queensway
Gibraltar

31 March 2026

Red Sands Life Assurance Company (Europe) Limited

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2025

PROFIT AND LOSS ACCOUNT:
TECHNICAL ACCOUNT – LONG TERM BUSINESS

	Notes	**Continuing Operations £**	**Discontinued Operations £**	**2025 Total £**	Continuing Operations £	Discontinued Operations £	2024 Total £
Earned premiums, net of reinsurance							
Gross premiums written	5	**5,988,624**	**-**	**5,988,624**	6,442,291	5,518,160	11,960,451
Outward reinsurance premiums	5	**(827,497)**	**-**	**(827,497)**	(1,118,529)	-	(1,118,529)
		5,161,127	**-**	**5,161,127**	5,323,762	5,518,160	10,841,922
Claims incurred, net of reinsurance							
Claims paid							
Gross amount	4	**(2,674,750)**	**-**	**(2,674,750)**	(2,826,167)	(2,074,442)	(4,900,609)
Reinsurers' share	4	**489,559**	**-**	**489,559**	583,962	-	583,962
		(2,185,191)	**-**	**(2,185,191)**	(2,242,205)	(2,074,442)	(4,316,647)
Change in the provision for claims							
Gross amount	4	**(12,314)**	**-**	**(12,314)**	26,319	148,927	175,246
Reinsurers' share	4	**1,667**	**-**	**1,667**	(6,678)	-	(6,678)
		(10,647)	**-**	**(10,647)**	19,641	148,927	168,568
		(2,195,838)	**-**	**(2,195,838)**	(2,222,564)	(1,925,515)	(4,148,079)
Long-term business provisions, net of reinsurance							
Change in long-term business provision							
Gross amount	13	**(934,215)**	**-**	**(934,215)**	(3,231,086)	-	(3,231,086)
Reinsurers' share	5,13	**25,090**	**-**	**25,090**	203,597	(1,542)	202,055
		(909,125)	**-**	**(909,125)**	(3,027,489)	(1,542)	(3,029,031)
Net operating expenses	6	**(843,095)**	**-**	**(843,095)**	(919,052)	(2,010,896)	(2,929,948)
		1,213,069	**-**	**1,213,069**	(845,343)	1,580,207	734,864

The notes on pages 17 to 45 form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2025

PROFIT AND LOSS ACCOUNT:
TECHNICAL ACCOUNT – GENERAL BUSINESS

	Notes	**Continuing Operations £**	**Discontinued Operations £**	**2025 Total £**	Continuing Operations £	Discontinued Operations £	2024 Total £
Earned premiums, net of reinsurance							
Gross premiums written	5	**27,406**	**-**	**27,406**	70,439	1,584,821	1,655,260
Outward reinsurance premiums	5	**-**	**-**	**-**	-	-	-
		27,406	**-**	**27,406**	70,439	1,584,821	1,655,260
Claims incurred, net of reinsurance							
Claims paid							
Gross amount	4	**(12,573)**	**-**	**(12,573)**	(10,682)	(210,530)	(221,212)
Reinsurers' share	4	**-**	**-**	**-**	-	-	-
		(12,573)	**-**	**(12,573)**	(10,682)	(210,530)	(221,212)
Change in the provision for claims							
Gross amount	4	**2,116**	**-**	**2,116**	667	66,137	66,804
Reinsurers' share	4	**-**	**-**	**-**	-	-	-
		2,116	**-**	**2,116**	667	66,137	66,804
		(10,457)	**-**	**(10,457)**	(10,015)	(144,393)	(154,408)
Net operating expenses	6	**(15,980)**	**-**	**(15,980)**	(41,702)	(806,464)	(848,166)
		969	**-**	**969**	18,722	633,964	652,686

The notes on pages 17 to 45 form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2025 (continued)

PROFIT AND LOSS ACCOUNT:
NON-TECHNICAL ACCOUNT

	Notes	**Continuing Operations £**	**Discontinued Operations £**	**2025 Total £**	Continuing Operations £	Discontinued Operations £	2024 Total £
Balance on Technical Account:							
Long-Term Business		**1,213,069**	**-**	**1,213,069**	(845,343)	1,580,207	734,864
General Business		**969**	**-**	**969**	18,722	633,964	652,686
Balance on Technical Account - Total		**1,214,038**	**-**	**1,214,038**	(826,621)	2,214,171	1,387,550
Investment income							
Income from other investments		**587,374**	**-**	**587,374**	629,499	-	629,499
Gain on the realisation of investments		**1,075,426**	**-**	**1,075,426**	-	-	-
Unrealised (losses)/gains on investments		**(180,557)**	**-**	**(180,557)**	908,693	-	908,693
Investment expenses and charges							
Investment management expenses		**(63,241)**	**-**	**(63,241)**	(62,037)	-	(62,037)
Other income	7	**12,688**	**47,095**	**59,783**	65,314	264,330	329,644
Other charges	8	**(812,662)**	**(373)**	**(813,035)**	(754,092)	(1,276,281)	(2,030,373)
Profit on ordinary activities before tax		**1,833,066**	**46,722**	**1,879,788**	(39,244)	1,202,220	1,162,976
Tax on profit on ordinary activities	9	**417**	**(7,008)**	**(6,591)**	136,723	(75,681)	61,042
Profit for the financial year		**1,833,483**	**39,714**	**1,873,197**	97,479	1,126,539	1,224,018
Other comprehensive income		**-**	**-**	**-**	**-**	-	-
Total comprehensive income for the financial year		**1,833,483**	**39,714**	**1,873,197**	97,479	1,126,539	1,224,018

The notes on pages 17 to 45 form part of these financial statements.

Red Sands Life Assurance Company (Europe) Limited

STATEMENT OF FINANCIAL POSITION as at 31 December 2025

ASSETS	Notes	**£**	**2025** **£**	£	2024 £
Investments					
Financial investments	11		**21,730,253**		30,124,562
Reinsurers' share of technical provisions					
Long term business provision	13	**711,118**		686,028	
Claims outstanding	4	**9,944**		8,277	
			721,062		694,305
Debtors					
Debtors arising out of direct insurance operations - intermediaries		**189,414**		240,470	
Debtors arising out of reinsurance operations		**-**		1,790,269	
Other debtors including taxation		**180,483**		267,074	
			369,897		2,297,813
Other assets					
Cash at bank and in hand			**3,187,533**		2,221,482
Prepayments and accrued income					
Other prepayments and accrued income		**21,915**		24,468	
			21,915		24,468
			26,030,660		35,362,630

The notes on pages 17 to 45 form part of these financial statements.

Red Sands Life Assurance Company (Europe) Limited

STATEMENT OF FINANCIAL POSITION as at 31 December 2025 (continued)

SHAREHOLDERS' EQUITY AND LIABILITIES	Notes	£	2025 £	£	2024 £
Capital and reserves					
Called up share capital	12	**3,501,500**		3,501,500	
Share premium account		**1,498,500**		1,498,500	
Capital redemption reserve	12	**3,750**		3,750	
Profit and loss account		**15,658,939**		13,785,742	
Shareholders' funds			**20,662,689**		18,789,492
Technical provisions					
Long term business provision	13	**4,248,753**		3,314,538	
Claims outstanding	4	**92,507**		82,309	
			4,341,260		3,396,847
Creditors					
Creditors arising out of direct insurance operations		**1,171**		953	
Creditors arising out of reinsurance operations		**782,800**		922,303	
Amounts owed to credit institutions	11	**22,859**		1,829	
Other creditors including taxation		**129,586**		147,573	
			936,416		1,072,658
Accruals and deferred income			**90,295**		12,103,633
Total shareholders' equity and liabilities			**26,030,660**		35,362,630

Approved and signed on behalf of the board of directors on 26 March 2026.

Joseph Louis Caruana
Director

Zainya Gillingwater
Director

The notes on pages 17 to 45 form part of these financial statements.

Red Sands Life Assurance Company (Europe) Limited

STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2025

	2025				
	Called up share capital £	**Share premium account £**	**Capital redemption reserve £**	**Profit and loss account £**	**Total £**
At 1 January	**3,501,500**	**1,498,500**	**3,750**	**13,785,742**	**18,789,492**
Total comprehensive income for the financial year	**-**	**-**	**-**	**1,873,197**	**1,873,197**
Dividends	**-**	**-**	**-**	**-**	**-**
At 31 December	**3,501,500**	**1,498,500**	**3,750**	**15,658,939**	**20,662,689**

	2024				
	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 January	3,501,500	1,498,500	3,750	24,561,724	29,565,474
Total comprehensive income for the financial year	-	-	-	1,224,018	1,224,018
Dividends	-	-	-	(12,000,000)	(12,000,000)
At 31 December	3,501,500	1,498,500	3,750	13,785,742	18,789,492

The notes on pages 17 to 45 form part of these financial statements.

1 Company information

Red Sands Life Assurance Company (Europe) Limited ("the Company" or "RSL") is a limited liability company incorporated in Gibraltar. The registered office is Level 3, Ocean Village Business Centre, 23 Ocean Village Promenade, Gibraltar, GX11 1AA. The financial statements cover those of the individual entity and are prepared as at and for the year ended 31 December 2025.

2 Basis of preparation

These financial statements have been prepared in compliance with Financial Reporting Standard 102 and 103 The Financial Reporting Standard applicable in the UK and Republic of Ireland, as applied in pursuant to the requirements of the Gibraltar Companies Act' ('FRS 102 and 103'). Gibraltar legislations applied in the preparation of these financial statements are Gibraltar Companies Act 2014 and the Financial Services (Insurance Companies) (Accounts) Regulations 2021.

The financial statements have been prepared under the historical cost convention except for certain financial instruments which are measured at fair value or amortised cost, as specified in the accounting policies below.

The financial statements are presented in Pound Sterling which is the presentation and functional currency of the Company and rounded to the nearest £.

The Company has taken advantage of the disclosure exemption available under FRS 102.1.12 and therefore has not presented a statement of cash flows, on the basis that the results of the Company form part of the consolidated financial statements of Cert. Insurance Group Limited. The registered office of Cert. Insurance Group Limited is 3rd Floor, 114a Cromwell Road, Kensington, London, United Kingdom, SW7 4AG.

Going concern

The Company has a significant number of active insurance contracts with policyholders based in the European Union as a result of its activities prior to the withdrawal of the United Kingdom (and Gibraltar) from the European Union on 31 January 2020. The Company has fully engaged with the appropriate EU regulators in the host territories to ensure contract continuity. From 28 June 2024, the Company no longer retroceded policies in Poland and is therefore, in run-off with no new business being written either directly or indirectly. On 7 January 2025, at the request of the Company, the GFSC issued a direction that the Company must not enter into new contracts of insurance business, including renewals, with immediate effect and gave notice that the Company's Part 7 Permission had been varied to remove the regulated activity of effecting contracts of insurance.

The directors consider that the Company has sufficient capital to settle all existing liabilities and as a result, the financial statements have been presented on a going concern basis.

3 Accounting policies

3.1 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the date of the statement of financial position and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following are the key sources of estimation uncertainties and areas where judgements made have had the most significant effect:

Insurance contract technical provisions

- *Life insurance contracts*
  The liability for life insurance contracts is either based on current assumptions or on assumptions established at the inception of the contract, reflecting the best estimate at the time increased with a margin for risk and adverse deviation. All contracts are subject to a liability adequacy test, which reflect management's best current estimate of future cash flows.

- *General insurance contracts*
  The main assumptions used relate to mortality, morbidity, longevity, investment returns, expenses, lapse and surrender rates and discount rates. The Company bases mortality and morbidity on standard industry mortality tables which reflect historical experiences, adjusted when appropriate to reflect the Company's unique risk exposure, product characteristics, target markets and own claims severity and frequency experiences. For those contracts that insure risk related to longevity, prudent allowance is made for expected future mortality improvements, as well as wide ranging changes to life style, these could result in significant changes to the expected future mortality exposure.

  Estimates are also made as to future investment income arising from the assets backing life insurance contracts. These estimates are based on current market returns, as well as expectations about future economic and financial developments.

  Assumptions on future expenses are based on current expense levels, adjusted for expected expense inflation, if appropriate. Lapse and surrender rates are based on the Company's historical experience of lapses and surrenders.

  The Company's most critical accounting estimate is the ultimate liability arising from claims made under insurance. Estimates have to be made for both the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred, but not yet reported at the reporting date ("IBNR"). It can take a significant amount of time before the ultimate claims cost can be established with certainty and for some type of policies, IBNR claims form a majority of the liability in the statement of financial position.

  The provision for claims outstanding is made on an individual basis and is based on the ultimate cost of all claims notified but not settled by the date of the statement of financial position. The provision also includes the estimated cost of claims incurred but not reported at the date of the statement of financial position based on statistical methods.

3 Accounting policies (continued)

3.1 Judgements and key sources of estimation uncertainty (continued)

- *General insurance contracts (continued)*

The estimation of IBNR is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the Company, where more information about the claim event is generally available. Claims IBNR may often not be apparent to the insurer until many years after the event giving rise to the claim has happened. Classes of business where the IBNR proportion of the total reserve is high will typically display greater variations between the initial estimates and the final outcomes because of the greater degree of difficulty of estimating those reserves. Classes of business where claims are typically reported relatively quickly after the claim event will tend to display lower levels of volatility. In calculating the estimated cost of unpaid claims the Company uses a variety of estimation techniques, generally based upon statistical analyses of historic experience, which assumes that the development pattern of the current claims will be consistent with past experience.

The expense provision covers future overhead costs and is based on long-term projections. A key judgement in this calculation is the estimation of future overheads and the inflation assumptions applied. While overhead expenses have historically been stable and reasonably predictable, inflation presents a higher level of uncertainty due to its market-driven nature. Notably, actual overhead inflation has been consistently lower than the Bank of England's published Consumer Price Index (CPI). To account for this uncertainty associated with inflation, the inflation assumption used in the provision includes a degree of prudence to ensure the expense provision is adequate to meet future overhead expenses.

Further details are given in Notes 4 and 5.

3.2 Significant accounting policies

Financial investments
Financial investments comprise the following:

Derivative instruments
The Company uses forward foreign currency contracts to reduce exposure to foreign exchange rates. Derivative financial instruments are initially measured at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value through profit or loss. Derivatives are recognised as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of the forward currency contracts is calculated by reference to current forward exchange contracts with maturity profiles. The Company does undertake any hedge accounting transactions.

3 Accounting policies (continued)

3.2 Significant accounting policies (continued)

Financial investments (continued)

Shares and other variable yield securities and unit in unit trusts and debt securities and other fixed income securities
These investments are recognised initially at fair value which is normally the transaction price (but excludes any transaction costs). Subsequently, they are measured at fair value through profit or loss except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably which are recognised at cost less impairment until a reliable measure of fair value becomes available.

If a reliable measure of fair value is no longer available, the instrument's fair value on the last date the instrument was reliably measurable is treated as the cost of the instrument.

Deposits with credit institutions
Deposits with credit institutions, within financial investments on the statement of financial position, comprise sums, the withdrawal of which is subject to a time restriction.

Fair value of financial assets
The Company uses the following hierarchy for determining the fair value of financial instruments by valuation technique:

(i) Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities. Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted price is usually the bid price.
(ii) Level 2: when quoted prices are unavailable the instrument is valued using inputs that are observable either directly or indirectly including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs that are observable such as interest rates and yield curves observable at commonly quoted intervals, implied volatility or credit spreads and market-corroborated inputs.
(iii) Level 3: when observable inputs are not available, unobservable inputs are used to measure fair value by use of valuation techniques. The objective of using the valuation technique is to estimate what the fair value would have been on the measurement date.

See Note 11 for details of financial instruments classified by fair value hierarchy.

Cash at bank and in hand
Cash at bank and in hand on the statement of financial position comprise cash at bank and in hand without time restriction.

3 Accounting policies (continued)

3.2 Significant accounting policies (continued)

Investment return
Dividends are recognised when the investments to which they relate are declared 'ex-dividend'. Interest income is recognised on a time proportionate basis taking into account effective interest yield.

Unrealised and realised gains and losses on financial investments are recognised based on the appropriate classification of financial investments and are covered in detail under the accounting policy for financial investments.

Debtors and creditors
Debtors and creditors, other than those arising from insurance and reinsurance contracts, with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other operating expenses.

Loan notes receivables which are basic instruments are initially recorded at the present value of future payments discounted at the market rate of interest of similar loan. Subsequently, they are measured at amortised cost using the effective interest method.

Foreign currencies
Functional and presentation currency
Items included in these financial statements are measured and presented using Pound Sterling (£), the currency of the primary economic environment in which the Company operates (the 'functional currency'), which is also the Company's presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

In respect to assets and liabilities arising from the Company's separately identifiable foreign business, the assets and liabilities are translated at the exchange rate ruling at the date of the statement of financial position. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the statement of comprehensive income.

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

3 Accounting policies (continued)

3.2 Significant accounting policies (continued)

Taxation and deferred tax

Current taxation

Current taxation is provided for on the basis of tax rates and tax laws that have been enacted or substantially enacted at the year-end date.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the date of the statement of financial position where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the date of the statement of financial position.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the date of the statement of financial position.

Deferred tax assets are recognised only to the extent that the directors consider it is more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

Insurance contracts

Product classification

Insurance contracts are those contracts when the Company has accepted significant insurance risk from another party (either the policyholder for direct business or another insurance entity for reinsurance inwards) by agreeing to compensate the policyholder or insurer (as appropriate) if a specified uncertain future event (the insured event) adversely affects the policyholder or insurer (as appropriate). As a general guideline, the Company determines whether it has significant insurance risk by comparing benefits paid with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk.

Once a contract has been classified as insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.

Premiums

- *Life insurance contracts*

  Gross written premiums on long-term insurance contracts written are recognised as income when receivable. For single premium business, this is the date from which the policy is effective. For regular premium contracts, receivables are taken when payments are due. Premiums are shown before the deduction of commission. Where policies lapse due to non-receipt of premiums, then all the related premium income accrued but not received from the date they are deemed to have lapsed is offset against premiums.

3 Accounting policies (continued)

3.2 Significant accounting policies (continued)

Insurance contracts (continued)

- *Life insurance contracts (continued)*
  Inwards reinsurance contracts are accounted for in the same way as direct business written, with acquisition costs (such as commissions and overriders) being recognised within acquisition costs.

  Outward reinsurance premiums are accounted for in the same accounting period as the related insurance policies.

- *General insurance contracts*
  Gross written premiums on general insurance contracts comprise the total premiums payable for the whole period of cover provided by the insurance contracts entered during the reporting period, regardless of whether these are wholly due for payment in the reporting period, together with any adjustments arising in the reporting period to such premiums receivable in respect of business written in prior reporting periods. They are accounted for from the inception date of the policy to which they relate. Additional or return premiums are treated as a re-measurement of the initial premium. Gross written premiums are disclosed gross of commission payable to intermediaries and exclude taxes based on premiums.

  Inwards reinsurance contracts are accounted for in the same way as direct business written, with acquisition costs (such as commissions and overriders) being recognised within acquisition costs.

  Outward reinsurance premiums are accounted for in the same accounting period as the related insurance policies.

Acquisition costs

- *Life insurance contracts*
  All acquisition costs arising from premiums written are charged to the long-term business technical account in the year in which the liability under the policy is established.

- *General insurance contracts*
  Acquisition costs comprise of direct costs arising from the conclusion of insurance contracts and are deferred over the period in which the related premiums are earned.

Claims incurred

- *Life insurance contracts*
  Gross benefits and long-term business claims on life insurance reflect the cost of all claims arising during the year, including any related internal and external claims handling costs that are directly related to the processing and settlement of claims. Changes in the gross valuation of insurance are also included. Death claims and surrenders are recorded on the basis of notifications received. Maturities and annuity payments are recorded when due.

3 Accounting policies (continued)

3.2 Significant accounting policies (continued)

Insurance contracts (continued)

- *Life insurance contracts (continued)*
  Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

- *General insurance contracts*
  Claims include all claims occurring during the year, whether reported or not, related internal and external claims handling costs that are directly related to the processing and settlement of claims, a reduction for the value of salvage and other recoveries, and any adjustments to claims outstanding from previous years.

  Reinsurance claims are recognised when the related gross insurance claim is recognised according to the terms of the relevant contract.

- *Gain on recapture*
  In relation to the reinsurance treaties the Company has, the gain on recapture is recognised at the point of recapturing obligations in accordance with the contractual provisions of these reinsurance treaties.

Reinsurance assets and liabilities
Contracts with reinsurers where the Company is compensated for losses incurred on insurance contracts issued are classified as reinsurance contracts held.

The benefits to which the Company is entitled under its reinsurance contracts held are recognised as reinsurance assets. These assets consist of short-term balances due from reinsurers, as well as longer-term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

Reinsurance assets are reviewed for impairment at each reporting date, or more frequently, when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset that the Company may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer. The impairment loss is recorded in the statement of comprehensive income.

Gains or losses on buying reinsurance are recognised in the statement of comprehensive income immediately at the date of purchase and are not amortised.

Ceded reinsurance arrangements do not relieve the Company from its obligations to policyholders.

3 Accounting policies (continued)

3.2 Significant accounting policies (continued)

Insurance contracts (continued)

Claims outstanding

- *Life insurance contracts*
  The provision for claims outstanding is made on an individual basis and is based on the ultimate cost of all claims notified but not settled by the date of the statement of financial position.

- *General insurance contracts*
  The outstanding claims provision is based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with related claims handling costs and reduction for the expected value of salvage and other recoveries. Delays can be experienced in the notification and settlement of certain types of claims, therefore, the ultimate cost of these cannot be known with certainty at the reporting date. The liability is calculated at the reporting date using a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation. The liability is not discounted for the time value of money.

Insurance debtors

Insurance debtors are recognised when due and measured on initial recognition at the fair value of the consideration received or receivable. Subsequent to initial recognition, insurance debtors are measured at amortised cost, using the effective interest rate method. The carrying value of insurance debtors is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the statement of comprehensive income.

Long Term Business Provision

The Company has chosen to use assumptions that are more consistent with the calculation of the best estimate liability ("BEL") under Solvency II regulation, while still maintaining a suitable level of prudence.

In particular, the approach allows for policy lapses with a margin of prudence included in the lapse rates, and also allows for negative reserves at the policy level, with zeroisation applied at the level of an overall risk characteristic group ("RCG"), should the LTBP be negative for that RCG. RCG means a group of policies which exhibit similar risk characteristics be they demographic, economic or otherwise in nature. The Company has chosen the individual territories in which business is written (Poland, Hungary, Czech Republic, Slovakia and Greece) as appropriate RCGs.

As the Company is in run-off, an expense provision was established in 2024 to cover future overhead costs associated with managing the run-off book. This provision forms part of the LTBP and is calculated on a basis consistent with the rest of the LTBP.

The approach for calculating the LTBP as at 31 December 2025 is consistent with the comparative year and is consistent with FRS 103 on Insurance Contracts.

3 Accounting policies (continued)

3.2 Significant accounting policies (continued)

Insurance contracts (continued)
Long Term Business Provision (continued)
The technical provisions are determined by the Board of Directors in consultation with the Appointed Actuary. Movements in the Long Term Business Provision are recognised in the statement of comprehensive income. See Note 13.

Dividends
Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the shareholders. Interim dividends are deducted from equity when they are paid.

Equity
Called up share capital is measured at par value for all shares issued and outstanding. When the shares are sold at a premium, the difference between the proceeds and the par value is credited to 'Share premium account'. Direct costs incurred related to equity issuance, such as underwriting, accounting and legal fees, printing costs and taxes are chargeable to 'Share premium account'.

'Capital redemption reserve' represents the nominal value of redeemed shares (note 12).

'Profit and loss account' represents accumulated earnings of the Company less dividends declared.

Discontinued operations and assets held for sale
The Company recognises as discontinued operations components which have been disposed of and represent a separate major line of business or geographical area of operation.

The Company classifies the asset as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Cost to sell are the incremental costs directly attributable to the disposal of an asset.

4 Claims incurred, net of reinsurance

	2025								
	Continuing Operations			Discontinued Operations			Total		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	£	£	£	£	£	£	£	£	£
Claims paid - long term business	**2,674,750**	**(489,559)**	**2,185,191**	**-**	**-**	**-**	**2,674,750**	**(489,559)**	**2,185,191**
Claims paid - general business	**12,573**	**-**	**12,573**	**-**	**-**	**-**	**12,573**	**-**	**12,573**
Claims paid - total	**2,687,323**	**(489,559)**	**2,197,764**	**-**	**-**	**-**	**2,687,323**	**(489,559)**	**2,197,764**
Outstanding claims carried forward - long term business	**92,550**	**(9,944)**	**82,606**	**-**	**-**	**-**	**92,550**	**(9,944)**	**82,606**
Outstanding claims carried forward - general business	**(43)**	**-**	**(43)**	**-**	**-**	**-**	**(43)**	**-**	**(43)**
Outstanding claims carried forward - total	**92,507**	**(9,944)**	**82,563**	**-**	**-**	**-**	**92,507**	**(9,944)**	**82,563**
Outstanding claims brought forward - long term business	**(80,236)**	**8,277**	**(71,959)**	**-**	**-**	**-**	**(80,236)**	**8,277**	**(71,959)**
Outstanding claims brought forward - general business	**(2,073)**	**-**	**(2,073)**	**-**	**-**	**-**	**(2,073)**	**-**	**(2,073)**
Outstanding claims brought forward - total	**(82,309)**	**8,277**	**(74,032)**	**-**	**-**	**-**	**(82,309)**	**8,277**	**(74,032)**
Change in provision for claims - long term business	**12,314**	**(1,667)**	**10,647**	**-**	**-**	**-**	**12,314**	**(1,667)**	**10,647**
Change in provision for claims - general business	**(2,116)**	**-**	**(2,116)**	**-**	**-**	**-**	**(2,116)**	**-**	**(2,116)**
Change in provision for claims - total	**10,198**	**(1,667)**	**8,531**	**-**	**-**	**-**	**10,198**	**(1,667)**	**8,531**
Claims incurred	**2,697,521**	**(491,226)**	**2,206,295**	**-**	**-**	**-**	**2,697,521**	**(491,226)**	**2,206,295**

4 Claims incurred, net of reinsurance (continued)

	2024								
	Continuing Operations			Discontinued Operations			Total		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net	Gross	Reinsurance	Net
	£	£	£	£	£	£	£	£	£
Claims paid - long term business	2,826,167	(583,962)	2,242,205	2,074,442	-	2,074,442	4,900,609	(583,962)	4,316,647
Claims paid - general business	10,682	-	10,682	210,530	-	210,530	221,212	-	221,212
Claims paid - total	2,836,849	(583,962)	2,252,887	2,284,972	-	2,284,972	5,121,821	(583,962)	4,537,859
Outstanding claims carried forward - long term business	80,236	(8,277)	71,959	-	-	-	80,236	(8,277)	71,959
Outstanding claims carried forward - general business	2,073	-	2,073	-	-	-	2,073	-	2,073
Outstanding claims carried forward - total	82,309	(8,277)	74,032	-	-	-	82,309	(8,277)	74,032
Outstanding claims brought forward - long term business	(106,555)	14,955	(91,600)	(148,927)	-	(148,927)	(255,482)	14,955	(240,527)
Outstanding claims brought forward - general business	(2,740)	-	(2,740)	(66,137)	-	(66,137)	(68,877)	-	(68,877)
Outstanding claims brought forward - total	(109,295)	14,955	(94,340)	(215,064)	-	(215,064)	(324,359)	14,955	(309,404)
Change in provision for claims - long term business	(26,319)	6,678	(19,641)	(148,927)	-	(148,927)	(175,246)	6,678	(168,568)
Change in provision for claims - general business	(667)	-	(667)	(66,137)	-	(66,137)	(66,804)	-	(66,804)
Change in provision for claims - total	(26,986)	6,678	(20,308)	(215,064)	-	(215,064)	(242,050)	6,678	(235,372)
Claims incurred	2,809,863	(577,284)	2,232,579	2,069,908	-	2,069,908	4,879,771	(577,284)	4,302,487

5 Segmental information

(a) Premiums written - long-term business	**Continuing Operations**	**Discontinued Operations**	**2025 Total**	Continuing Operations	Discontinued Operations	2024 Total
	£	**£**	**£**		**£**	£
Direct business written:						
Non - participating life contracts: Individual periodic premiums	**5,988,624**	**-**	**5,988,624**	6,442,291	-	6,442,291
Total direct business written	**5,988,624**	**-**	**5,988,624**	6,442,291	-	6,442,291
Reinsurance business written:						
Non - participating life business	-	-	-	-	5,518,160	5,518,160
Total reinsurance business written	-	-	-	-	5,518,160	5,518,160
	5,988,624	**-**	**5,988,624**	6,442,291	5,518,160	11,960,451

All direct policies on which premiums have been earned during the year have been concluded by the Company in Gibraltar.

(b) Premiums written - general business

	Continuing Operations	**Discontinued Operations**	**2025 Total**	Continuing Operations	Discontinued Operations	2024 Total
	£	**£**	**£**	£	£	£
Non-life direct business written	**27,406**	**-**	**27,406**	70,439	-	70,439
Non-life reinsurance business written	-	-	-	-	1,584,821	1,584,821
Total gross written premium	**27,406**	**-**	**27,406**	70,439	1,584,821	1,655,260
Gross earned premium	**27,406**	**-**	**27,406**	70,439	1,584,821	1,655,260
Gross claims incurred	**(10,457)**	**-**	**(10,457)**	(10,015)	(144,393)	(154,408)
Gross operating expenses (note 6)	**(15,980)**	**-**	**(15,980)**	(41,702)	(806,464)	(848,166)
Gross technical result	**969**	**-**	**969**	18,722	633,964	652,686
Reinsurance balance	-	-	-	-	-	-
	969	**-**	**969**	18,722	633,964	652,686

5 Segmental information (continued)

(b) Premiums written - general business (continued)

All direct policies on which premiums have been earned during the year have been concluded by the Company in Gibraltar.

(c) Reinsurance balance

The reinsurance balance amounted to a debit in the long-term business technical account of £311,181 (2024: £339,190).

	Continuing Operations	**Discontinued Operations**	**2025 Total**	**Continuing Operations**	**Discontinued Operations**	**2025 Total**
			Long-term business			**General business**
	£	**£**	**£**	**£**	**£**	**£**
Outwards reinsurance premiums	**827,497**	-	**827,497**	-	-	-
Reinsurers' share of claims incurred	**(491,226)**	-	**(491,226)**	-	-	-
Change in reinsurers' share of long-term business provision (note 13)	**(25,090)**	-	**(25,090)**	-	-	-
	311,181	-	**311,181**	-	-	-

	Continuing Operations	Discontinued Operations	2024 Total	Continuing Operations	Discontinued Operations	2024 Total
			Long-term business			General business
	£	£	£	£	£	£
Outwards reinsurance premiums	1,118,529	-	1,118,529	-	-	-
incurred (note 4)	(577,284)	-	(577,284)	-	-	-
Change in reinsurers' share of long-term business provision (note 13)	(203,597)	1,542	(202,055)	-	-	-
	337,648	1,542	339,190	-	-	-

6 Net operating expenses

	Continuing Operations	**Discontinued Operations**	**2025 Total**	**Continuing Operations**	**Discontinued Operations**	**2025 Total**
			Long-term business £			**General business £**
Direct acquisition costs	**6,834**	**-**	**6,834**	**7,982**	**-**	**7,982**
Reinsurance acquisition costs	**-**	**-**	**-**	**-**	**-**	**-**
Administrative expenses	**836,261**	**-**	**836,261**	**7,998**	**-**	**7,998**
	843,095	**-**	**843,095**	**15,980**	**-**	**15,980**

	Continuing Operations	Discontinued Operations	2024 Total	Continuing Operations	Discontinued Operations	2024 Total
			Long-term business £			General business £
Direct acquisition costs	25,900	-	25,900	20,723	-	20,723
Reinsurance acquisition costs	-	1,486,628	1,486,628	-	614,290	614,290
Administrative expenses	893,152	524,268	1,417,420	20,979	192,174	213,153
	919,052	2,010,896	2,929,948	41,702	806,464	848,166

7 Other income

	Continuing Operations	Discontinued Operations	2025 Total	Continuing Operations	Discontinued Operations	2024 Total
	£	**£**	**£**	£	£	£
Gain on reinsurance recapture	**12,688**	**-**	**12,688**	65,314	-	65,314
Other income	**-**	**47,095**	**47,095**	-	264,330	264,330
	12,688	**47,095**	**59,783**	65,314	264,330	329,644

The gain on reinsurance recapture refers to the gains recognised at the point of recapturing obligations in accordance with the contractual provisions of the reinsurance treaties the Company has.

In December 2023, Generali signed an agreement with 4LifeDirect for the purchase of 100% ownership of the life insurance distribution company in Poland. As part of the transaction, the Company commuted its retrocession treaty and therefore, from 28 June 2024 the Company no longer retroceded policies in Poland. During 2023, the asset arising from this transaction qualified as an asset held for sale and was measured at its fair value less cost to sell. The asset was revalued prior to final settlement in 2024. Other income in 2024 and 2025 represents the gain/loss on valuation of the asset to its fair value less cost to sell which is equivalent to the net transaction price of the commutation. The net transaction price of the commutation was the retrocession commutation sum due to the Company less the aggregate LCF balances on a best estimate basis.

8 Other charges

	Continuing Operations	Discontinued Operations	2025 Total	Continuing Operations	Discontinued Operations	2024 Total
			£			£
Legal and professional fees	**351,369**	**-**	**351,369**	927,703	297,871	1,225,574
Non-executive directors' fees	**63,266**	**-**	**63,266**	61,008	-	61,008
Audit fees	**82,457**	**-**	**82,457**	70,628	-	70,628
Other administration expenses	**315,570**	**373**	**315,943**	(305,247)	978,410	673,163
	812,662	**373**	**813,035**	754,092	1,276,281	2,030,373

Included within other administrative expenses are foreign exchange losses of £49,287 (2024: £122,162 foreign exchange losses) arising on translation of monetary assets and liabilities at the reporting date. Audit fees for the year pertains to external statutory audit fees which also include tax compliance fees of £3,325 (2024: £3,025). The Company does not have any staff, with services being provided by the employees of Red Sands Insurance Company (Europe) Limited, a related company by virtue of common ownership, in consideration for an annual management fee payable (note 14).

9 Taxation

The Company is liable to corporation tax in Gibraltar in accordance with the Income Tax Act on income derived from a source within Gibraltar.

	Continuing Operations	**Discontinued Operations**	**2025 Total**	Continuing Operations	Discontinued Operations	2024 Total
	£	**£**	**£**	£	£	£
Current tax:						
Gibraltar corporation tax on profit for the year	**(417)**	**7,008**	**6,591**	(136,723)	75,681	(61,042)
	(417)	**7,008**	**6,591**	(136,723)	75,681	(61,042)

The tax assessed for the period is lower than the standard rate of corporate tax in Gibraltar of 15% (2024: 13.75%). The tax rate of 15% was effective from 1st July 2024, therefore an effective rate of 13.75% was applied for 2024. The differences are reconciled below:

	Continuing Operations	**Discontinued Operations**	**2025 Total**	Continuing Operations	Discontinued Operations	2024 Total
	£	**£**	**£**	£	£	£
Profit on ordinary activities before tax	**1,833,066**	**46,722**	**1,879,788**	(39,244)	1,202,220	1,162,976
Profit on ordinary activities multiplied by the effective rate of corporation tax of 15% (2024: 13.75%)	**274,960**	**7,008**	**281,968**	(5,396)	165,305	159,909
Effects of:						
Expenses not deductible for tax purposes	**9,486**	**-**	**9,486**	8,530	-	8,530
Income not taxable	-	**(7,064)**	**(7,064)**	-	(36,345)	(36,345)
Gains not taxable	**(208,079)**	**-**	**(208,079)**	(206,674)	-	(206,674)
Other temporary differences	**(76,784)**	**7,064**	**(69,720)**	66,817	(53,279)	13,538
Tax on profit on ordinary activities	**(417)**	**7,008**	**6,591**	(136,723)	75,681	(61,042)

The balance of tax receivable as at 31 December 2025 was £180,483 (2024: £267,074) which includes a deferred tax asset of £54,451 (2024: £61,042) which is recorded within other debtors in the statement of financial position. The Company is required to make taxation payments on account during the year based on the prior year assessment. These have been netted off the balance of taxation payable.

10 Risk management policies

(a) **Governance framework**

The Company's activities expose the business to a number of key risks which have the potential to affect its ability to achieve its business objectives. The following describes the Company's financial and insurance risk management policies.

The Board is responsible for the Company's internal control and for reviewing its effectiveness. The systems of internal control are designed to manage rather than eliminate risk and aim to provide reasonable and not absolute assurance.

The following describes the Company's financial and insurance risk management policies.

Underwriting and investment activities are monitored by committees of the Board in accordance with terms of reference set by the Board. The committees are assisted by external consultants as appropriate.

(b) **Capital risk management objectives, policies and approach**

The Gibraltar Financial Services Commission ("GFSC") specifies the minimum amount and type of capital that must be held by the Company. On 7 January 2025, at the request of the Company, the GFSC issued a direction that the Company must not enter into new contracts of insurance business, including renewals, with immediate effect and gave notice that the Company's Part 7 Permission had been varied to remove the regulated activity of effecting contracts of insurance.

The Company is required to hold a minimum amount and type of capital that must be maintained at all times throughout the financial year. In reporting its financial strength, capital and solvency is measured using the regulations prescribed by the GFSC, in accordance with the relevant EU directives. These regulatory capital tests are based upon required levels of solvency capital and a series of prudent assumptions in respect of the type of business written by the Company.

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to protect policyholders, provide returns for the shareholders, to comply with the requirements of the GFSC, and to maintain financial strength to support a solvent run-off. In order to maintain the capital structure, the Company may adjust the amounts of dividends paid, return capital to shareholders or issue new shares.

The operations of the Company are also subject to regulatory requirements within the jurisdictions where it operates. Such regulations not only prescribe approval and monitoring of activities, but also impose certain restrictive provisions (e.g. capital adequacy) to minimise the risk of default and insolvency on the part of the insurance company to meet unforeseen liabilities as these arise.

(c) **Insurance risk**

The risk under any one insurance contract is the possibility that the insured event occurs and the claim results. By the very nature of an insurance contract, risk is based on fortuity and is therefore unpredictable. The principal risks that the Company faces under its insurance contracts are that the business will be under-priced or under-reserved.

The Company also accepts reinsurance inwards, which are subject to the same risks as direct business.

The main risks that the Company is exposed to are as follows:

- Mortality risk – risk of loss arising due to policyholder death experience being different than expected
- Morbidity risk – risk of loss arising due to policyholder health experience being different than expected
- Investment return risk – risk of loss arising from actual returns being different than expected
- Expense risk – risk of loss arising from expense experience being different than expected
- Policyholder decision risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected

10 Risk management policies (continued)

(c) **Insurance risk (continued)**

These risks do not vary significantly in relation to the location of the risk insured by the Company, the type of risk insured, or whether the business is direct or via reinsurance inwards.

The tables below show the concentration of insurance liabilities by type of contract:

31 December 2025	**Gross**	**Reinsurance**	**Net**
	£	**£**	**£**
Whole life	**92,550**	**(721,062)**	**(628,512)**
Term assurance	**4,248,753**	**-**	**4,248,753**
Total life insurance liabilities	**4,341,303**	**(721,062)**	**3,620,241**
Total general insurance liabilities	**(43)**	**-**	**(43)**
Total insurance liabilities	**4,341,260**	**(721,062)**	**3,620,198**

31 December 2024	Gross	Reinsurance	Net
	£	£	£
Whole life	80,236	(694,305)	(614,069)
Term assurance	3,314,538	-	3,314,538
Total life insurance liabilities	3,394,774	(694,305)	2,700,469
Total general insurance liabilities	2,073	-	2,073
Total insurance liabilities	3,396,847	(694,305)	2,702,542

The general insurance liabilities above pertains to accident and health policies.

10 Risk management policies (continued)

(c) **Insurance risk (continued)**

The geographical concentration of the outstanding claim liabilities is noted below. The disclosure is based on the countries where business is written. The analysis would not be materially different if based on the countries in which the counterparties are situated. In 2025 the global expense reserve was allocated by country. In 2024 this was recorded separately.

31 December 2025	**Gross**	**Reinsurance**	**Net**
	£	**£**	**£**
Hungary	**2,298,825**	**(76,891)**	**2,221,934**
Slovakia	**1,242,200**	**(389,832)**	**852,368**
Czech	**519,999**	**(254,339)**	**265,660**
Greece	**280,236**	**-**	**280,236**
Global expense reserve	**-**	**-**	**-**
Liabilities arising from direct insurance	**4,341,260**	**(721,062)**	**3,620,198**
Liabilities arising from reinsurance	**-**	**-**	**-**
Total insurance liabilities	**4,341,260**	**(721,062)**	**3,620,198**

31 December 2024	Gross	Reinsurance	Net
	£	£	£
Hungary	58,776	(62,787)	(4,011)
Slovakia	6,199	(405,833)	(399,634)
Czech	17,334	(225,685)	(208,351)
Greece	-	-	-
Global expense reserve	3,314,538	-	3,314,538
Liabilities arising from direct insurance	3,396,847	(694,305)	2,702,542
Liabilities arising from reinsurance	-	-	-
Total insurance liabilities	3,396,847	(694,305)	2,702,542

10 Risk management policies (continued)

(c) **Insurance risk (continued)**

Key assumptions

Material judgement is required in determining the liabilities and in the choice of assumptions. Assumptions in use are based on past experience, current internal data, external market indices and benchmarks which reflect current observable market prices and other published information. Assumptions and prudent estimates are determined at the date of valuation and no credit is taken for possible beneficial effects of voluntary withdrawals. Assumptions are further evaluated on a regular basis in order to ensure realistic and reasonable valuations.

The key assumptions to which the estimation of liabilities is particularly sensitive are as follows:

- Valuation interest rate
  The valuation interest rate is derived from the weighted average of the yields on the assets held at the valuation date and allocated to meet the mathematical reserves. These estimates are based on current market returns as well as expectations about future economic and financial developments.

  An increase in valuation interest rate would lead to reduction in expenditure and an increase in profits for the shareholders.

- Inflation
  Consistent with the valuation rate adopted, the Company considers an appropriate inflation rate to be applied to the expenses which will be incurred in the future. The inflation rate assumed in each jurisdiction represents the expectation for inflation to increase in line with the monetary policy in each jurisdiction. A prudent margin is applied for potential adverse deviation.

  An increase in rate will increase the expenditure and reduce profits for the shareholders.

- Mortality
  The underlying mortality risks are based on either population mortality or relevant reinsurer risk-premium rate, depending on the nature of the product.

  An increase in rates will lead to a larger number of claims (and claims could occur sooner than anticipated), which will increase the expenditure and reduce profits for the shareholders.

- Lapse and surrender rates (persistency)
  The Company's methodology makes an allowance for lapses with the rate being set equal to the Solvency II best estimate assumption with a margin of prudence. Similar to the valuation on interest rate risk, depending on the mix of business, an increase or decrease in the Solvency II best-estimate lapse assumption may be prudent.

  An increase in the lapse rate early in the life of the policy would tend to reduce profits for shareholders, but later increases are broadly neutral in effect.

- Expenses
  The administration and claims handling expenses which will be incurred in the future are based on the current arrangements with administrators in each jurisdiction. Overhead expenses as assumed to be a fixed percentage of premium. Overhead expenses are monitored at least annually to ensure these are in line with expectations. The expense inflation rate is country-specific and is set to reflect the target inflation rate as determined by the monetary policy in each country, subject to short term adjustment to reflect the current high inflationary environment.

  An increase in the level of expenses would result in an increase in expenditure thereby reducing profits for the shareholders.

The assumptions that have potential effect on financial statements of the Company are detailed in Note 13. As of 31 December 2025, the Company had £4,248,753 long term business provisions (2024: £3,314,538) and does not expect the impact of the volatility on the assumptions to be material.

10 Risk management policies (continued)

(d) **Financial risk**

The Company is exposed to financial risk through its financial assets, financial liabilities, reinsurance assets and policyholder liabilities. In particular, the key financial risk is that the proceeds from the financial assets are not sufficient to fund the obligations arising from policies as they fall due. The most important components of financial risk are interest rate risk on cash flows, price risk, credit risk, liquidity risk and currency risk. The Company manages these positions to achieve investment returns in excess of obligations under insurance contracts.

(i) *Credit risk*

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due.

The Company monitors its exposure to any single counterparty, or groups of counterparties, and to geographical and industry segments. The Company's exposure to insurance debtors from policyholders and intermediaries is managed through the application of internal credit vetting processes and active credit control procedures. Wherever possible, the Company includes premium payment warranties in its terms and conditions which give it the right to cancel policies in the event of non-payment.

The maximum exposure to credit risk at the date of the statement of financial position is represented by the carrying amount of each asset on the statement of financial position. No financial assets are past due or impaired at the date of the statement of financial position and management expects no significant losses from the non-performance by these counterparties.

Reinsurance outwards is used to manage insurance risk. This does not, however, discharge the Company's liability as primary insurer where the Company issues direct insurance contracts. If a reinsurer fails to pay a claim, the Company remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength. In addition, the recent payment history of reinsurers is used to update the reinsurance purchasing strategy.

The table below provides information regarding the credit risk exposure of the Company at 31 December 2025 by classifying assets, prepayments and accrued income, according to credit ratings of the counterparties undertaken by a number of external credit assessment institutions and assessed in accordance with Article 4 of the Solvency II Directive. AAA is the highest possible rating. Assets that fall outside the range of AAA to BBB are classified as speculative grade.

31 December 2025	AAA or AA £	A or BBB £	BB or lower £	Unrated £	Total £
Shares and other variable yield securities and units in unit trusts	-	-	-	**4,452,487**	**4,452,487**
Debt securities and other fixed income securities	-	-	-	**7,640,781**	**7,640,781**
Derivative contracts - at FVTPL	-	**1,441**	-	-	**1,441**
Deposits with credit institutions – at amortised cost	**6,552,170**	**3,083,374**	-	-	**9,635,544**
Reinsurance share of technical provision	**721,062**	-	-	-	**721,062**
Debtors arising out of direct insurance operations	-	-	-	**189,414**	**189,414**
Debtors arising out of direct reinsurance operations	-	-	-	-	-
Other prepayments	-	-	-	**21,915**	**21,915**
Cash at bank and in hand	-	**3,187,533**	-	-	**3,187,533**
Total	**7,273,232**	**6,272,348**	-	**12,304,597**	**25,850,177**

10 Risk management policies (continued)

(d) **Financial risk (continued)**

(i) *Credit risk (continued)*

31 December 2024	AAA or AA £	A or BBB £	BB or lower £	Unrated £	Total £
Shares and other variable yield securities and units in unit trusts	-	-	-	4,961,857	4,961,857
Debt securities and other fixed income securities	-	-	-	8,284,158	8,284,158
Derivative contracts - at FVTPL	-	86,316	-	-	86,316
Deposits with credit institutions – at amortised cost	11,922,484	4,869,747	-	-	16,792,231
Reinsurance share of technical provision	694,305	-	-	-	694,305
Debtors arising out of direct insurance operations	-	-	-	240,470	240,470
Debtors arising out of direct reinsurance operations	1,790,269	-	-	-	1,790,269
Other prepayments	-	-	-	24,468	24,468
Cash at bank and in hand	-	2,221,482	-	-	2,221,482
Total	14,407,058	7,177,545	-	13,510,953	35,095,556

The Company regularly monitors the financial strength of material counterparties, particularly unrated ones, via review of financial and other reports.

(ii) *Liquidity risk*

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. The Company manages this risk by maintaining sufficient liquid assets or assets that can be converted into liquid assets at short notice and without capital loss to meet the expected cash flow requirements. The Company's investment guidelines to the investment managers sets out various short-term cash requirements.

All of the Company's financial liabilities at the date of the statement of financial position are short-term creditors payable in one year or less. The Company has no liabilities with fixed repayment dates.

(iii) *Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate and price risk.

10 Risk management policies (continued)

(d) **Financial risk (continued)**

(iv) *Currency risk*

The Company currently writes all of its insurance business in currencies other than sterling. Currency risk is mitigated by maintaining financial assets denominated in the same currencies as its liabilities. The matching of assets and liabilities prevents economic exposure to currency risk but it does not prevent exposure to exchange gains or losses. The Company does not actively trade in derivatives but uses forward contracts to manage foreign exchange risk.

The table below summarises the exposure of the financial assets and liabilities to foreign currency exchange risk at the reporting date, as follows:

31 December 2025	**Polish Zloty** £	**United States Dollar** £	**Euro** £	**Others** £	**Total** £
Shares and other variable yield securities and units in unit trusts	**-**	**392,085**	**-**	**-**	**392,085**
Direct and reinsurance debtors	**-**	**-**	**60,733**	**128,681**	**189,414**
Cash at bank and in hand	**-**	**-**	**43,756**	**2,167**	**45,923**
Financial assets	**-**	**392,085**	**104,489**	**130,848**	**627,422**
Direct and reinsurance creditors	**-**	**-**	**(406,400)**	**(377,571)**	**(783,971)**
Net currency exposure	**-**	**392,085**	**(301,911)**	**(246,723)**	**(156,549)**

31 December 2024	Polish Zloty £	United States Dollar £	Euro £	Others £	Total £
Shares and other variable yield securities and units in unit trusts	-	474,667	-	-	474,667
Direct and reinsurance debtors	1,758,744	-	84,026	187,969	2,030,739
Cash at bank and in hand	38,646	-	43,969	94,232	176,847
Financial assets	1,797,390	474,667	127,995	282,201	2,682,253
Direct and reinsurance creditors	(7,404)	-	(429,789)	(486,063)	(923,256)
Net currency exposure	1,789,986	474,667	(301,794)	(203,862)	1,758,997

At 31 December 2025, if the exchange rate of foreign currencies had varied by 5% against Pound Sterling with all other variables held constant, the profit for the year and equity would have been lower or higher by £7,827 (2024: £87,950).

10 Risk management policies (continued)

(d) **Financial risk (continued)**

(v) *Interest rate risk*

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's investment in fixed rate instruments exposes it to fair value interest risk. Interest on fixed rate instruments is priced at inception of the financial instrument and is fixed until maturity. The Company monitors interest rate risk by reviewing the duration of the investment portfolio. The Company's policy also requires it to manage the maturities of interest bearing financial assets and interest bearing financial liabilities.

Insurance liabilities are not discounted and therefore not exposed to interest rate risk.

At 31 December 2025, if the interest rate on fixed rate investments varied by 100 basis points, with all other variables held constant, the profit for the year and equity would have been higher or lower by £166,138 (2024: £193,886).

The method used for deriving sensitivity information did not change from previous period.

(vi) *Equity price risk*

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk and currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company's equity price risk exposure relates to its investments whose values will fluctuate as a result of changes in market prices. The Company mitigates its price risk by investing only in particular types of assets and limiting its exposure to certain types of investments.

At 31 December 2025, if the fair value of investments varied by 5%, with all other variables held constant, the profit for the year and equity would have been higher or lower by £222,624 (2024: £248,093 respectively).

11 Financial investments

	2025	2024
	£	£
Financial assets		
Shares and variable-yield securities and units in unit trusts - at FVTPL	**4,452,487**	4,961,857
Debt securities and fixed income securities - at FVTPL	**7,640,781**	8,284,158
Derivative contracts - at FVTPL	**1,441**	86,316
Deposits with credit institutions – at amortised cost	**9,635,544**	16,792,231
	21,730,253	30,124,562
Financial liabilities at fair value through profit and loss		
Derivative contracts	**(22,859)**	(1,829)

Debt securities and fixed income securities are designated on initial recognition at fair value through profit or loss. Debt securities and fixed income securities consist of securities with maturity dates which range from January 2026 to August 2083 (2024: January 2023 to December 2086).

The cost of the financial investments measured at fair value through profit or loss is £9,905,155 (2024: £10,881,265).

There have been no day 1 profits recognised in respect of financial instruments designated at fair value through profit or loss.

11 Financial investments (continued)

Derivative contracts above relate to open foreign currency forward contracts classified as trading instruments. The table below shows the derivative financial instruments with their notional amounts. The notional amount is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding as of 31 December 2025 and 31 December 2024 are not indicative of either market risk or credit risk.

Currency forward contracts nominal amounts (in local currencies)		**2025**	2024
Sell:			
Euro	EUR	**1,135,028**	2,101,208
United States Dollar	USD	**584,000**	650,000
Czech Koruna	CZK	**36,344,036**	61,896,450

The liability arising from the loss on derivative contracts amounting to £22,859 (2024: loss of £1,829) as at the year-end was classified as creditor under 'amounts owed to credit institutions' on the statement of financial position.

The following table shows financial investments recorded at fair value analysed between the three levels in the fair value hierarchy.

31 December 2025	**Level 1 £**	**Level 2 £**	**Level 3 £**	**Total £**
Financial assets				
Shares and other variable yield securities and units in unit trusts	**4,060,402**	**392,085**	**-**	**4,452,487**
Debt securities and other fixed income securities	**2,948,698**	**4,692,083**	**-**	**7,640,781**
Derivative contracts	**1,441**	**-**	**-**	**1,441**
	7,010,541	**5,084,168**	**-**	**12,094,709**
Financial liabilities				
Derivative contracts	**22,859**	**-**	**-**	**22,859**

31 December 2024	Level 1 £	Level 2 £	Level 3 £	Total £
Financial assets				
Shares and other variable yield securities and units in unit trusts	4,487,190	474,667		4,961,857
Debt securities and other fixed income securities	3,672,304	4,611,854		8,284,158
Derivative contracts	86,316	-	-	86,316
	8,245,810	5,086,521	-	13,332,331
Financial liabilities				
Derivative contracts	1,829	-	-	1,829

11 Financial investments (continued)

Included in Level 1 category are financial assets that are measured by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Included in the Level 2 category are financial assets measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions. For example, assets for which pricing is obtained via pricing services but where prices have not been determined in an active market, financial assets with fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using the Company's own models whereby the significant inputs into the assumptions are market observable.

12 Called up share capital

	2025	2024
	£	£
Authorised:		
50,025,000 Ordinary shares of £1 each	**50,025,000**	50,025,000

	2025	2024
	£	£
Allotted, called up and fully paid:		
3,501,500 Ordinary shares of £1 each	**3,501,500**	3,501,500

The ordinary shares carry common rights per share without restrictions and their holders are entitled to receive dividends when declared by the Company.

The capital redemption reserve in equity of £3,750 (2024: £3,750) is the nominal value of shares that were redeemed at £999 in 2015.

There has been no change in share capital in the period.

13 Long Term Business Provision

	2025	2024
	£	£
Non-linked provision	**4,248,753**	3,314,538
Gross long term business provision	**4,248,753**	3,314,538

31 December 2025	**Gross**	**Reinsurance**	**Net**
	£	**£**	**£**
Long-term business provision brought forward	**3,314,538**	**(686,028)**	**2,628,510**
Change in recaptured reinsurance during the year	**-**	**(4,780)**	**(4,780)**
Change in the provision during the year	**934,215**	**(20,310)**	**913,905**
Long-term business provision carried forward	**4,248,753**	**(711,118)**	**3,537,635**

The long-term business provision includes an overhead expense provision of £6.4m (2024: £3.3m) to provide for the overhead cost during the projected 50-year run-off of the business.

Included in the reinsurer's share of the change in provision during the year is £4,780 (2024: £21,723) relating to recaptured tranches.

13 Long Term Business Provision (continued)

31 December 2024	Gross £	Reinsurance £	Net £
Long-term business provision brought forward	83,452	(483,973)	(400,521)
Change in the provision during the year	3,231,086	(202,055)	3,029,031
Long-term business provision carried forward	3,314,538	(686,028)	2,628,510

The principal assumptions underlying the calculation of the long-term business provisions, as disclosed in the actuarial report as at 31 December 2025 and 31 December 2024 are:

	Per annum		
Non-linked provision	**2025**	2024	Notes
Valuation interest rate			
Hungary	**-130 bp**	-34 bp	The margin is a parallel shift to the Solvency II risk-free rate in each currency.
Czech Republic	**+254 bp**	+189 bp	
Slovakia	**-82 bp**	-17 bp	
Greece	**-32 bp**	-8 bp	
Mortality rates	**+20%**	+20%	The margin is on the assumed mortality rates for each country.
Morbidity incidence rates (Health products only)	**+20%**	+20%	No adjustment is applied to the recovery rate assumptions for the Hospital Cash business.
Operating expenses:			
Administration fees	**+10%**	+10%	This is not applied to the reinsurance fees.
Claims handling	**+10%**	+10%	
Contribution to overhead	**+10%**	+10%	
Expense inflation rate	**+10%**	+10%	This is not applied to the overhead expense assumptions or the reinsurance fees.
Lapse rate Life products	**-20%**	-20%	
Lapse rate Health products	**-20%**	-20%	

14 Related party transactions and balances

During the year, the Company entered into transactions with its related parties. The transactions entered into and balances outstanding as at 31 December 2025 and 31 December 2024 are as follows:

	Expense		Amounts payable	
	2025	2024	**2025**	2024
	£	£	£	£
Entity controlled by a director	**23,874**	23,000	**-**	-
Entities under common ownership	**60,000**	60,000	**129,586**	147,573

The amounts due to related party undertakings are non interest bearing, unsecured and are due on demand. The amounts owed to related party undertakings is recorded within other creditors including taxation. Included in expenses is £23,874 (2024: £23,000) recharged through Red Sands Insurance Company (Europe) Limited in relation to fees payable to entities with a common director.

Key management personnel
The remuneration of key management personnel are borne by a related party. This cost is covered within the £60,000 (2024: £60,000) expense above.

15 Controlling party

In 2025, RSL was acquired by Cert. Insurance Group Limited, a UK-registered entity within the wider group as part of a broader group restructuring. The Company is a wholly owned subsidiary of Cert. Insurance Group Limited, a Company incorporated in UK. The Jaap t'Hooft Trust is the ultimate controlling party.

16 Subsequent events

Dividends of £12m were declared by the directors on 26 March 2026.

There are no events which have occurred since the reporting date that materially impact these financial statements.