INTERNATIONAL TRANSPORT INTERMEDIARIES INSURANCE COMPANY (EUROPE) LIMITED

Report and Financial Statements for the year ended 31 May 2026

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General Information

Board of Directors	Claes Devantier Thomas John Alexander Irving Charlotte Jane Kirk Andreas Andreou Esta Maria Toumpouri
Secretary	Cyproman Services Limited
Managers	Thomas Miller Cyprus Insurance Agency Ltd (from 1 June 2025)
Independent Auditors	Ernst & Young Cyprus Limited
Bankers	Citibank Europe plc – Netherlands Branch
Actuaries	Thomas Miller & Co Limited
Registered Office	2 Pavlou Nirvana & Ag. Fylaxeos Street Safe Bulkers Shipping Center 2nd Floor 3021, Limassol, Cyprus
Registration Number	HE 451137
Website	https://www.itic-insure.com/

Management Report

The Board of Directors of International Transport Intermediaries Insurance Company (Europe) Limited (the "Company"), submits their Management Report together with the audited financial statements of the Company for the year from 1 June 2025 to 31 May 2026.

Principal activities

The principal activity of the Company, which remained unchanged from last year, was the insurance of professional indemnity and public liability risks of professionals in the transport industry.

Strategic Direction

The objective of the Company is to provide competitively priced professional indemnity insurance (and related products) with loss prevention advice to businesses (known as members) servicing the marine and transport industry, which maintains strong reserves and which is supported by at least "A-" rated reinsurance security for limits in excess of the retention, sound risk management, quality service and competent staff.

Business Review

The Board considers that the key indicators that will communicate the financial performance and strength of the Company to its assureds are: insurance revenue, combined ratio, being total underwriting costs and attributable expenses as a percentage of insurance revenue; and the insurance service result.

The Board also uses a number of other key performance indicators, key risk indicators and key control indicators to assess the performance of individual parts of the business. The insurance revenue drives the scale of the business. Action is taken continuously to ensure that business is written at rates required to achieve the target return. Joining and leaving members are continuously monitored. The continuity credit, forming part of insurance revenue, for renewing members is a mechanism for distributing excess reserves or retaining reserves where appropriate. The combined ratio, including various cost ratios, monitors the performance of the Company from a number of perspectives. The profit before tax is the key performance measure. The Company aims to deliver sustainable surpluses over the insurance cycle by choosing and underwriting risks at appropriate rates, coupled with rigorous expense control and the delivery of superior customer service to its members and intermediaries.

Noting the ongoing strong performance, the board decided to increase the level of continuity credit for 2025/26 to 35% - 45%, up from 20% - 30% in 2024/25.

Share Capital

The Company was incorporated on 11 September 2023 as a private company under the Companies Law, Cap.113. Its paid share capital on incorporation amounted to USD 10,000,000. Its registered office is at 2 Pavlou Nirvana & Ag. Fylaxeos Street, Safe Bulkers Shipping Center, 2nd Floor, 3021 Limassol, Cyprus.

Risk and uncertainties

The main risks the Company is exposed to are described in note 4.

Dividends

At the date of approval of these financial statements, the Directors do not propose the declaration of a dividend for the year ended 31 May 2026.

Branches

The Company does not operate any branches.

Management Report (continued)

Contracts with Directors and other related parties

Transactions with the Directors and their emoluments are disclosed in note 19. The agreements, transactions and balances with related parties are disclosed in note 19.

Research and development

There were no research and development activities conducted by the Company.

Events after the reporting period

Any significant events that occurred after the end of the reporting period are described in note 21 of the financial statements.

Financial risk management and use of financial instruments

The main financial risks and uncertainties to which the Company is exposed are disclosed and analysed in note 4.

Board of Directors

The members of the Board of Directors at the date of this report are presented on page 3.

Independent auditors

The independent auditors, Ernst & Young Cyprus Limited, have expressed their willingness to continue in office. A resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the forthcoming Annual General Meeting.

With the instructions of the Board of Directors of International Transport Intermediaries Insurance Company (Europe) Limited.

CYPROMAN SERVICES LIMITED

Cyproman Services Limited
Company secretary
Nicosia, 2 September 2020

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Independent Auditor's Report

To the Members of International Transport Intermediaries Insurance Company (Europe) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of International Transport Intermediaries Insurance Company (Europe) Limited (the "Company"), which are presented in pages 14 to 79 and comprise the statement of financial position as at 31 May 2026, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows, for the year then ended, and notes to the financial statements, including material accounting policy information

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 May 2026, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

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 remained independent of the Company throughout the period of our appointment in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of
the financial statements of public interest entities in Cyprus. We have also fulfilled our other 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.

Key audit matters incorporating the most significant risks of material misstatements, including assessed risk of material misstatements due to fraud

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. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

Ernst & Young Cyprus Ltd is a member firm of Ernst & Young Global Ltd.
Ernst & Young Cyprus Ltd is a limited liability company incorporated in Cyprus with registration number HE 222520. A list of the directors' names is available at the company's registered office, The Landmark Office Tower, Floors 10-13, 95 John Kennedy Avenue, 1077 Nicosia, Cyprus.

Key Audit Matters	Audit Procedures to address the key audit matter
Valuation of Liabilities for Incurred Claims (LIC) The total amount of Liabilities for Incurred Claims (LIC) as at the year ended 31 May 2026 amounts to $17.198 thousand. The total value of LIC represents 58% of the Company's total liabilities. The valuation of LIC is one of the areas that requires the exercise of significant judgment and assumptions by management. These include among others: • The assessment of claims and the potential amount of legal expenses that will be incurred throughout the process of claims settlement, that the outcome of claims will be similar to past claims with identical characteristics etc; • The assessment of the potential amount of claims relating to risks incurred but not enough reported by the Company; • The calculation of risk adjustment which is used to reflect the compensation an entity requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk as the entity fulfils insurance contracts; • The assessment of the impact of time value of money relating to the expected future cash outflows associated with claims reserves. Given the significance of the total amount of LIC, the significant level of judgement exercised on behalf of the management, we consider this to be a risk of management override of controls over the valuation of Liabilities for Incurred Claims and a key audit matter. The Company's disclosures relating to LIC and insurance risk are included in note 3, note 4, note 5 and note 12.	As part of our audit procedures in relation to the valuation of LIC and considering the related risk of management override of controls over the valuation of Liabilities for Incurred Claims, we have performed the below: ➢ We have updated our understanding and performed a walkthrough of the processes related to the calculation of liabilities for incurred claims. We evaluated the design and tested the operating effectiveness of controls in these processes. ➢ We conducted enquiries with management to understand the basis and assumptions used in the estimation of the expected undiscounted future cash outflows from claims reported. ➢ We performed an independent assessment of the expected undiscounted future cash outflows from claims reported on a selected sample by developing our own estimate through inspection of claim reports. ➢ We conducted back testing for the adequacy of the expected undiscounted future cash outflows from claims reported by comparing payments made post year-end to the reserve reported as at year-end. ➢ We assessed the professional competence, capabilities, and objectivity of the Company's actuarial specialist. ➢ With the assistance of our actuarial experts, we assessed the appropriateness of the methodology applied in the context of IFRS 17 requirements for the calculation of undiscounted best estimate liabilities. ➢ With the assistance of our actuarial experts, we assessed the reasonableness of key assumptions used by the Company's actuarial specialist, such as the selection of development factors, similarity of past years' claims development, and loss ratios to future claims development through examining experience data provided by the Company's actuarial specialist.

	➢ With the assistance of our actuarial experts, we tested whether the inputs used in calculating the undiscounted best estimate liabilities were appropriate and performed a recalculation of the undiscounted best estimate liabilities in accordance with the Company's methodology. ➢ We conducted back testing to assess the adequacy of the technical reserves included in undiscounted best estimate liabilities recognized by analyzing and comparing claims settled subsequent to year-end to the reserve recognized at year-end (for prior years). ➢ With the assistance of our actuarial experts, we assessed the appropriateness of the methodology used to determine the payment patterns in the reserving models developed by the Company's management. ➢ With the assistance of our actuarial experts, we tested the discount rates used and the accuracy of the calculations for the present value of future cash flows of best estimate liabilities. ➢ With the assistance of our actuarial experts, we assessed the appropriateness of the methodology used to determine the risk adjustment applied in determining the liabilities for incurred claims and tested the mathematical accuracy of the relevant calculations. ➢ We assessed the completeness and adequacy of the Company's disclosures regarding liabilities for incurred claims and insurance risk in the financial statements.

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Subsequent measurement of insurance contracts transferred and subsequent measurement of liabilities for remaining coverage ('LRC') under the General Measurement Model ('GMM') On 1 December 2024, the Company has effected a portfolio transfer to transfer contracts related to insurance policies from UK P&I Club N.V, who acted as fronters of the parent entity's, International Transport Intermediaries Club Limited ("ITIC"), European Economic Area business. The Company assumed all rights and obligations of the insurance contracts issued, as well as the rights and obligations of reinsurance contracts under which UK P&I Club N.V. was covered in respect of the transferred policies. Concurrently, the reinsurance contract covering the risks was terminated and ceded to Transport Intermediaries Mutual Insurance Association Limited ("TIMIA") under an amended and restated reinsurance contract. This transaction was treated as an acquisition of a group of assets and liabilities at no gain or loss on initial recognition. The total amount of LRC measured under GMM as at the year ended 31 May 2026 amounts to $9.830 thousand. The total value of LRC represents 33% of the Company's total liabilities. The initial recognition and subsequent measurement of insurance contract liabilities transferred, involves complex accounting considerations and the application of significant judgment on behalf of management. Their calculation both at initial recognition and subsequent measurement involves among others: • The estimation of the present value of expected future cash flows, • The estimation of the risk adjustment for non-financial risk reflecting compensation required for bearing non-financial risk; • The measurement of contractual service margin (CSM) and its subsequent release in the profit and loss. Given the significance of the total amount of LRC measured under GMM, the significant	As part of our audit procedures in relation to the valuation of LRC measured under GMM and considering the related risk of management override of controls over the valuation of Liabilities for Remaining Coverage measured under GMM, we have performed the below: ➢ We updated our understanding of the process and the controls in place for the measurement of insurance reserves through the performance of walkthrough procedures. We evaluated the design effectiveness and tested the operating effectiveness of relevant controls in this area. ➢ We obtained and tested on a sample basis the completeness and accuracy of the data used by management for the calculation of liabilities for remaining coverage measured under the GMM model. ➢ With the assistance of our actuarial experts, we assessed the reasonableness of future cash inflows and outflows based on the Company's expectations. ➢ With the assistance of our actuarial experts, we assessed the appropriateness of the methodology used to determine the risk adjustment applied in determining the liabilities for remaining coverage measured under the GMM model and tested the mathematical accuracy of the relevant calculations. ➢ With the assistance of our actuarial experts, we tested the discount rates used and the accuracy of the calculations for the present value of future cash flows used for the calculation of assets/liabilities for remaining coverage measured under the GMM model. ➢ With the assistance of our actuarial experts, we assessed the appropriateness of the methodology used to identify groups of onerous contracts and tested the mathematical accuracy of the calculations for the initial and subsequent measurement of the relevant loss component.

level of judgement exercised on behalf of the management, we consider this to be a risk of management override of controls over the valuation of Liabilities for Remaining Coverage measured under GMM and a key audit matter. The Company's disclosures relating to LRC and insurance risk are included in note 3, note 4, note 5 and note 12.	➢ We assessed the relevance and adequacy of presentation and disclosure in the financial statements.
Valuation of reinsurance contract assets transferred and subsequent measurement of reinsurance assets for remaining coverage ("ARC") measured under General Measurement Model ("GMM") The total amount of ARC measured under GMM as at the year ended 31 May 2026 amounts to $8.969 thousand. The total value of ARC represents 22% of the Company's total assets. The valuation of assets for remaining coverage under GMM model is one area that requires the application of significant judgement on behalf of management. Their calculation involves among others: • the estimation of the present value of expected future cash flows, • the estimation of reinsurer's share of risk adjustment for non-financial risk reflecting compensation required for bearing non-financial risk; • the measurement of contractual service margin (CSM) and its subsequent release in the profit and loss. • The measurement of the loss recovery component as a result of the onerous portfolio and its subsequent release in the profit and loss. Given the significance of the total amount of ARC measured under GMM, the significant level of judgement exercised on behalf of the management, we consider this to be a key audit matter. The Company's disclosures relating to ARC and insurance risk are included in note 3, note 4, note 5 and note 12.	As part of our audit procedures in relation to the valuation of ARC measured under GMM we have performed the below: ➢ We updated our understanding of the process and the controls in place for the measurement of the reinsurance share of insurance reserves through the performance of walkthrough procedures. We evaluated the design effectiveness and tested the operating effectiveness of relevant controls in this area. ➢ We obtained and tested on a sample basis the completeness and accuracy of the data used by management for the calculation of assets for remaining coverage measured under the GMM model. ➢ With the assistance of our actuarial experts, we assessed the reasonableness of future cash inflows and outflows based on the Company's expectations. ➢ With the assistance of our internal IFRS 17 experts and actuarial experts, we assessed the appropriateness of the methodology used for the estimation of the Contractual Service Margin component and its subsequent release in the Income statement, and tested the mathematical accuracy of the relevant calculations. ➢ With the assistance of our actuarial experts, we assessed the appropriateness of the methodology used to determine the risk adjustment applied in determining the assets for remaining coverage measured under the GMM model and tested the mathematical accuracy of the relevant calculations.

	➢ With the assistance of our actuarial experts, we tested the discount rates used and the accuracy of the calculations for the present value of future cash flows used for the calculation of assets for remaining coverage measured under the GMM model. ➢ With the assistance of our actuarial experts, we assessed the appropriateness of the methodology and tested the mathematical accuracy of the calculations for the initial and subsequent measurement of the relevant loss recovery component. ➢ We assessed the relevance and adequacy of presentation and disclosure in the financial statements.

Reporting on other information

The Board of Directors is responsible for the other information. The other information comprises the Management Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and 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 identified above 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 the Board of Directors and those charged with governance for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors 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, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance 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

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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 the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' 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 a true and fair view.

We communicate with those charged with governance 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 those charged with governance 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, related safeguards.

From the matters communicated with those charged with governance, we determine the matter that is of most significance in the audit of the financial statements of the current period and are therefore the key audit matter.

Report on Other Legal and Regulatory Requirements

Pursuant to the requirements of Article 10(2) of the EU Regulation 537/2014 we provide the following information in our Independent Auditor's Report, which is required in addition to the requirements of International Standards on Auditing.

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Appointment of the Auditor and Period of Engagement

We were first appointed as auditors of the Company on 17 May 2023 by the Annual General Meeting of the Company's shareholders. Our appointment is renewed annually by shareholder resolution representing a total period of uninterrupted engagement appointment of 3 years.

Consistency of the Additional Report to the Audit Committee

We confirm that our audit opinion on the financial statements expressed in this report is consistent with the additional report to the Audit Committee of the Company, which we issued on 2 September 2026, in accordance with Article 11 of the EU Regulation 537/2014.

Provision of Non-audit Services

We declare that no prohibited non-audit services referred to in Article 5 of the EU Regulation 537/2014 and Section 72 of the Auditors Law of 2017 were provided. In addition, there are no non-audit services which were provided by us to the Company, and which have not been disclosed in the financial statements or the management report.

Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

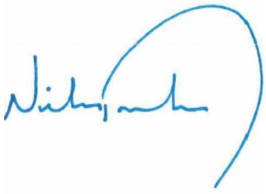
- In our opinion, based on the work undertaken in the course of our audit, the management report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and the information given is consistent with the financial statements.

- In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the management report. We have nothing to report in this respect.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Article 10(1) of the EU Regulation 537/2014 and Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

The engagement partner on the audit resulting in this independent auditor's report is Nicolas Pavlou.



Nicolas Pavlou
Certified Public Accountant and Registered Auditor
for and on behalf of

Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors

Nicosia
2 September 2026

Statement of profit or loss and other comprehensive income
For the year ended 31 May 2026

	Notes	2026	2025
		USD	USD
Insurance revenue	6	17,681,116	13,684,027
Insurance service expenses	7	(15,928,032)	(12,778,152)
Insurance service result before reinsurance contracts held		**1,753,084**	**905,875**
Allocation of reinsurance premiums		(13,226,819)	(10,517,558)
Amounts recoverable from reinsurers for incurred claims		11,924,381	9,836,261
Net expense from reinsurance contracts held	**8**	**(1,302,438)**	**(681,297)**
Insurance service result		**450,646**	**224,578**
Investment income	**9**	**722,868**	**1,107,195**
Insurance finance expenses for insurance contracts issued	9	(798,444)	(107,872)
Reinsurance finance income for reinsurance contracts held	9	741,012	96,383
Net insurance financial result		**(57,432)**	**(11,489)**
Other income and expense	10	(633,556)	(572,545)
Profit before tax		**482,526**	**747,739**
Income tax expense	11	**(260)**	**(1,641)**
Profit for the year		**482,266**	**746,098**
Other comprehensive income		**-**	**-**
Total comprehensive income		**482,266**	**746,098**

The accounting policies and Notes on pages 18 to 79 form part of, and should be read in conjunction with, these financial statements.

Statement of financial position
As at 31 May 2026

	Notes	31 May 2026	31 May 2025
		USD	USD
Assets			
Cash and cash equivalents	13	3,064,631	3,622,191
Financial assets at fair value through profit or loss	14	11,140,137	12,793,061
Other receivables	16	539,730	324,650
Current tax assets	15	30,185	19,674
Reinsurance contract assets	12	26,049,321	21,097,661
Total assets		**40,824,004**	**37,857,237**
Liabilities			
Insurance contract liabilities	12	29,230,868	26,687,696
Other payables	17	182,850	241,521
Total liabilities		**29,413,718**	**26,929,217**
Equity			
Share capital	18	10,000,000	10,000,000
Retained earnings		1,410,286	928,020
Total equity		**11,410,286**	**10,928,020**
Total equity and liabilities		**40,824,004**	**37,857,237**

On 2 September 2026, the Board of Directors of International Transport Intermediaries Insurance Company (Europe) Limited authorized these financial statements for issue.

Esta Maria Toumpouri
Director

Charlotte Jane Kirk
Director and Chief Executive Officer

The accounting policies and Notes on pages 18 to 79 form part of, and should be read in conjunction with, these financial statements.

Statement of changes in equity
For the year ended 31 May 2026

	Share capital	Retained earnings	Total equity
	USD	USD	USD
Balance as at 31 May 2024	**10,000,000**	**181,922**	**10,181,922**
Total comprehensive income for the period	-	746,098	746,098
Balance as at 31 May 2025	**10,000,000**	**928,020**	**10,928,020**
Total comprehensive income for the year	-	482,266	482,266
Balance as at 31 May 2026	**10,000,000**	**1,410,286**	**11,410,286**

The accounting policies and Notes on pages 18 to 79 form part of, and should be read in conjunction with, these financial statements.

Statement of cash flows
For the year ended 31 May 2026

	Notes	31 May 2026	31 May 2025
		USD	USD
Cash flows from operating activities			
Profit/(loss) for the year / period		**482,266**	**746,098**
Adjustments for:			
Foreign exchange gains	9	(296,419)	(582,444)
Income tax expense	11	260	1,641
Investment income	9	(426,449)	(524,751)
Operating cash flows before movements in working capital		**(240,342)**	**(359,456)**
Increase in insurance contract liabilities		2,543,172	25,526,347
Decrease in reinsurance contract assets		(4,951,660)	(20,630,173)
Decrease in other receivables		(215,080)	(301,297)
Increase in other payables		(58,671)	(4,300)
Cash generated by operating activities		**(2,922,581)**	**4,231,121**
Taxation paid		(10,771)	(25,344)
Net cash flows generated by operating activities		**(2,933,352)**	**4,205,777**
Cash flows from investing activities			
Interest received		177,722	29,197
Sale of investments	14	17,922,060	24,612,781
Purchase of investments	14	(16,020,409)	(27,759,223)
Net cash flows generated from investing activities		**2,079,373**	**(3,117,245)**
Cash flows from financing activities			
Issue of share capital		-	-
Net cash flows generated from financing activities		-	-
Net cash inflow for the period		**(853,979)**	**1,088,532**
Cash and cash equivalents as at 1 June	13	**3,622,191**	**1,951,215**
Effect of foreign exchange rate changes	**9**	**296,419**	**582,444**
Cash and cash equivalents as at 31 May	**13**	**3,064,631**	**3,622,191**

The accounting policies and Notes on pages 18 to 79 form part of, and should be read in conjunction with, these financial statements.

1. General

International Transport Intermediaries Insurance Company (Europe) Limited was incorporated in Cyprus on 11 September 2023 as a private company under the Companies Law, Cap.113. Its registered office is at 2 Pavlou Nirvana & Ag. Fylaxeos Street, Safe Bulkers Shipping Center, 2nd Floor, 3021 Limassol, Cyprus. The Company obtained an insurance license from the Insurance Companies Control Service (the "ICCS") on 16 November 2023 and its principal activity is the insurance of professional indemnity and public liability risks of professionals in the transport industry.

Operating environment

The economic environment has evolved rapidly since February 2022 following Russia's invasion in Ukraine. In response to the war in Ukraine, the EU, the UK and the US, in a coordinated effort joined by several other countries imposed a variety of financial sanctions and export controls on Russia, Belarus and certain regions of Ukraine as well as various related entities and individuals. As the war is prolonged, geopolitical tension persists and inflation remains elevated, impacted by soaring energy prices and disruptions in supply chains. This high inflation weighs on business confidence and consumers' behaviour. Internationally, new major escalation in the Middle East, in 2026 is straining global oil and gas supplies. Depending on how long the war lasts, this could fuel inflationary pressures. As things stand, the conflict risks creating heightened and prolonged geopolitical instability, trade restrictions, disruptions to global supply chains, and rising energy prices, all of which could intensify global inflation and negatively affect financial markets and economic activity. These developments raise the possibility of stagflationary outcomes for the global economy depending on the duration of the conflict. At the same time, developments in US trade policies have significantly increased global trade uncertainty and are widely expected to have a dampening effect on the global economy, as well as increase price pressures, especially in the United States. The Company closely monitors the situation and remains vigilant to take any precautionary measures as required although any potential impact is not expected to be significant.

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and in accordance with the Cyprus Companies Law, Cap. 113 as amended from time to time.

(b) Basis of preparation

The Company presents its statement of financial position broadly in order of liquidity. An analysis regarding recovery or settlement within twelve months after the reporting date (no more than 12 months) and more than 12 months after the reporting date (more than 12 months) is presented in the respective notes.

(c) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the financial assets which are measured at fair value through profit or loss and insurance and reinsurance contracts which are measured based on the fulfilment cashflows and, if any, the CSM.

(d) Going concern

The Board of Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they adopt the going concern basis of accounting in preparing the financial statements.

(e) Functional and presentation currency

The financial statements are presented in United States Dollar ("USD"), which is the Company's functional currency.

2. Basis of preparation (continued)

(f) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes, is used to measure fair values, then management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS-EU, including the level in the fair value hierarchy in which the valuations should be classified. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) as defined in active markets for identical assets or liabilities at the reporting date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognizes transfers between levels of fair value hierarchy at the end of the reporting period during which the change has occurred.

(g) Adoption of new and revised International Financial Reporting Standards and Interpretations as adopted by the European Union (EU)

The accounting policies adopted are consistent with those of the previous financial year, except for the following IFRS Accounting Standard which has been adopted by the Company as of 1 January 2025 however, is not relevant for the Company:

- IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments). The amendments are effective for annual reporting periods beginning on or after January 1, 2025.

The newly adopted IFRS Accounting Standard did not have a material impact on the Company’s accounting policies.

(h) Standards, Amendments to Standards and Interpretations issued but not yet effective and not early adopted:

Endorsed by EU:

- IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Classification and Measurement of Financial Instruments (Amendments)
- IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity (Amendments)
- Annual Improvements to IFRS Accounting Standards – Volume 11.
- IFRS 18 Presentation and Disclosure in Financial Statements - Effective for annual reporting periods beginning on or after 1 January 2027

  Whilst IFRS 18 will not impact the recognition or measurement of items in the financial statements, it is expected to have a pervasive impact on the presentation and disclosure of information, particularly in relation to the statement of profit or loss and the disclosure of management-defined performance measures. Management is currently assessing the detailed impact of the application of the new standard on the Company's financial statements.

2. Basis of preparation (continued)

(h) Standards, Amendments to Standards and Interpretations issued but not yet effective and not early adopted (continued):

Management does not expect that the above amendments will have any material effect on the results and the statement of financial position of the Company.

Not endorsed by EU:

- IFRS 19 Subsidiaries without Public Accountability: Disclosures - Effective for annual reporting periods beginning on or after 1 January 2027
- IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (Amendments) - Effective for annual reporting periods beginning on or after 1 January 2027
- Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Management does not expect that the above amendments will have any material effect on the results and the statement of financial position of the Company.

3. Material accounting policies

Insurance contracts issued and reinsurance contracts held

The Company presents disaggregated information about insurance contracts issued by major product line as follows:

IFRS 17 Aggregation Basis	Contracts issued	Measurement Method	Acquisition costs	LRC adjusted for financial risk and time value of money	LIC adjusted for financial risk and time value of money	Insurance finance income and expense
Professional indemnity – insurance contracts issued and acquired	Professional indemnity and public liability contracts issued and acquired (relating to the unexpired risk)	Premium Allocation Approach	Deferred under the Liability for Remaining Coverage	No	Yes	Recognised in the Statement of profit of loss
Professional indemnity – insurance contracts - claims acquired	Professional indemnity and public liability contracts acquired relating to expired risks.	General Measurement Model	-	Yes	Yes	Recognised in the Statement of profit of loss

3. Material accounting policies (continued)

Insurance contracts issued and reinsurance contracts held (continued)

In addition to issuing insurance contracts the Company holds reinsurance contracts to mitigate certain risk exposures. A reinsurance contract is an insurance contract issued by a reinsurer to compensate the Company for claims arising from one or more insurance contracts issued by the Company. There are quota share and excess of loss reinsurance contracts. The Company presents disaggregated information about reinsurance contracts as follows:

IFRS 17 Aggregation Basis	Contracts held	Measurement Method	Acquisition costs	ARC adjusted for financial risk and time value of money	AIC adjusted for financial risk and time value of money	Insurance finance income and expense
Professional indemnity – reinsurance contracts held and acquired	• Non-proportional risk attaching • Proportional risk attaching	Premium Allocation Approach	Deferred under the Liability for Remaining Coverage	No	Yes	Recognised in the Statement of profit of loss
Professional indemnity – reinsurance contracts held -claims acquired	• Non-proportional risk attaching • Proportional risk attaching Covering the expired risks	General Measurement Model	-	Yes	Yes	Recognised in the Statement of profit of loss

3. Material accounting policies (continued)

Insurance contracts issued and reinsurance contracts held (continued)

(a) Definition and classification of insurance and reinsurance contracts

Products sold by the Company are classified as insurance contracts when the Company accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

This assessment is made on a contract-by-contract basis at the contract issue date. In making this assessment, the Company considers all its substantive rights and obligations, whether they arise from contract, law or regulation.

The Company determines whether a contract contains significant insurance risk by assessing if an insured event could cause the Company to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance even if the insured event is extremely unlikely or the expected present value of the contingent cash flows is a small proportion of the expected present value of the remaining cash flows from the insurance contract.

The Company issues non-life insurance contracts all of which transfer significant insurance risk. The Company does not issue any investment contracts.

Reinsurance contracts transfer significant insurance risk only if they transfer to the reinsurer substantially all the insurance risk relating to the reinsured portions of the underlying insurance contracts, even if a reinsurance contract does not expose the issuer (reinsurer) to the possibility of a significant loss

(b) Separating components from insurance and reinsurance contracts

The Company assesses its products to determine whether they contain distinct components that need to be separated and accounted for applying other IFRS Accounting Standards. When these non-insurance components are non-distinct, they are accounted for together with the insurance component applying IFRS 17.

The insurance contracts issued and reinsurance contracts held by the Company do not contain any embedded derivatives or investment components.

Separating promises to transfer distinct goods or non-insurance services

The Company separates from the host insurance contract only distinct promises to transfer goods or non-insurance services to a policyholder. Once separated, such promises are accounted for applying IFRS 15.

In determining whether an obligation to deliver a good or non-insurance service promised to a policyholder is distinct, the Company considers whether the policyholder can benefit from the good or service either on its own or together with other resources readily available to the policyholder (i.e. resources that are either sold separately or already owned by the policyholder).

A good or non-insurance service that is promised to the policyholder is not distinct if the cash flows and risks associated with the good or service are highly interrelated with the cash flows and risks associated with the insurance components. The Company provides a significant service integrating the good or non-insurance service with the insurance components.

The Company has not identified any distinct goods or non-insurance services.

3. Material accounting policies (continued)

Insurance contracts issued and reinsurance contracts held (continued)

(b) Separating components from insurance and reinsurance contracts (continued)

Separating insurance components of a single insurance contract

Once any distinct goods and services components are separated, the Company assesses whether the contract should be separated into several insurance components that, in substance, should be treated as separate contracts to reflect the substance of the transaction.

To determine whether insurance components should be recognised and measured separately, the Company considers whether there is an interdependency between the different risks covered, whether components can lapse independently of each other and whether the components can be priced and sold separately.

When the Company enters into one legal contract with different insurance components operating independently of each other, insurance components are recognised and measured separately applying IFRS 17. The Company's combined coverage contracts issued reflect single contracts in substance and such contract is presumed to be the smallest unit of account and treated as one single contract under IFRS 17. Most of the reinsurance contracts held by the Company, despite the fact that they may cover more than one types of risk exposures, reflect single contracts in substance.

The Company's reinsurance contracts held reflect single contracts in substance and such contracts are presumed to be the smallest unit of account used and treated as single accounting contracts under IFRS 17.

(c) Level of aggregation

The Company identifies portfolios by aggregating insurance contracts that are subject to similar risks and managed together. In grouping insurance contracts into portfolios, the Company considers the similarity of risks rather than the specific labelling of product lines. The Company has determined that all contracts within each product line, as defined for management purposes, have similar risks. Therefore, when contracts are managed together, they represent a portfolio of contracts.

The Company may acquire insurance contracts as part of a business combination or a portfolio transfer. Unlike originally issued contracts, contracts acquired in a settlement phase transfer an insurance risk of adverse claims development. The Company considers such risk to be different from contracts it originally issues and aggregates such contracts in separate portfolios by product line.

Each portfolio is subdivided into groups of contracts to which the recognition and measurement requirements of IFRS 17 are applied.

At initial recognition, the Company segregates contracts based on when they were issued. A cohort contains all contracts that were issued within a 12-month period. Each cohort is then further disaggregated into three groups of contracts:

- Contracts that are onerous on initial recognition
- Contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently
- Any remaining contracts

The composition of groups established at initial recognition is not subsequently reassessed. An insurance contract acquired in a transfer of contracts is recognised on the date of acquisition.

Reinsurance contracts held are assessed separately from underlying insurance contracts issued. The Company divides portfolios of reinsurance contracts held applying the same principles set out above, except that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition. For some groups of reinsurance contracts held, a group can comprise of a single contract.

3. Material accounting policies (continued)

Insurance contracts issued and reinsurance contracts held (continued)

(d) Recognition

The Company recognises groups of insurance contracts issued from the earliest of the following dates:

- The beginning of the coverage period of the group of contracts,
- The date when the first payment from a policyholder in the group becomes due (in the absence of a contractual due date, this is deemed to be when the first payment is received),
- The date when a group of contracts becomes onerous.

The Company recognises groups of reinsurance contracts held:

- If reinsurance contracts held that provide proportionate coverage:
  - At the start of the coverage period of that group of reinsurance contracts held,
  - At the initial recognition of any of the underlying insurance contracts, whichever is later.
- If reinsurance contracts held provide non-proportional coverage, at the earliest of the beginning of the coverage period of the group or the date an underlying onerous group of contracts is recognised.

The Company adds new contracts to the group in the reporting period in which the contract meet one of the criteria set out above.

(e) Contract boundaries

The measurement of a group of insurance contracts includes all future cash flows expected to arise within the boundary of each contract in the group.

In determining which cash flows fall within a contract boundary, the Company considers its substantive rights and obligations arising from the terms of the contract, and from applicable laws, regulations and customary business practices. The Company determines that cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay the premiums or the Company has a substantive obligation to provide the policyholder with insurance contract services.

A substantive obligation to provide insurance contract services ends when the Company has the practical ability to reassess the risks of a particular policyholder and, as a result, to change the price charged or the level of benefits provided for the price to fully reflect the new level of risk. If the boundary assessment is performed at a portfolio rather than individual contract level, the Company must have the practical ability to reprice the portfolio to fully reflect risk from all policyholders. The Company's pricing must not take into account any risks beyond the next reassessment date.

In determining whether all risks have been reflected either in the premium or in the level of benefits, the Company considers all risks that policyholders would transfer had the Company issued the contracts (or portfolio of contracts) at the reassessment date. Similarly, the Company concludes on its practical ability to set a price that fully reflects the risks in the contract or portfolio at a renewal date by considering all the risks it would assess when underwriting equivalent contracts on the renewal date for the remaining service. The assessment on the Company's practical ability to reprice existing contracts takes into account all contractual, legal and regulatory restrictions. In doing so, the Company disregards restrictions that have no commercial substance. The Company also considers the impact of market competitiveness and commercial considerations on its practical ability to price new contracts and repricing existing contracts. The Company exercises judgement in deciding whether such commercial considerations are relevant in concluding as to whether the practical ability exists at the reporting date.

3. Material accounting policies (continued)

Insurance contracts issued and reinsurance contracts held (continued)

(f) Measurement of insurance contracts issued

Contracts not measured under the Premium Allocation Approach

Initial measurement

The general model measures a group of insurance contracts as the total of:

- Fulfilment cash flows
- A CSM representing the unearned profit the Company will recognise as it provides insurance contract services under the insurance contracts in the group

Fulfilment cash flows comprise unbiased and probability-weighted estimates of future cash flows, discounted to present value to reflect the time value of money and financial risks, plus a risk adjustment for non-financial risk.

The Company's objective in estimating future cash flows is to determine the expected value, or the probability weighted mean, of the full range of possible outcomes, considering all reasonable and supportable information available at the reporting date without undue cost or effort. The Company estimates future cash flows considering a range of scenarios which have commercial substance and give a good representation of possible outcomes. The cash flows from each scenario are probability-weighted and discounted using current assumptions.

When estimating future cash flows, the Company includes all cash flows that are within the contract boundary including:

- Premiums and related cash flows
- Claims and benefits, including reported claims not yet paid, incurred claims not yet reported and expected future claims
- An allocation of insurance acquisition cash flows attributable to the portfolio to which the contract belongs
- Claims handling costs
- Policy administration and maintenance costs, including recurring commissions that are expected to be paid to intermediaries
- An allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts

The Company does not provide investment-return services in respect of contracts that it issues, nor does it perform investment activities for the benefit of policyholders.

The Company incorporates, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows. The Company estimates the probabilities and amounts of future payments under existing contracts based on information obtained, including:

- Information about claims already reported by policyholders
- Other information about the known or estimated characteristics of the insurance contracts
- Historical data about the Company's own experience, supplemented when necessary with data from other sources. Historical data is adjusted to reflect current conditions
- Current pricing information, when available

3. Material accounting policies (continued)

Insurance contracts issued and reinsurance contracts held (continued)

(f) Measurement of insurance contracts issued (continued)

Contracts not measured under the Premium Allocation Approach (continued)

Subsequent measurement

The CSM at the end of the reporting period represents the profit in the group of insurance contracts that has not yet been recognised in profit or loss, because it relates to future service to be provided. For a group of insurance contracts the carrying amount of the CSM of the group at the end of the reporting period equals the carrying amount at the beginning of the reporting period adjusted, as follows:

- Interest accreted on the carrying amount of the CSM during the reporting period, measured at the discount rates at initial recognition
- The changes in fulfilment cash flows relating to future service, except to the extent that:
    - Such increases in the fulfilment cash flows exceed the carrying amount of the CSM, giving rise to a loss, or
    - Such decreases in the fulfilment cash flows are allocated to the loss component of the liability for remaining coverage (see Note 3(i) “Loss components”)
- The amount recognised as insurance revenue because of the transfer of insurance contract services in the period, determined by the allocation of the CSM remaining at the end of the reporting period (before any allocation) over the current and remaining coverage period (see Note (i) “Insurance revenue”).

The locked-in discount rate is the weighted average of the rates applicable at the date of initial recognition of contracts that joined a group over a 12-month period.

The changes in fulfilment cash flows relating to future service that adjust the CSM comprise of:

- Changes in estimates of the present value of future cash flows in the liability for remaining coverage, except those relating to the time value of money and changes in financial risk (recognised in the statement of profit or loss and other comprehensive income rather than adjusting the CSM)
- Changes in the risk adjustment for non-financial risk that relate to future service.

Except for changes in the risk adjustment, adjustments to the CSM noted above are measured at discount rates that reflect the characteristics of the cash flows of the group of insurance contracts at initial recognition (see Note 5 “Discount rates”). Where, during the coverage period, a group of insurance contracts becomes onerous, the Company recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Company for the liability for remaining coverage for such onerous group depicting the losses recognised. For additional disclosures on the loss component, please refer to Note 3(i) “Loss components”.

The Company measures the carrying amount of a group of insurance contracts at the end of each reporting period as the sum of: (i) the liability for remaining coverage comprising fulfilment cash flows related to future service allocated to the group at that date and the CSM of the group at that date; and (ii) the liability for incurred claims for the Company comprising the fulfilment cash flows related to past service allocated to the group at that date.

3. Material accounting policies (continued)

Insurance contracts issued and reinsurance contracts held (continued)

(f) Measurement of insurance contracts issued (continued)

Contracts measured under the Premium Allocation Approach

Measurement of the liability for remaining coverage (LRC)

Initial measurement

The Company applies the premium allocation approach (PAA) to all the insurance contracts that it issues and reinsurance contracts that it holds, as at the inception of the group:

- The coverage period of each contract in the group is one year or less, or
- For groups of insurance contracts including contracts with a coverage period extending beyond one year the Company reasonably expects that such simplification would produce a measurement of the LRC for the group that would not materially differ from the one that would be produced applying the requirements of the general measurement model

The Company does have any groups of contracts where, at inception, it expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for the remaining coverage during the period before a claim is incurred. Variability in the fulfilment cash flows increases with, for example, the length of the coverage period of the group of contracts.

For a group of contracts that is not onerous at initial recognition, the Company measures the liability for remaining coverage as:

- The premiums, if any, received in cash
- Minus any insurance acquisition cash flows at that date, with the exception of contracts which are one year or less where this is expensed,
- Plus or minus any amount arising from the derecognition at that date of the asset recognised for insurance acquisition cash flows and
- Any other asset or liability previously recognised for cash flows related to the group of contracts that the Company pays or receives before the group of insurance contracts is recognised.

Subsequent measurement

The carrying amount of the LRC at the end of each subsequent reporting period for a group of contracts that is note onerous, represents the carrying amount at the beginning of the period:

- Plus premiums received in the period
- Minus insurance acquisition cash flows,
- Plus any amounts relating to the amortisation of the insurance acquisition cash flows recognised as an expense in the reporting period for the group
- Plus any adjustment to the financing component, where applicable
- Minus the amount recognised as insurance revenue for the services provided in the period

Financing component

On initial recognition of each group of insurance contracts, the Company expects that that the time between providing each part of the services and the related premium due date is not more than a year. Accordingly, the Company has chosen not adjust the liability for remaining coverage to reflect the time value of money and the effect of financial risk.

3. Material accounting policies (continued)

Insurance contracts issued and reinsurance contracts held (continued)

(f) Measurement model of insurance contracts issued (continued)

Contracts measured under the Premium Allocation Approach (continued)

Measurement of the liability for remaining coverage (LRC) (continued)

Insurance revenue

The insurance revenue for the period is the amount of expected premium receipts including premium experience adjustments and excluding any investment component) allocated to the period. The Company allocates the expected premium receipts to each period of insurance contract services on the basis of the passage of time. But if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then the allocation is made on the basis of the expected timing of incurred insurance service expenses.

The Company changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate.

For the periods presented, all revenue has been recognised on the basis of the passage of time.

Onerous contracts

The Company assumes that no contracts are onerous at initial recognition unless facts and circumstances indicate otherwise. Where this is not the case, and if at any time during the coverage period, the facts and circumstances lead the Company to believe that a group of insurance contracts is onerous, the Company establishes a loss component as the excess of the fulfilment cash flows that relate to the remaining coverage of the group over the carrying amount of the liability for remaining coverage of the group. By the end of the coverage period of the group of contracts the loss component will be zero.

Acquisition cash flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs.

For contracts measured under the PAA, if the coverage period for each contract in the group is one year or less, the Company may choose to expense insurance acquisition cash flows when they are incurred. The Company has not elected for any groups of contracts to recognise insurance acquisition cash flows as incurred and instead uses a systematic and rational basis to allocate:

(a) Insurance acquisition cash flows that are directly attributable to a group of insurance contracts:
    (i) to that group; and
    (ii) to groups that include insurance contracts that are expected to arise from the renewals of the insurance contracts in that group.
(b) Insurance acquisition cash flows directly attributable to a portfolio of insurance contracts that are not directly attributable to a group of contracts, to groups in the portfolio.

Where insurance acquisition cash flows have been paid or incurred before the related group of insurance contracts is recognised in the statement of financial position, a separate asset for insurance acquisition cash flows is recognised for each related group.

The asset for insurance acquisition cash flow is derecognised from the statement of financial position when the insurance acquisition cash flows are included in the initial measurement of the related group of insurance contracts.

3. Material accounting policies (continued)

Insurance contracts issued and reinsurance contracts held (continued)

(f) Measurement model of insurance contracts issued (continued)

Contracts measured under the Premium Allocation Approach (continued)

Measurement of the liability for remaining coverage (LRC) (continued)

Initial and subsequent measurement (continued)

At the end of each reporting period, the Company revises amounts of insurance acquisition cash flows allocated to groups of insurance contracts not yet recognised, to reflect changes in assumptions related to the method of allocation used.

The Company did not recognise pre-acquisition cash flows as an asset during the year as it did not pay or incur such costs before the related group is recognised.

Measurement of the liability for incurred claims (LIC)

The Company estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Company, and include an explicit adjustment for non-financial risk (the risk adjustment).

The risk adjustment is applied to the present value of the estimated future cash flows and it reflects that compensation that the Company requires for bearing the uncertainty about the timing of the cash flows from non-financial risks as the company fulfils insurance contracts.

The Company adjusts the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims that are not expected to be paid within one year of being incurred.

(g) Measurement of reinsurance contracts held

Contracts not measured under the Premium Allocation Approach

Initial measurement

The measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued, with the exception of the following:

- Measurement of the cash flows include an allowance on a probability-weighted basis for the effect of any non-performance by the reinsurers, including the effects of collateral and losses from disputes
- The Company determines the risk adjustment for non-financial risk so that it represents the amount of risk being transferred to the reinsurer
- The Company recognises both day 1 gains and day 1 losses at initial recognition in the statement of financial position as a CSM and releases this to profit or loss as the reinsurer renders services, except for any portion of a day 1 loss that relates to events before initial recognition.

Where the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, it establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

The Company calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Company expects to recover from the group of reinsurance contracts held.

3. Material accounting policies (continued)

Insurance contracts issued and reinsurance contracts held (continued)

(g) Measurement of reinsurance contracts held (continued)

Contracts not measured under the Premium Allocation Approach (continued)

Initial measurement (continued)

Where only some contracts in the onerous underlying group are covered by the group of reinsurance contracts held, the Company uses a systematic and rational method to determine the portion of losses recognised on the underlying group of insurance contracts to insurance contracts covered by the group of reinsurance contracts held. The loss-recovery component adjusts the carrying amount of the asset for remaining coverage. Where the Company enters into reinsurance contracts held which provide coverage relating to events that occurred before the purchase of the reinsurance, such cost of reinsurance is recognised in profit or loss on initial recognition.

Subsequent measurement

The measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued, with the exception of the following:

- Changes in the fulfilment cash flows are recognised in profit or loss if the related changes arising from the underlying ceded contracts have been recognised in profit or loss. Alternatively, changes in the fulfilment cash flows adjust the CSM.
- Changes in the fulfilment cash flows that result from changes in the risk of non-performance by the issuer of a reinsurance contract held do not adjust the contractual service margin as they do not relate to future service.

Where a loss component has been set up subsequent to initial recognition of a group of underlying insurance contracts, the portion of income that has been recognised from related reinsurance contracts held is disclosed as a loss-recovery component. Where the Company has established a loss-recovery component, the Company adjusts the loss-recovery component to reflect changes in the loss component of an onerous group of underlying insurance contracts.

A loss-recovery component reverses consistent with reversal of the loss component of underlying groups of contracts issued, even when a reversal of the loss-recovery component is not a change in the fulfilment cash flows of the group of reinsurance contracts held. Reversals of the loss-recovery component that are not changes in the fulfilment cashflows of the group of reinsurance contracts held adjust the CSM.

3. Material accounting policies (continued)

Insurance contracts issued and reinsurance contracts held (continued)

(g) Measurement of reinsurance contracts held (continued)

Contracts measured under the Premium Allocation Approach

The Company applies the same accounting policies as for insurance contracts issued to measure a group of reinsurance contracts held, adapted where necessary to reflect the features that differ from those of insurance contracts.

Measurement of the asset for remaining coverage (ARC)

The Company applies the premium allocation approach (PAA) to all reinsurance contracts that it holds, as:

- The loss occurring reinsurance contracts provide coverage on the insurance contracts originated for claims incurred during an accident year.
- For risk attaching reinsurance contracts, these provide coverage over an effective period of two years and therefore the Company elects to apply the PAA since at inception it expects that the measurement of liability for remaining coverage is not expected to differ materially from that produced applying the general model.

Under the PAA, the initial measurement of the asset equals the reinsurance premium paid. The Company measures reinsurance premium as the amount relating to remaining service by allocating the amount of expected reinsurance premium payments over the coverage period of receiving the services for the group. For all reinsurance contracts held the allocation is based on the passage of time.

On initial recognition of each group of reinsurance contracts held, the Company expects that the time between receiving each part of the services and the related reinsurance premium due date is not more than a year. Accordingly, the Company has chosen not to adjust the asset for remaining coverage to reflect the time value of money and the effect of financial risk.

Where the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Company establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

The Company calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Company expects to recover from the group of reinsurance contracts held. The Company uses a systematic and rational method to determine the portion of losses recognised on the group to insurance contracts covered by the group of reinsurance contracts held where some contracts in the underlying group are not covered by the group of reinsurance contracts held.

Measurement of the asset for incurred claims (AIC)

The Company uses consistent assumptions to measure the estimates of present value of future cash flows for the group of reinsurance contracts held and the estimates of the present value of future cash flows for the group(s) of underlying insurance contracts. The Company includes in the estimates of present value of future cash flows for the group of reinsurance contracts held, the effect of any risk of non-performance by the issuer of the reinsurance contract, including the effects of collateral and losses from disputes. The risk adjustment for non-financial risk for reinsurance contracts held represents the amount of risk being transferred by the Company to the reinsurer.

3. Material accounting policies (continued)

Insurance contracts issued and reinsurance contracts held (continued)

(h) Insurance contracts issued – modification and derecognition

The Company derecognises insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired)
- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Company derecognises the initial contract and recognises the modified contract as a new contract. When a modification is not treated as a derecognition, the Company recognises amounts paid or received for the modification with the contract as an adjustment to the relevant liability for remaining coverage.

(i) Presentation

The Company has presented separately, in the statement of financial position, the carrying amount of portfolios of insurance contracts issued that are assets, portfolios of insurance contracts issued that are liabilities, portfolios of reinsurance contracts held that are assets and portfolios of reinsurance contracts held that are liabilities.

The Company disaggregates the total amount recognised in the statement of profit or loss and other comprehensive income into an insurance service result, comprising insurance revenue and insurance service expense, and insurance finance income or expenses.

The Company does not disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion and includes the entire change as part of the insurance service result.

The Company separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued.

Insurance revenue

For contracts not measured under the PAA

The Company's insurance revenue depicts the provision of services arising from a group of insurance contracts at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. Insurance revenue from a group of insurance contracts is therefore the relevant portion for the period of the total consideration for the contracts, (i.e., the amount of premiums paid to the Company adjusted for financing effect (the time value of money) and excluding any investment components). The total consideration for a group of contracts covers amounts related to the provision of services and is comprised of:

- Insurance service expenses, excluding any amounts relating to the risk adjustment for non-financial risk and any amounts allocated to the loss component of the liability for remaining coverage
- Amounts related to income tax that are specifically chargeable to the policyholder
- The risk adjustment for non-financial risk, excluding any amounts allocated to the loss component of the liability for remaining coverage
- The CSM release

For management judgement applied to the amortisation of CSM, please refer to Note 5.

3. Material accounting policies (continued)

Insurance contracts issued and reinsurance contracts held (continued)

(i) Presentation (continued)

For contracts measured under the PAA

The insurance revenue for the period is presented in a single line in the statement of profit and loss based on the amount of expected premium receipts allocated to the period. Refer to the relevant accounting policy under “Measurement of insurance contracts issued”.

Loss components

For contracts not measured under the PAA

The Company has grouped contracts that are onerous at initial recognition separately from contracts in the same portfolio that are not onerous at initial recognition. Groups that were not onerous at initial recognition can also subsequently become onerous if assumptions and experience changes. The Company has established a loss component of the liability for remaining coverage for any onerous group depicting the future losses recognised.

A loss component represents a notional record of the losses attributable to each group of onerous insurance contracts (or contracts profitable at inception that have become onerous). The loss component is released based on a systematic allocation of the subsequent changes relating to future service in the fulfilment cash flows to: (i) the loss component; and (ii) the liability for remaining coverage excluding the loss component. The loss component is also updated for subsequent changes relating to future service in estimates of the fulfilment cash flows and the risk adjustment for non-financial risk. The systematic allocation of subsequent changes to the loss component results in the total amounts allocated to the loss component being equal to zero by the end of the coverage period of a group of contracts (since the loss component will have been materialised in the form of incurred claims). The Company uses the proportion on initial recognition to determine the systematic allocation of subsequent changes in future cash flows between the loss component and the liability for remaining coverage excluding the loss component.

Loss-recovery components

For contracts not measured under the PAA

As described in Note 3 (f) and (g) “Contracts not measured under the Premium Allocation Approach - Initial measurement” and “Contracts not measured under the Premium Allocation Approach - Subsequent measurement” above, when the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Company establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

Where a loss component has been set up subsequent to initial recognition of a group of underlying insurance contracts, the portion of income that has been recognised from related reinsurance contracts held is disclosed as a loss-recovery component. Where a loss-recovery component has been set up at initial recognition or subsequently, the Company adjusts the loss-recovery component to reflect changes in the loss component of an onerous group of underlying insurance contracts.

The carrying amount of the loss-recovery component must not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Company expects to recover from the group of reinsurance contracts held. On this basis, the loss-recovery component recognised at initial recognition is reduced to zero in line with reductions in the onerous group of underlying insurance contracts and is nil when loss component of the onerous group of underlying insurance contracts is nil.

3. Material accounting policies (continued)

Insurance contracts issued and reinsurance contracts held (continued)

(j) Presentation (continued)

Insurance service expense
Insurance service expense arising from groups of insurance contracts issued comprises of:

- Incurred claims and other incurred insurance service expenses,
- Amortisation of insurance acquisition cash flows
- Impairment of insurance acquisition cash flows, if any,
- Changes that relate to past service, i.e., changes in the fulfilment cash flows relating to the liability for incurred claims, and
- Changes that relate to future service, i.e., losses on onerous groups of contracts and reversals of such losses.

Insurance finance income and expense
Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:

- The effect of the time value of money and changes in the time value of money; and
- The effect of financial risk and changes in financial risk.

The Company has an accounting policy choice as to whether to disaggregate insurance finance income or expenses for the period between profit or loss and other comprehensive income. The choice is made for each portfolio of insurance contracts issued or reinsurance contracts held. The Company does not disaggregate insurance finance income or expense between the profit or loss and other comprehensive income and instead presents its entirety in the profit or loss.

Income or expense from reinsurance contracts held
The Company presents separately on the face of the statement of profit or loss and other comprehensive income, the amounts expected to be recovered from reinsurers, and an allocation of the reinsurance premiums paid. The Company treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract held, and excludes investment components and commissions from an allocation of reinsurance premiums presented on the face of the statement of profit or loss and other comprehensive income.

3. Material accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for other receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Company may make the following irrevocable election / designation at initial recognition of a financial asset:

- The Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below)
- The Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iv) below)

3. Material accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Classification of financial assets (continued)

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired.

Interest income is recognised in profit or loss and is included in the "Investment income" line item (note 9).

(ii) Debt instruments classified as at FVTOCI

The debt instruments classified as at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these corporate bonds as a result of foreign exchange gains and losses (see below), impairment gains or losses (see below), and interest income calculated using the effective interest method (see (i) above) are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these debt instruments had been measured at amortised cost. All other changes in the carrying amount of these debt instruments are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When these debt instruments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

3. Material accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Classification of financial assets (continued)

(iii) Equity instruments designated as at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the '"Investment income" line item (note 9) in profit or loss.

A financial asset is held for trading if either:

- It has been acquired principally for the purpose of selling it in the near term
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI (see (i) to (iii) above) are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition (see (iii) above)
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria (see (i) and (ii) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has designated the debt instruments it holds as at FVTPL since the designation eliminates or significantly reduces the inconsistency that would otherwise arise from the measurement of the insurance contracts assets and liabilities and reinsurance contract assets and liabilities the finance income of which is recorded in the statement of profit or loss in its entirety.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in '"Investment income" line item (note). Fair value is determined in the manner described in note 14.

3. Material accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the '"Investment income" line item (note 9). As the foreign currency element recognised in profit or loss is the same as if it was measured at amortised cost, the residual foreign currency element based on the translation of the carrying amount (at fair value) is recognised in other comprehensive income in the investments revaluation reserve
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the '"Investment income" line item (note 9) line item as part of the fair value gain or loss
- For equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime expected credit losses (ECL) for other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

3. Material accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating
- Significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations
- An actual or expected significant deterioration in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations

The Company considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts. The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3. Material accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(ii) Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company)

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Write-off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of other receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(iv) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date. For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

3. Material accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in an equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if either:

- It has been acquired principally for the purpose of repurchasing it in the near term.
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking.
- It is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

3. Material accounting policies (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Financial liabilities at FVTPL (continued)

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if either:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis
- It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'Investment income' line item in profit or loss (note 9) for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

3. Material accounting policies (continued)

Financial instruments (continued)

Financial liabilities and equity (continued)

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Company exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability.

It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other gains and losses.

Cash and cash equivalents

In the statement of financial position, cash and bank balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes. Bank balances for which use by the Company is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash.

Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax
Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

3. Material accounting policies (continued)

Taxation (continued)

Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related party transactions are transfers of resources or obligations between related parties regardless of whether a price is charged.

4. Insurance and financial risk

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

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

- The Company's board in accordance with its risk appetite statement.
- Insurance risk - incorporating underwriting and reserving risk;
- Market risk - incorporating investment risk, and interest rate risk;
- Currency risk - the risk of adverse currency exchange movements;
- Credit risk - the risk that a counterparty is unable to pay amounts in full when due; and
- Liquidity and cash flow risk - the risk that cash may not be available to pay obligations as they fall due

(a) Insurance risk and risk management policies

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

- Inappropriate underwriting of risks;
- Prohibitive cost / unavailability of reinsurance;
- Failure to react to major increase in claims;
- Impact of new legislation on risks written; and
- Over reliance on significant premium payers

The objective of the Company's insurance risk management process is to establish effective underwriting, reinsurance and reserving strategies which are agreed and monitored by the Board of

Directors in accordance with its risk appetite statement. The Company has an underwriting policy which is approved by the Board annually which manages the underwriting risk. The policy sets out the processes by which the risk is managed.

4. Insurance and financial risk (continued)

(a) Insurance risk and risk management policies (continued)

The Company monitors insurance risk per class of business. An analysis of the Company's insurance and reinsurance risk concentrations per class of business is provided in the following table:

	Insurance contracts issued	Reinsurance held	Net
	USD	USD	USD
Year ended 31 May 2026			
Professional indemnity – insurance contracts issued and acquired	19,400,675	17,080,119	2,320,556
Professional indemnity – insurance contracts - claims acquired	9,830,193	8,969,202	860,991
Year ended 31 May 2025			
Professional indemnity – insurance contracts issued and acquired	13,223,392	8,740,290	4,483,102
Professional indemnity – insurance contracts - claims acquired	13,464,303	12,357,371	1,106,932

Sensitivity analysis

The liability for incurred claims is sensitive to the key assumptions in the table below. The following sensitivity analysis shows the impact of gross and net liabilities, profit before tax and equity for reasonable possible movements in key assumptions. This analysis is based on change in one risk variable with all other variables held constant. Sensitivity analysis assume that changes to variables can be made independently, which is very unlikely to occur in practice.

Key assumptions	Change in assumption	Impact of profit before tax gross of reinsurance	Impact of profit before tax net of reinsurance	Impact of equity gross of reinsurance	Impact of equity net of reinsurance
		USD	USD	USD	USD
Year ended 31 May 2026					
IBNER expected losses	+10%	330,318	33,032	280,770	28,077
IBNER expected losses	-10%	(330,318)	(33,032)	(280,770)	(28,077)
Inflation rate	+1%	33,032	3,303	28,077	2,808
Inflation rate	-1%	(33,032)	(3,303)	(28,077)	(2,808)
Year ended 31 May 2025					
IBNER expected losses	+10%	81,607	8,161	71,406	7,141
IBNER expected losses	-10%	(81,607)	(8,161)	(71,406)	(7,141)
Inflation rate	+1%	8,161	816	7,141	714
Inflation rate	-1%	(8,161)	(816)	(7,141)	(714)

Claims development table

The following tables show the estimates of cumulative incurred claims, including both claims notified and IBNER for each successive accident year at each reporting date, together with cumulative payments to date. As required by IFRS 17, in setting claims provisions, the Company gives consideration to the probability and magnitude of future experience being more adverse than assumed which is reflected in the risk adjustment. In general, the uncertainty associated with the ultimate cost of settling claims is greatest when the claim is at an early stage of development. As claims develop, the ultimate cost of claims becomes more certain.

4. Insurance and financial risk (continued)

(a) Insurance risk and risk management policies (continued)

Claims development table (continued)

Gross undiscounted liabilities for incurred claims for Professional indemnity – insurance contracts issued and acquired.

USD

Accident Year	2024	2025	2026	Total
At end of accident year	140,965	9,849,598	8,254,962	8,254,962
One year later	74,068	11,449,128		11,449,128
Two years later	-			-
Gross estimates of the undiscounted amount of the claims	**-**	**11,449,128**	**8,254,962**	**19,704,090**
At end of accident year	-	(288,844)	(689,709)	(978,553)
One year later	-	(809,659)		(809,659)
Two years later	-			-
Cumulative payments to date	**-**	**(809,659)**	**(689,709)**	**(1,499,368)**
Gross undiscounted liabilities for incurred claims	-	10,639,469	7,565,253	18,204,722
Effect of discounting				**(1,007,211)**
Total gross liabilities for incurred claims				**17,197,511**

	Estimates of the present value of future cash flows	Risk adjustment	Total
Total gross liabilities for incurred claims			
Related to:	**15,188,268**	**2,009,243**	**17,197,511**
Professional indemnity – insurance contracts issued and acquired (note 12)	15,188,268	2,009,243	17,197,511

Net undiscounted liabilities for incurred claims for Professional indemnity – insurance contracts issued and acquired.

USD

Accident Year	2024	2025	2026	Total
At end of accident year	13,806	695,472	66,068	66,068
One year later	5,136	45,392		45,392
Two years later	-			-
Net estimates of the undiscounted amount of the claims	**-**	**45,392**	**66,068**	**111,460**
At end of accident year	-	(28,884)	560,986	532,101
One year later	-	441,036		441,036
Two years later				-
Cumulative payments to date	**-**	**441,036**	**560,986**	**1,002,022**
Net undiscounted liabilities for incurred claims	-	486,428	627,054	1,113,482
Effect of discounting				(62,102)
Total net liabilities for incurred claims				**1,051,380**

4. Insurance and financial risk (continued)

(a) Insurance risk and risk management policies (continued)

Claims development table (continued)

	Estimates of the present value of future cash flows	Risk adjustment	Total
Gross liabilities for incurred claims	**15,188,268**	**2,009,243**	**17,197,511**
Amounts recoverable from reinsurers	(14,223,220)	(1,922,911)	(16,146,131)
Total net liabilities for incurred claims	**965,048**	**86,332**	**1,051,380**
Professional indemnity – reinsurance contracts held and acquired (note 12)	15,188,268	2,009,243	17,197,511

Capital risk management

The Company maintains capital, comprising of share capital and retained earnings, consistent with the Company's risk profile and the regulatory requirements of the business. As at 31 May 2026, the Group's total free reserves available amounted to USD 66 million (2025: USD 60 million). The Company's and Group's strategy is to maintain sufficient capital to exceed the Standard Formula Solvency II Capital Requirements ("SFCR"). The Company's solvency ratio as at 31 May 2026, was 274% with available own funds amounting to USD 11,480,479 (2025: 313% and available own funds of USD 10,884,607) based on the standard formula solvency capital requirement applicable to it. The solvency position is reviewed by the board on an ongoing basis with a view to maintaining a level of capital sufficient to cover significant risks and regulatory requirements and these have not been breached in the current year.

4. Insurance and financial risk (continued)

(b) Financial risk (continued)

i. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with insurance liabilities that are settled by delivering cash or another financial asset. In respect of catastrophic events, there is also a liquidity risk associated with the timing differences between gross cash outflows and expected reinsurance recoveries. The following policies and procedures are in place to mitigate the Company's exposure to liquidity risk.

The Company's liquidity risk policy sets out the assessment and determination of what constitutes liquidity risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment. The Company maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseeable interruption of cash flow. The Company also has committed lines of credit that it can access to meet liquidity needs.

Maturity analysis for insurance and reinsurance contract liabilities (present value of future cash flows basis)

The following table summarises the maturity profile of portfolios of insurance contracts issued that are liabilities and portfolios of reinsurance contracts held that are liabilities of the Company based on the estimates of the present value of the future cash flows expected to be paid out in the periods presented.

	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
	USD	USD	USD	USD	USD	USD	USD
Year ended 31 May 2026							
Insurance contracts issued							
Professional indemnity – insurance contracts issued and acquired	5,305,855	3,403,583	2,030,764	1,340,736	1,159,121	1,948,209	15,188,268
Professional indemnity – insurance contracts -claims acquired	3,310,709	2,358,925	1,451,337	897,098	450,795	1,361,329	9,830,193
Total	**8,616,564**	**5,762,508**	**3,482,101**	**2,237,834**	**1,609,916**	**3,309,538**	**25,018,461**
Year ended 31 May 2025							
Insurance contracts issued							
Professional indemnity – insurance contracts issued and acquired	2,832,628	1,641,802	918,447	536,176	460,237	1,518,092	7,907,382
Professional indemnity – insurance contracts -claims acquired	4,398,990	2,357,024	2,002,512	1,370,749	1,101,795	2,233,233	13,464,303
Total	**7,231,618**	**3,998,826**	**2,920,959**	**1,906,925**	**1,562,032**	**3,751,325**	**21,371,685**

4. Insurance and financial risk (continued)

(b) Financial risk (continued)

i. Liquidity risk (continued)

Maturity analysis for financial assets (contractual undiscounted cash flow basis)

The following table summarises the maturity profile of financial assets of the Company based on remaining undiscounted contractual cash flows, including interest receivable:

	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
	USD	USD	USD	USD	USD	USD	USD
Year ended 31 May 2026							
Financial assets							
Cash and cash equivalents	3,064,631	-	-	-	-	-	**3,064,631**
Financial assets at fair value through profit or loss	11,140,137	-	-	-	-	-	**11,140,137**
Other receivables	303,419	-	-	-	-	-	**303,419**
Total	**14,508,187**	**-**	**-**	**-**	**-**	**-**	**14,508,187**
Year ended 31 May 2025							
Financial assets							
Cash and cash equivalents	3,622,191	-	-	-	-	-	**3,622,191**
Financial assets at fair value through profit or loss	12,793,061	-	-	-	-	-	**12,793,061**
Other receivables	295,173	-	-	-	-	-	**295,173**
Total	**16,710,425**	**-**	**-**	**-**	**-**	**-**	**16,710,425**

Current and non-current assets and liabilities

The table below summarises the expected utilisation or settlement of assets and liabilities:

	Not more than 12 months	More than 12 months	Total
	USD	USD	USD
Year ended 31 May 2026			
Financial assets			
Cash and cash equivalents	3,064,631		**3,064,631**
Financial assets at fair value through profit or loss	11,140,137		**11,140,137**
Other receivables	303,419		**303,419**
Current tax assets	30,185		**30,185**
Reinsurance contract assets	12,344,187	13,705,134	**26,049,321**
Liabilities			
Insurance contract liabilities	(12,875,100)	(16,355,768)	**(29,230,868)**
Other payables	(182,850)		**(182,850)**
Total	**13,824,609**	**(2,650,634)**	**11,173,975**

4. Insurance and financial risk (continued)

(b) Financial risk (continued)

i. Liquidity risk (continued)

Current and non-current assets and liabilities (continued)

	Not more than 12 months	More than 12 months	Total
	USD	USD	USD
Year ended 31 May 2025			
Financial assets			
Cash and cash equivalents	3,622,191		**3,622,191**
Financial assets at fair value through profit or loss	12,793,061		**12,793,061**
Other receivables	295,173		**295,173**
Current tax assets	19,674		**19,674**
Reinsurance contract assets	10,120,197	10,977,464	**21,097,661**
Liabilities			
Insurance contract liabilities	(11,796,207)	(14,891,489)	**(26,687,696)**
Other payables	(241,521)		**(241,521)**
Total	**14,812,568**	**(3,914,025)**	**10,898,543**

ii. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument, insurance contract issued or reinsurance contract held will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign exchange rates (currency risk); market interest rates (interest rate risk); and market prices (price risk). The Company's market risk policy sets out the assessment and determination of what constitutes market risk for it. Compliance with the policy is monitored and exposures and breaches are reported to the Company's risk committee. The policy is reviewed regularly for pertinence and for changes in the risk environment. Guidelines are set for asset allocation and portfolio limit structure, to ensure that assets back specific policyholders' liabilities and that assets are held to deliver income and gains needed to meet the Company's contractual requirements.

i. Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument, insurance contract assets and/or liabilities will fluctuate because of changes in foreign exchange rates. The Company's principal transactions are carried out in US dollar and its exposure to foreign exchange risk arises primarily with respect to the Euro and Great Britain Pounds. The Company seeks to mitigate the risk by matching the estimated foreign currency denominated liabilities within the financial investments denominated in the same currency.

4. Insurance and financial risk (continued)

(b) Financial risk (continued)

ii. Market risk (continued)

i. Currency risk (continued)

The table below summarises the Company's financial assets and insurance contract assets and liabilities by major currencies:

	Euro USD	USD USD	Other USD	Total USD
Year ended 31 May 2026				
Financial assets				
Cash and cash equivalents	1,546,643	1,331,620	186,368	**3,064,631**
Financial assets at fair value through profit or loss	5,897,149	5,242,988	-	**11,140,137**
Other receivables	539,730	-	-	**539,730**
Insurance contract liabilities				
Professional indemnity – insurance contracts issued and acquired	(4,554,736)	(14,852,186)	6,247	**(19,400,675)**
Professional indemnity – insurance contracts -claims acquired	(4,307,958)	(5,515,442)	(6,793)	**(9,830,193)**
Reinsurance contract assets				
Professional indemnity – reinsurance contracts held and acquired	5,696,834	11,339,645	43,640	**17,080,119**
Professional indemnity – reinsurance contracts held -claims acquired	-	8,969,202	-	**8,969,202**
Total	**4,817,662**	**6,515,827**	**229,462**	**11,562,951**
Year ended 31 May 2025				
Financial assets				
Cash and cash equivalents	711,892	2,620,055	290,244	**3,622,191**
Financial assets at fair value through profit or loss	5,018,641	7,774,420	-	**12,793,061**
Other receivables	324,650	-	-	**324,650**
Insurance contract liabilities				
Professional indemnity – insurance contracts issued and acquired	(3,663,277)	(9,558,534)	(1,581)	**(13,223,392)**
Professional indemnity – insurance contracts -claims acquired	(4,279,070)	(9,185,233)	-	**(13,464,303)**
Reinsurance contract assets				
Professional indemnity – reinsurance contracts held and acquired	5,526,215	3,171,771	42,304	**8,740,290**
Professional indemnity – reinsurance contracts held -claims acquired	-	12,357,371	-	**12,357,371**
Total	**3,639,051**	**7,179,850**	**330,967**	**11,149,868**

4. Insurance and financial risk (continued)

(b) Financial risk (continued)

ii. Market risk (continued)

i. Currency risk (continued)

The following analysis is performed for reasonably possible movements in key variables, with all other variables held constant, showing the impact on profit before tax and equity due to changes in the fair value of currency-sensitive monetary assets and liabilities, including those relating to insurance and reinsurance contracts. The correlation of variables will have a significant effect in determining the ultimate impact of currency risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis.

		31 May 2026		31 May 2025	
	Change in exchange rate	Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
		USD	USD	USD	USD
US dollar /Euro exchange rate					
Insurance and reinsurance contracts	+10%	(316,586)	(269,098)	(241,613)	(211,412)
Financial assets	+10%	798,352	678,599	605,518	529,829
Insurance and reinsurance contracts	-10%	316,586	269,098	241,613	211,412
Financial assets	-10%	(798,352)	(678,599)	(605,518)	(529,829)

ii. Market Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument or insurance contract or reinsurance contract will fluctuate because of changes in market interest rates. Floating rate instruments expose the Company to cash flow interest risk, whereas fixed interest rate instruments expose the Company to fair value interest rate risk. There is no direct contractual relationship between financial assets and insurance contracts. However, the Company's interest rate risk policy requires it to manage the extent of net interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments to support the insurance contract liabilities. The policy also requires it to manage the maturities of interest bearing financial assets.

The Company's investment policy is set to ensure that the duration of the investment portfolio is appropriately matched to the duration of the policyholders' liabilities. Interest rate risk is monitored by comparing the mean duration of the investment portfolio and that of the policyholders' liabilities. The mean duration is an indicator of the sensitivity of the assets and liabilities to changes in the current interest rates. The Company has no significant concentration of interest rate risk.

The Company is exposed to interest rate risk through its debt instruments held and in respect of liabilities or assets for incurred claims where cash flows are not expected to be settled within a year from when claims are incurred.

4. Insurance and financial risk (continued)

(b) Financial risk (continued)

ii. Market risk (continued)

ii. Market Interest rate risk (continued)

The Company's exposure to interest rate risk sensitive insurance and reinsurance contracts and debt instruments are, as follows:

	31 May 2026 USD	31 May 2025 USD
Insurance contract liabilities		
Professional indemnity – insurance contracts issued and acquired	15,188,268	7,907,382
Professional indemnity – insurance contracts -claims acquired	9,830,193	13,464,303
Reinsurance contract assets		
Professional indemnity – reinsurance contracts held and acquired	14,223,220	7,379,989
Professional indemnity – reinsurance contracts held -claims acquired	8,969,202	12,357,371
Financial assets		
Cash and cash equivalents	3,064,631	3,622,191
Financial assets at fair value through profit or loss	5,242,988	-

The following analysis is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax and equity. The correlation of variables will have a significant effect in determining the ultimate impact of interest rate risk, but to demonstrate the impact due to changes in variables, variables have been changed on an individual basis. It should be noted that movements in these variables are non-linear. The method used for deriving sensitivity information and significant variables has not changed from the previous period.

		31 May 2026		31 May 2025	
	Change in interest rate	Impact on profit before tax USD	Impact on equity USD	Impact on profit before tax USD	Impact on equity USD
Insurance contract liabilities	+100 bps	571,906	486,120	523,169	457,773
Insurance contract liabilities	-100 bps	(606,734)	(515,724)	(563,323)	(492,908)
Reinsurance contract assets	+100 bps	(602,110)	(511,794)	(453,746)	(397,028)
Reinsurance contract assets	-100 bps	1,983,251	1,685,763	486,437	425,632

iii. Credit risk

Credit risk is the risk that one party to a financial instrument, insurance contract issued in an asset position or reinsurance contract held will cause a financial loss for the other party by failing to discharge an obligation.

The following policies and procedures are in place to mitigate the Company's exposure to credit risk.

The Company's credit risk policy sets out the assessment and determination of what constitutes credit risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company's risk committee. The policy is regularly reviewed for pertinence and for changes in the risk environment.

4. Insurance and financial risk (continued)

(b) Financial risk (continued)

ii. Market risk (continued)

iii. Credit risk (continued)

Credit risk relating to financial instruments is monitored by the Company's investment team. It is their responsibility to review and manage credit risk, including environmental risk for all counterparties. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits. It is the Company's policy to invest in high quality financial instruments with a low risk of default. If there is a significant increase in credit risk, the policy dictates that the instrument should be sold and amounts recovered reinvested in high quality instruments.

All excess of loss reinsurance contracts are placed with counterparties that are subject to an A- or above rating. The quota share reinsurance is placed with Transport Intermediaries Mutual Insurance Association Limited ("TIMIA"). TIMIA is unrated but the Company holds a fixed charge of USD 25 million (2025: USD 25 million) on the TIMIA investments portfolio. This fixed charge security, together with TIMIA's net asset value of USD 255 million as at 31 May 2026 (2025: USD 229 million), provides satisfactory mitigation comfort over the credit risk exposure arising from the remaining portion of the claims recovery quota share which is unsecured. The credit risk in respect of customer balances is managed through take on procedures for the assured. Furthermore, if the assured does not pay, then cover may be cancelled back to inception.

The following table provides information regarding aggregated credit risk exposure for financial assets, insurance contract assets and reinsurance contract assets with external credit ratings as at 31 May 2026. The amounts represent the maximum amount exposure to credit risk. The credit rating bands are provided by independent ratings agencies:

	AAA	AA	A	BBB+ or less or not rated	Total
	USD	USD	USD	USD	USD
Year ended 31 May 2026					
Cash and cash equivalents	-	-	3,064,631	-	**3,064,631**
Financial assets at fair value through profit or loss	5,897,149	5,242,988	-	-	**11,140,137**
Other receivables	-	-	-	303,419	**303,419**
Current tax assets	-	-	-	30,185	**30,185**
Reinsurance contract assets	-	1,579,532	5,545,895	18,923,894	**26,049,321**
Year ended 31 May 2025					
Cash and cash equivalents	-	231,952	3,390,239	-	**3,622,191**
Financial assets at fair value through profit or loss	5,018,642	7,774,419	-	-	**12,793,061**
Other receivables	-	-	-	295,173	**295,173**
Current tax assets	-	-	-	19,674	**19,674**
Reinsurance contract assets	-	1,286,065	3,516,789	16,294,807	**21,097,661**

5. Significant judgments and estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Amortisation of the Contractual Service Margin

The CSM is a component of the asset or liability for the group of insurance contracts that represents the unearned profit the Company will recognise as it provides services in the future. An amount of the CSM for a group of insurance contracts is recognised in profit or loss as insurance revenue in each period to reflect the insurance contract services provided under the group of insurance contracts in that period. The amount is determined by:

- Identifying the coverage units in the group
- Allocating the CSM at the end of the period (before recognising any amounts in profit or loss to reflect the insurance contract services provided in the period) equally to each coverage unit provided in the current period and expected to be provided in the future
- Recognising in profit or loss the amount allocated to coverage units provided in the period

The number of coverage units in a group is the quantity of insurance contract services provided by the contracts in the group, determined by considering the quantity of the benefits provided and the expected coverage period. For groups of professional indemnity insurance contracts acquired, the quantity of benefits is calculated in reference to the expected payment patterns. The total coverage units of each group of insurance contracts are reassessed at the end of each reporting period to adjust for the reduction of remaining coverage for claims paid. They are then allocated based on probability-weighted average duration of each coverage unit provided in the current period and expected to be provided in the future.

For reinsurance contracts held, the CSM amortisation is similar to the professional indemnity insurance contracts acquired.

Onerous groups

The Company uses judgment to determine the facts and circumstances that would indicate that a group of contracts is onerous either on initial recognition or subsequent measurement. When such facts and circumstances exist, the Company determines the fulfilment cash flows and if they are higher than the carrying value of the liability for remaining coverage, the shortfall is recognised as a loss component. Any loss-recovery component is determined with reference to the loss component recognised on underlying contacts and the receiver expected on such claims from reinsurance contracts held.

Assessment of directly attributable cash flows

The Company uses judgement in assessing whether cash flows are directly attributable to a specific portfolio of insurance contracts. Insurance acquisition cash flows are included in the measurement of a group of insurance contracts only if they are directly attributable to the individual contracts in a group, or to the group itself, or the portfolio of insurance contracts to which the group belongs. The Company also considers as attributable cash flows fixed and variable overheads directly attributable to the fulfilment of insurance contracts.

5. Significant judgments and estimates (continued)

Liability for remaining coverage – revenue recognition

The Company determines insurance service revenue by the amount of expected premium receipts (including premium experience adjustments) allocated to the period. The adjustment to insurance service revenue to reflect the expectation of premium receipt from amounts not yet settled is determined by a loss allowance aiming to capture the probability of default of the debtor in settling premiums due. This loss allowance is estimated by the Company using an approach based on provision matrix estimated based on historical credit loss experience based on the past due status of the debtors, adjusted to reflect current conditions and estimates of future conditions where appropriate.

Liability for incurred claims

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson methods.

The main assumption underlying these techniques is that a Company's past claims development experience can be used to project future claims development and hence ultimate claims costs. These methods extrapolate the development of paid and incurred losses, average costs per claim (including claims handling costs), and claim numbers based on the observed development of earlier years and expected loss ratios. Historical claims development is mainly analysed by accident years, but can also be further analysed by geographical area, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjuster estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historical claims development data on which the projections are based.

Additional qualitative judgement is used to assess the extent to which past trends may not apply in future, (e.g., to reflect one-off occurrences, changes in external or market factors such as public attitudes to claiming, economic conditions, levels of claims inflation, judicial decisions and legislation, as well as internal factors such as portfolio mix, policy features and claims handling procedures) in order to arrive at the estimated ultimate cost of claims that present the probability weighted expected value outcome from the range of possible outcomes, taking account of all the uncertainties involved. Estimates of salvage recoveries and subrogation reimbursements are considered as an allowance in the measurement of ultimate claims. Other key circumstances affecting the reliability of assumptions include variation in interest rates, delays in settlement and changes in foreign currency exchange rates.

Similar judgements are applied to the measurement of the ultimate cost of claims which form part of the Liability for remaining coverage of the "Professional indemnity – insurance contracts -claims acquired" portfolio.

Risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the expected value amount. The Company has elected to estimate the risk adjustment using the Bootstrap method. The confidence level (probability of sufficiency) was selected at the 80th and the 70th percentile for the "Professional indemnity – insurance contracts issued and acquired" and "Professional indemnity – insurance contracts -claims acquired" portfolios respectively. The methodology established determined the entity-level risk adjustment and then allocates this amount across all groups. This approach captures properly all diversification effects based on the composition of the Company's portfolio.

5. Significant judgments and estimates (continued)

Discount rates

The liability and asset for incurred claims is calculated by discounting expected future cash flows at the volatility adjusted risk-free rates provided by EIOPA. The selection of volatility adjusted risk-free rates is aligned with the bottom-up approach for deriving the yield curves as described in IFRS 17. The same rates are used for discounting the expected future cash inflows from the claim recoveries arising from the reinsurance contracts held. The Company has used the following yield curves to discount cash flows for insurance contracts issued and reinsurance contracts held.

	31 May 2026					
	1 year USD	2 years USD	3 years USD	4 years USD	5 years USD	6 years USD
Insurance contracts issued and reinsurance contracts held						
USD	3.821%	3,862%	3.848%	3.848%	3.865%	3.897%
EUR	4.036%	4.083%	4.078%	4.095%	4.130%	4.174%
Other	2.586%	2.627%	2.624%	2.636%	2.669%	2.706%

	31 May 2025					
	1 year USD	2 years USD	3 years USD	4 years USD	5 years USD	6 years USD
Insurance contracts issued and reinsurance contracts held						
USD	4.027%	3.674%	3.573%	3.566%	3.598%	3.653%
EUR	4.017%	3.859%	3.827%	3.840%	3.874%	3.923%
Other	1.873%	1.840%	1.921%	2.009%	2.085%	2.165%

6. Insurance revenue

	2026 USD	2025 USD
Amounts relating to the changes in the liability for remaining coverage		
Contracts not measured under the PAA		
Expected insurance service expenses incurred in the period	3,488,999	2,667,520
Change in the risk adjustment for non-financial risk	809,803	538,394
Amount of CSM recognised in profit or loss	-	-
Other amounts including experience adjustments for premium receipts	-	-
Amounts relating to recovery of insurance acquisition cash flows	-	-
Allocation of the portion of premiums that relate to the recovery of insurance acquisition cash flows	-	-
	4,298,802	***3,205,914***
Contracts measured under the PAA	***13,382,314***	***10,478,113***
Total insurance revenue	**17,681,116**	**13,684,027**

7. Insurance service expenses

	Professional indemnity – insurance contracts issued and acquired USD	Professional indemnity – insurance contracts - claims acquired USD	Total USD
2026			
Incurred claims and other insurance service expenses	4,431,417	3,085,255	**7,516,672**
Amortisation of insurance acquisition cash flows	2,671,445	-	**2,671,445**
Loss on onerous contracts and reversals of those losses	-	598,781	**598,781**
Changes to liabilities for incurred claims	5,141,134	-	**5,141,134**
Total	**12,243,996**	**3,684,036**	**15,928,032**
2025			
Incurred claims and other insurance service expenses	9,540,357	119,310	**9,659,667**
Amortisation of insurance acquisition cash flows	1,871,251	-	**1,871,251**
Loss on onerous contracts and reversals of those losses	-	1,200,269	**1,200,269**
Changes to liabilities for incurred claims	46,965	-	**46,965**
Total	**11,458,573**	**1,319,579**	**12,778,152**

8. Net expense from reinsurance contracts held

	2026	2025
Amounts relating to the changes in the assets for remaining coverage	USD	USD
Contracts not measured under the PAA		
Expected recovery for insurance service expenses incurred in the period	3,316,351	2,622,168
Change in the risk adjustment for non-financial risk	677,407	569,926
Net cost/gain recognised in profit or loss	9,325	(209,478)
	4,003,083	2,982,616
Contracts measured under the PAA	9,223,736	7,534,942
Allocation of reinsurance premiums	**13,226,819**	**10,517,558**
Recoveries for incurred claims and other expenses	(6,722,193)	(8,747,199)
Changes that relate to future service: recoveries for losses on onerous contracts	(543,303)	(1,089,062)
Changes that relate to past service: changes to recoveries of liabilities for incurred claims	(4,658,885)	-
Amounts recovered from reinsurers	**(11,924,381)**	**(9,836,261)**
Net expense from reinsurance contracts held	**1,302,438**	**681,297**

9. Investment income and net insurance financial result

	2026	2025
	USD	USD
Investment income		
Interest on bank deposits and bonds	257,892	407,589
Net fair value gains on financial assets at fair value through profit or loss	168,557	117,162
Other exchange gains	296,419	582,444
Total investment income recognised in the P&L	**722,868**	**1,107,195**
Insurance finance income/(expenses) from insurance contracts issued		
Interest accreted	(801,580)	(85,262)
Effect of changes in interest rates and other financial assumptions	3,136	(22,610)
Total insurance finance income/(expenses) from insurance contracts issued recognised in P&L	**(798,444)**	**(107,872)**
Reinsurance finance income/(expenses) from reinsurance contracts held		
Interest accreted	740,370	75,756
Effect of changes in interest rates and other financial assumptions	642	20,627
Total reinsurance finance income/(expenses) from reinsurance contracts held recognised in P&L	**741,012**	**96,383**
Net insurance finance income or expenses	**(57,432)**	**(11,489)**

10. Expenses

	2026	2025
	USD	USD
Management fees (note 19)	576,166	473,916
Directors' fees	156,498	123,435
Auditors' remuneration – statutory audit	116,446	83,431
Auditors' remuneration – other assurance services	23,629	16,736
Auditors' remuneration – non-audit services	1,390	1,310
Marketing and servicing	50,700	98,534
Seminar/conference attendance	2,232	3,100
Advertising	9,628	5,292
Subscriptions	4,080	1,958
Postage, telephone and tax	144	-
Printing and design	3,750	-
Legal and compliance fees	156,725	156,593
Sundry expenses	71,413	62,255
Less amounts attributed to insurance acquisition cash flows incurred during the year	(182,793)	(145,158)
Total	990,008	881,402
Insurance acquisition cash flows incurred during the year	2,715,629	1,957,644
Amortisation of insurance acquisition cash flows	(44,184)	(86,393)
Total	**3,661,453**	**2,752,653**
Represented by:		
Expenses attributed to insurance acquisition cash flows	2,671,445	1,871,251
Other attributable expenses	356,452	308,857
Other operating expenses	633,556	572,545
Expenses allocated to reinsurance contracts	-	-
Total	**3,661,453**	**2,752,653**

11. Income tax

	2026	2025
	USD	USD
Current tax	260	1,641
Total	**260**	**1,641**

Reconciliation of tax based on the taxable income and tax based on accounting profits:

	2026	2025
	USD	USD
Profit before tax	478,056	747,739
Tax calculated at the applicable rates	65,306	93,467
Tax effect on expenses not deductible for tax purposes	-	2,189
Tax effect allowances on income not subject to tax	(65,046)	(94,015)
Total	**260**	**1,641**

The Company is subject to income tax at the rate of 12,5% up to 31 December 2025. In December 2025 the Cyprus Parliament passed a number of legislative bills into law, the provisions of which constitute the Cyprus Tax Reform. The amendments aim to stimulate economic growth, enhance tax administration and improve tax compliance and affect both individuals and corporations. As part of the Laws voted, the Income Tax Law of 2002 (118(I)/2002) has been amended and amongst other it increases the corporate income tax rate to 15%, effective from 1 January 2026.

12. Insurance contracts issued

	Assets USD	Liabilities USD	Net USD
Year ended 31 May 2026			
Professional indemnity – insurance contracts issued and acquired	-	19,400,675	19,400,675
Professional indemnity – insurance contracts - claims acquired	-	9,830,193	9,830,193
Total insurance contracts issued	**-**	**29,230,868**	**29,230,868**
Reinsurance contracts held			
Professional indemnity – reinsurance contracts held and acquired	17,080,119	-	17,080,119
Professional indemnity – reinsurance contracts held -claims acquired	8,969,202	-	8,969,202
Total reinsurance contracts held	**26,049,321**	**-**	**26,049,321**
Year ended 31 May 2025			
Insurance contracts issued			
Professional indemnity – insurance contracts issued and acquired	-	(13,223,393)	(13,223,393)
Professional indemnity – insurance contracts - claims acquired	-	(13,464,303)	(13,464,303)
Total insurance contracts issued	**-**	**(26,687,696)**	**(26,687,696)**
Reinsurance contracts held			
Professional indemnity – reinsurance contracts held and acquired	8,740,290	-	8,740,290
Professional indemnity – reinsurance contracts held -claims acquired	12,357,371	-	12,357,371
Total reinsurance contracts held	**21,097,661**	**-**	**21,097,661**

Portfolio Transfer

On 1 December 2024, the Company has effected a portfolio transfer to transfer contracts related to policies of insurance in the name of policyholders situated in an EEA states from UK P&I Club N.V which were fronters of ITIC's EEA business. The Company assumed all rights and obligations of the insurance contracts issued as well as, the rights and obligations of reinsurance held under which UK P&I Club N.V. was covered in respect of the transferred policies. Concurrently, the reinsurance contract covering the aforementioned risks was terminated and a ceded to TIMIA under an amended and restated reinsurance contract. This transaction is treated as an acquisition of a group of assets and liabilities. The assets and liabilities transferred at 1 December 2024 are as follows:

1 December 2024	**Portfolio Transfer USD**	**Change in reinsurance USD**	**As at 1 December 2024 USD**
Assets			
Reinsurance contract assets	18,330,470	(4,076,854)	14,253,616
Other receivables	1,555,159	-	1,555,159
Total assets	**19,885,629**	**(4,076,854)**	**15,808,775**
Liabilities			
Insurance contract liabilities	17,411,275	-	17,411,275
Other payables/(receivables)	2,474,354	(4,076,854)	(1,602,500)
Total liabilities	**19,885,629**	**4,076,854**	**15,808,775**

12. Insurance and reinsurance contracts (continued)

Reconciliation of changes in insurance contracts by remaining coverage and incurred claims

The table below represent the reconciliation from the opening to closing balances of the liabilities for the remaining coverage and the liabilities for incurred claims for insurance contracts.

Professional indemnity – insurance contracts issued and acquired	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimate of present value of future cash flows	Risk adjustment	
	USD	USD	USD	USD	USD
Opening assets	-	-	-	-	-
Opening liabilities	4,213,302	-	7,907,382	1,102,709	13,223,393
Net opening balance 1 June 2025	**4,213,302**	**-**	**7,907,382**	**1,102,709**	**13,223,393**
Changes in the statement of comprehensive income					
Insurance revenue	***(13,382,314)***	**-**	**-**	-	(13,382,314)
Insurance service expenses	***2,671,445***	**-**	***9,000,890***	***906,534***	***12,578,869***
Incurred claims and other insurance service expenses	-	-	3,661,091	906,534	4,567,625
Amortisation of insurance acquisition cash flows	2,671,445	-	-	-	2,671,445
Loss on onerous contracts and reversals of those losses	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	***5,339,799***	-	5,339,799
Insurance service result	***(10,710,869)***	**-**	***9,000,890***	***906,534***	***(803,445)***
Insurance finance expenses for insurance contracts issued	**-**	**-**	***227,396***	**-**	***227,396***
Total changes in the statement of comprehensive income	**(10,710,869)**	**-**	**9,228,286**	**906,534**	**(576,049)**
Cash flows					
Premiums received	11,463,959	-	-	-	11,463,959
Claims and other insurance service expenses paid	-	-	(1,947,400)	-	(1,947,400)
Insurance acquisition cash flows	(2,763,228)	-	-	-	(2,763,228)
Total cash flows	**8,700,731**	**-**	**(1,947,400)**	-	**6,753,331**
Other – non-cash transfers					
Net closing balance 31 May 2026	**2,203,164**	**-**	**15,188,268**	**2,009,243**	**19,400,675**
Closing assets	-	-	-	-	-
Closing liabilities	2,203,164	-	15,188,268	2,009,243	19,400,675
Net closing balance	**2,203,164**	**-**	**15,188,268**	**2,009,243**	**19,400,675**

12. Insurance and reinsurance contracts (continued)

Reconciliation of changes in insurance contracts by remaining coverage and incurred claims (continued)

The table below represents the reconciliation from the opening to closing balances of the liabilities for the remaining coverage and the liabilities for incurred claims for claims acquired during the year.

Professional indemnity – insurance contracts -claims acquired	Liability for remaining coverage		Liability for incurred claims	Total
	Excluding loss component	Loss component	Estimate of present value of future cash flows	
	USD	USD	USD	USD
Opening assets	-	-	-	-
Opening liabilities	12,493,492	970,811	-	13,464,303
Net opening balance 1 June 2025	**12,493,492**	**970,811**	**-**	**13,464,303**
Changes in the statement of comprehensive income				
Insurance revenue	***(4,298,803)***	-	***-***	***(4,298,803)***
Insurance service expenses	***-***	***93,645***	***3,590,391***	***3,684,036***
Incurred claims and other insurance service expenses	-	(505,136)	3,590,391	3,085,255
Amortisation of insurance acquisition cash flows	-	-	-	-
Loss on onerous contracts and reversals of those losses	-	598,781	-	598,781
Changes to liabilities for incurred claims	-	-	-	-
Insurance service result	***(4,298,803)***	***93,645***	***3,590,391***	***(614,767)***
Insurance finance expenses for insurance contracts issued	***507,597***	***63,451***	***-***	***571,048***
Total changes in the statement of comprehensive income	**(3,791,206)**	**157,096**	**3,590,391**	**(43,719)**
Cash flows				
Premiums received	-	-	-	-
Claims and other insurance service expenses paid	-	-	(3,590,391)	(3,590,391)
Insurance acquisition cash flows				
Total cash flows	**-**	-	**(3,590,391)**	**(3,590,391)**
Other – non-cash transfers	**-**		**-**	**-**
Net closing balance 31 May 2026	**8,702,286**	**1,127,907**	**-**	**9,830,193**
Closing assets	-	-	-	-
Closing liabilities	8,702,286	1,127,907	-	9,830,193
Net closing balance	**8,702,286**	**1,127,907**	**-**	**9,830,193**

12. Insurance and reinsurance contracts (continued)

Reconciliation of changes in insurance contracts by remaining coverage and incurred claims (continued)

The table below represents the reconciliation from the opening to closing balances of the liabilities for the remaining coverage and the liabilities for incurred claims for claims acquired during the year.

Professional indemnity – insurance contracts issued and acquired	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Estimate of present value of future cash flows	Risk adjustment	
	USD	USD	USD	USD	USD
Opening assets	-	-	-	-	-
Opening liabilities	1,034,890	-	104,592	21,866	1,161,348
Net opening balance 1 June 2024	**1,034,890**	**-**	**104,592**	**21,866**	**1,161,348**
Changes in the statement of comprehensive income					
Insurance revenue	***(10,478,113)***	**-**	**-**	**-**	***(10,478,113)***
Insurance service expenses	***1,871,251***	**-**	***8,506,479***	***1,080,843***	***11,458,573***
Incurred claims and other insurance service expenses	-	-	8,459,514	1,080,843	9,540,357
Amortisation of insurance acquisition cash flows	1,871,251	-	-	-	1,871,251
Loss on onerous contracts and reversals of those losses	-	-	-	-	-
Changes to liabilities for incurred claims	-	-	46,965	-	46,965
Insurance service result	***(8,606,862)***	**-**	***8,506,479***	***1,080,843***	***980,460***
Insurance finance expenses for insurance contracts issued	**-**	**-**	***(129,778)***	**-**	***(129,778)***
Total changes in the statement of comprehensive income	**(8,606,862)**	**-**	**8,376,701**	**1,080,843**	**850,682**
Cash flows					
Premiums received	13,190,453	-	-	-	13,190,453
Claims and other insurance service expenses paid	-	-	(573,911)	-	(573,911)
Insurance acquisition cash flows	(1,405,180)	-	-	-	(1,405,180)
Total cash flows	**11,785,273**	**-**	**(573,911)**	**-**	**11,211,362**
Other – non-cash transfers					
Net closing balance 31 May 2025	**4,213,301**	**-**	**7,907,382**	**1,102,709**	**13,223,392**
Closing assets	-	-	-	-	-
Closing liabilities	4,213,301	-	7,907,382	1,102,709	13,223,392
Net closing balance	**4,213,301**	**-**	**7,907,382**	**1,102,709**	**13,223,392**

12. Insurance and reinsurance contracts (continued)

Reconciliation of changes in insurance contracts by remaining coverage and incurred claims (continued)

The table below represent the reconciliation from the opening to closing balances of the liabilities for the remaining coverage and the liabilities for incurred claims for insurance contracts issued and acquired.

Professional indemnity – insurance contracts -claims acquired	Liability for remaining coverage		Liability for incurred claims	Total
	Excluding loss component	Loss component	Estimate of present value of future cash flows	
	USD	USD	USD	USD
Opening assets	-	-	-	-
Opening liabilities	-	-	-	-
Net opening balance 1 June 2024	-	-	-	-
Changes in the statement of comprehensive income				
Insurance revenue	***(3,205,914)***	***-***	***-***	***(3,205,914)***
Insurance service expenses	***-***	***958,226***	***361,353***	***1,319,579***
Incurred claims and other insurance service expenses	-	(242,043)	361,353	119,310
Amortisation of insurance acquisition cash flows	-	-	-	-
Loss on onerous contracts and reversals of those losses	-	1,200,269	-	1,200,269
Changes to liabilities for incurred claims	-	-	-	-
Insurance service result	***(3,205,914)***	***958,226***	***361,353***	***(1,886,335)***
Insurance finance expenses for insurance contracts issued	***225,065***	***12,585***	***-***	***237,650***
Total changes in the statement of comprehensive income	**(2,980,849)**	**970,811**	**361,353**	**(1,648,685)**
Cash flows				
Premiums received	15,474,341	-	-	15,474,341
Claims and other insurance service expenses paid	-	-	(361,353)	(361,353)
Insurance acquisition cash flows				-
Total cash flows	**15,474,341**	**-**	**(361,353)**	**15,112,988**
Other – non-cash transfers				
Net closing balance 31 May 2025	**12,493,492**	**970,811**	**-**	**13,464,303**
Closing assets	-	-	-	-
Closing liabilities	12,493,492	970,811	-	13,464,303
Net closing balance	**12,493,492**	**970,811**	**-**	**13,464,303**

12. Insurance and reinsurance contracts (continued)

Reconciliation of changes in reinsurance contracts held by remaining coverage and incurred claims

The table below represent the reconciliation from the opening to closing balances of the assets for the remaining coverage and the assets for incurred claims for reinsurance contracts held and acquired.

Professional indemnity – reinsurance contracts held and acquired	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss-recovery component	Loss-recovery component	Estimate of present value of future cash flows	Risk adjustment	
	USD	USD	USD	USD	USD
Opening assets	365,240	-	7,379,989	995,061	8,740,290
Opening liabilities	-	-	-	-	-
Net opening balance 1 June 2025	**365,240**	**-**	**7,379,989**	**995,061**	**8,740,290**
Changes in the statement of comprehensive income					
Allocation of reinsurance premiums	***(9,223,736)***	**-**	**-**	**-**	***(9,223,736)***
Amounts recovered from reinsurers	**-**	**-**	***7,680,210***	***927,850***	***8,938,463***
Amounts recoverable from reinsurers for incurred claims	-	-	3,021,325	927,850	4,079,152
Changes that relate to future service: recoveries for losses on onerous contracts	-	-	-	-	-
Changes that relate to past service: changes to recoveries of liabilities for incurred claims	-	-	4,658,885	-	4,859,311
Net income or expense from reinsurance contracts held	***(9,223,736)***	**-**	***7,680,210***	***927,850***	***(285,273)***
Effect of non-performance risk of reinsurers	**-**	**-**	-	**-**	**-**
Reinsurance finance income for reinsurance contracts held	**-**	**-**	211,067	**-**	***211,067***
Total changes in the statement of comprehensive income	***(9,223,736)***	**-**	**7,891,277**	**927,850**	**(74,206)**
Cash flows					
Premiums paid	9,832,714	-	-	-	9,832,714
Amounts received	-	-	(1,048,046)	-	(1,423,149)
Total cash flows	**9,832,714**	**-**	(1,048,046)	**-**	**8,409,565**
Net closing balance 31 May 2026	**974,218**	**-**	**14,223,220**	**1,922,911**	**17,075,649**
Closing assets	974,218	-	14,223,220	1,922,911	17,075,649
Closing liabilities	-	-	-	-	-
Net closing balance	**974,218**	**-**	**14,223,220**	**1,922,911**	**17,075,649**

12. Insurance and reinsurance contracts (continued)

Reconciliation of changes in reinsurance contracts held by remaining coverage and incurred claims (continued)

The table below represent the reconciliation from the opening to closing balances of the assets for the remaining coverage and the assets for incurred claims for reinsurance contracts held and acquired.

Professional indemnity – reinsurance contracts held -claims acquired	Asset for remaining coverage		Asset for incurred claims	Total
	Excluding loss-recovery component	Loss-recovery component	Estimate of present value of future cash flows	
	USD	USD	USD	USD
Opening assets	11,476,507	880,864	-	12,357,371
Opening liabilities	-	-	-	-
Net opening balance 1 June 2025	**11,476,507**	**880,864**	**-**	**12,357,371**
Changes in the statement of comprehensive income				
Allocation of reinsurance premiums	***(4,003,083)***	***-***	***-***	***(4,003,083)***
Amounts recovered from reinsurers	***-***	***84,969***	***3,231,352***	***3,316,321***
Amounts recoverable from reinsurers for incurred claims	-	(458,334)	3,231,352	2,773,018
Changes that relate to future service: recoveries for losses on onerous contracts	-	543,303	-	543,303
Changes that relate to past service: changes to recoveries of liabilities for incurred claims	-	-	-	-
Net income or expense from reinsurance contracts held	***(4,003,083)***	***84,969***	***3,231,352***	***(686,762)***
Effect of non-performance risk of reinsurers	**-**	**-**	**-**	**-**
Reinsurance finance income for reinsurance contracts held	***472,373***	***57,572***	***-***	***529,945***
Total changes in the statement of comprehensive income	**(3,530,710)**	**142,541**	**3,231,352**	**(156,817)**
Cash flows				
Premiums paid	-	-	-	-
Amounts received			(3,231,352)	(3,231,352)
Total cash flows	**-**	**-**	**(3,231,352)**	**(3,231,352)**
Net closing balance 31 May 2026	**7,945,797**	**1,023,405**	**-**	**8,969,202**
Closing assets	7,945,797	1,023,405	-	8,969,202
Closing liabilities	-	-	-	-
Net closing balance	**7,945,797**	**1,023,405**	**-**	**8,969,202**

12. Insurance and reinsurance contracts (continued)

Reconciliation of changes in insurance contracts issued by remaining coverage and incurred claims (continued)

The table below represent the reconciliation from the opening to closing balances of the assets for the remaining coverage and the assets for incurred claims for reinsurance contracts held and acquired.

Professional indemnity – reinsurance contracts held and acquired	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss-recovery component	Loss-recovery component	Estimate of present value of future cash flows	Risk adjustment	
	USD	USD	USD	USD	USD
Opening assets	353,533	-	94,102	19,853	467,488
Opening liabilities	-	-	-	-	-
Net opening balance 1 June 2024	**353,533**	**-**	**94,102**	**19,853**	**467,488**
Changes in the statement of comprehensive income					
Allocation of reinsurance premiums	**(7,534,942)**	**-**	**-**	**-**	**(7,534,942)**
Amounts recovered from reinsurers	**-**	**-**	**7,666,390**	**975,208**	**8,641,598**
Amounts recoverable from reinsurers for incurred claims	-	-	7,666,390	975,208	8,641,598
Changes that relate to future service: recoveries for losses on onerous contracts	-	-	-	-	-
Changes that relate to past service: changes to recoveries of liabilities for incurred claims	-	-	-	-	-
Net income or expense from reinsurance contracts held	**(7,534,942)**	**-**	**7,666,390**	**975,208**	**1,106,656**
Effect of non-performance risk of reinsurers	-	-	-	-	-
Reinsurance finance income for reinsurance contracts held	-	-	(120,543)	-	**(120,543)**
Total changes in the statement of comprehensive income	**(7,534,942)**	**-**	**7,545,847**	**975,208**	**986,113**
Cash flows					
Premiums paid	7,546,649	-	-	-	7,546,649
Amounts received	-	-	(259,960)	-	(259,960)
Total cash flows	**7,546,649**	**-**	**(259,960)**	**-**	**7,286,689**
Net closing balance 31 May 2025	**365,240**	**-**	**7,379,989**	**995,061**	**8,740,290**
Closing assets	365,240	-	7,379,989	995,061	8,740,290
Closing liabilities	-	-	-	-	-
Net closing balance	**365,240**	**-**	**7,379,989**	**995,061**	**8,740,290**

12. Insurance and reinsurance contracts (continued)

Reconciliation of changes in reinsurance contracts held by remaining coverage and incurred claims (continued)

The table below represent the reconciliation from the opening to closing balances of the assets for the remaining coverage and the assets for incurred claims for reinsurance contracts held and acquired.

Professional indemnity – reinsurance contracts held -claims acquired	Asset for remaining coverage		Asset for incurred claims	Total
	Excluding loss-recovery component	Loss-recovery component	Estimate of present value of future cash flows	
	USD	USD	USD	USD
Opening assets	-	-	-	-
Opening liabilities	-	-	-	-
Net opening balance 1 June 2024	-	-	-	-
Changes in the statement of comprehensive income				
Allocation of reinsurance premiums	***(2,982,616)***	***-***	***-***	***(2,982,616)***
Amounts recovered from reinsurers	***-***	***869,445***	***325,218***	***1,194,663***
Amounts recoverable from reinsurers for incurred claims	-	(219,617)	325,218	105,601
Changes that relate to future service: recoveries for losses on onerous contracts	-	1,089,062	-	1,089,062
Changes that relate to past service: changes to recoveries of liabilities for incurred claims	-	-	-	-
Net income or expense from reinsurance contracts held	***(2,982,616)***	***869,445***	***325,218***	***(1,787,953)***
Effect of non-performance risk of reinsurers	-	-	-	-
Reinsurance finance income for reinsurance contracts held	***205,507***	***11,419***	***-***	***216,926***
Total changes in the statement of comprehensive income	**(2,777,109)**	**880,864**	**325,218**	**(1,571,027)**
Cash flows				
Premiums paid	14,253,616	-	-	14,253,616
Amounts received			(325,218)	(325,218)
Total cash flows	**14,253,616**	**-**	**(325,218)**	**13,928,398**
Net closing balance 31 May 2025	**11,476,507**	**880,864**	**-**	**12,357,371**
Closing assets	11,476,507	880,864	-	12,357,371
Closing liabilities	-	-	-	-
Net closing balance	**11,476,507**	**880,864**	**-**	**12,357,371**

12. Insurance and reinsurance contracts (continued)

Reconciliation of changes in insurance contracts by components

The following table shows the reconciliation from the opening to the closing balances of the net insurance contract liability for claims acquired analysed by components.

Professional indemnity – insurance contracts -claims acquired	Estimates of present value of future cash flows	Risk adjustment	Contractual service margin	Total
	USD	USD	USD	USD
Opening assets	-	-	-	-
Opening liabilities	11,519,530	1,944,773	-	13,464,303
Net opening balance 1 June 2025	**11,519,530**	**1,944,773**	**-**	**13,464,303**
Changes that relate to current services				
- Contractual service margin recognised for services provided	-	-	-	-
- Risk adjustment recognised for the risk expired	-	(809,804)	-	(809,804)
- Experience adjustments	(403,744)	-	-	(403,744)
Changes that relate to future services				
- Contracts initially recognised in the period	-	-	-	-
- Changes in estimates that adjust the contractual service margin	-	-	-	-
- Changes in estimates that do not adjust the contractual service margin	487,179	111,602	-	598,781
Changes that relate to past services				
- Adjustments to liabilities for incurred claims	-	-	-	-
Insurance service result	**83,435**	**(698,202)**	**-**	**(614,767)**
Insurance finance expenses	**472,546**	**98,502**	**-**	**571,048**
Total changes in the statement of comprehensive income	**555,981**	**(599,700)**	**-**	**(43,719)**
Cash flows				
Premiums received	-	-	-	-
Claims and other insurance service expenses paid	(3,590,391)	-	-	(3,590,391)
Total cash flows	**(3,590,391)**	**-**	**-**	**(3,590,391)**
Other – non-cash transfers	**-**	**-**	**-**	**-**
Net closing balance 31 May 2026	**8,485,120**	**1,345,073**	**-**	**9,830,193**
Closing assets				-
Closing liabilities	8,485,120	1,345,073	-	9,830,193
Net closing balance	**8,485,120**	**1,345,073**	**-**	**9,830,193**

12. Insurance and reinsurance contracts (continued)

Reconciliation of changes in insurance contracts by components (continued)

The following table shows the reconciliation from the opening to the closing balances of the net insurance contract liability for claims acquired analysed by components.

Professional indemnity – insurance contracts -claims acquired	Estimates of present value of future cash flows	Risk adjustment	Contractual service margin	Total
	USD	USD	USD	USD
Opening assets	-	-	-	-
Opening liabilities	-	-	-	-
Net opening balance 1 June 2024	**-**	**-**	**-**	**-**
Changes that relate to current services				
- Contractual service margin recognised for services provided	-	-	-	-
- Risk adjustment recognised for the risk expired	-	(538,394)	-	(538,394)
- Experience adjustments	(2,548,210)	-	-	(2,548,210)
Changes that relate to future services				
- Contracts initially recognised in the period	(2,282,240)	2,282,240	-	-
- Changes in estimates that adjust the contractual service margin	-	-	-	-
- Changes in estimates that do not adjust the contractual service margin	1,023,247	177,022	-	1,200,269
Changes that relate to past services				
- Adjustments to liabilities for incurred claims	-	-	-	-
Insurance service result	**(3,807,203)**	**1,920,868**	**-**	**(1,886,335)**
Insurance finance expenses	**213,745**	**23,905**	**-**	**237,650**
Total changes in the statement of comprehensive income	**(3,593,458)**	**1,944,773**	**-**	**(1,648,685)**
Cash flows				
Premiums received	15,474,341	-	-	15,474,341
Claims and other insurance service expenses paid	(361,353)	-	-	(361,353)
Total cash flows	**15,112,988**	**-**	**-**	**15,112,988**
Other – non-cash transfers	**-**	**-**	**-**	**-**
Net closing balance 31 May 2025	**11,519,530**	**1,944,773**	**-**	**13,464,303**
Closing assets				-
Closing liabilities	11,519,530	1,944,773	-	13,464,303
Net closing balance	**11,519,530**	**1,944,773**	**-**	**13,464,303**

12. Insurance and reinsurance contracts (continued)

Reconciliation of changes in reinsurance contracts by components

The following table shows the reconciliation from the opening to the closing balances of the net reinsurance contracts held for claims acquired analysed by components.

Professional indemnity – reinsurance contracts held -claims acquired	Estimates of present value of future cash flows	Risk adjustment	Contractual service margin	Total
	USD	USD	USD	USD
Opening assets	10,452,224	1,875,693	29,454	12,357,371
Opening liabilities	-	-	-	-
Net opening balance 1 June 2025	**10,452,224**	**1,875,693**	**29,454**	**12,357,371**
Changes that relate to current services				
- Contractual service margin recognised for services provided	-	-	(9,325)	(9,325)
- Risk adjustment recognised for the risk expired	-	(759,331)	-	(759,331)
- Experience adjustments	(334,490)	-	-	(334,490)
Changes that relate to future services				
- Contracts initially recognised in the period	-	-	-	-
- Changes in estimates that adjust the contractual service margin	-	-	-	-
- Changes in estimates that do not adjust the contractual service margin	334,459	81,924	-	416,383
- Changes in the contractual service margin due to recognition of a loss-recovery component from onerous underlying contracts	-	-	-	-
Changes that relate to past services				
-Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	-	-
Reinsurance finance income	**432,857**	**95,834**	**1,255**	**529,946**
Effect of changes in non-performance risk of reinsurers	**-**	**-**	**-**	**-**
Total changes in the statement of comprehensive income	**432,826**	**(581,573)**	**(8,070)**	**(156,817)**
Cash flows				-
Premiums paid	-	-	-	-
Amounts received	(3,231,352)	-	-	(3,231,352)
Total cash flows	(3,231,352)	-	-	(3,231,352)
Net closing balance 31 May 2026	**7,653,698**	**1,294,120**	**21,384**	**8,969,202**
Closing assets	7,653,698	1,294,120	21,384	8,969,202
Closing liabilities	-	-	-	-
Net closing balance	**7,653,698**	**1,294,120**	**21,384**	**8,969,202**

12. Insurance and reinsurance contracts (continued)

Reconciliation of changes in reinsurance contracts by components

The following table shows the reconciliation from the opening to the closing balances of the net reinsurance contracts held for claims acquired analysed by components.

Professional indemnity – reinsurance contracts held -claims acquired	Estimates of present value of future cash flows	Risk adjustment	Contractual service margin	Total
	USD	USD	USD	USD
Opening assets	-	-	-	-
Opening liabilities	-	-	-	-
Net opening balance 1 June 2024	-	-	-	-
Changes that relate to current services				
- Contractual service margin recognised for services provided	-	-	209,478	209,478
- Risk adjustment recognised for the risk expired	-	(569,926)	-	(569,926)
- Experience adjustments	(2,296,951)	-	-	(2,296,951)
Changes that relate to future services				
- Contracts initially recognised in the period	(2,256,135)	2,256,135	-	-
- Changes in estimates that adjust the contractual service margin	883,700	166,180	(1,049,880)	-
- Changes in estimates that do not adjust the contractual service margin	-	-	-	-
- Changes in the contractual service margin due to recognition of a loss-recovery component from onerous underlying contracts	-	-	880,864	880,864
Changes that relate to past services				
-Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	-	-
Reinsurance finance income	**193,212**	**23,304**	**(11,008)**	**205,508**
Effect of changes in non-performance risk of reinsurers	**-**	**-**	**-**	**-**
Total changes in the statement of comprehensive income	**(3,476,174)**	**1,875,693**	**29,454**	**(1,571,027)**
Cash flows				-
Premiums paid	14,253,616			14,253,616
Amounts received	(325,218)			(325,218)
Total cash flows	13,928,398			13,928,398
Net closing balance 31 May 2025	**10,452,224**	**1,875,693**	**29,454**	**12,357,371**
Closing assets	**10,452,224**	**1,875,693**	**29,454**	**12,357,371**
Closing liabilities	-	-	-	-
Net closing balance	**10,452,224**	**1,875,693**	**29,454**	**12,357,371**

12. Insurance and reinsurance contracts (continued)

(a) Professional indemnity – insurance contracts acquired

The components of new business for insurance contracts acquired included in the Professional indemnity – insurance contracts -claims acquired is disclosed in the table below:

	2026			2025		
	Contracts acquired		Total	Contracts acquired		Total
	Non-onerous	Onerous		Non-onerous	Onerous	
Professional indemnity – insurance contracts acquired						
- Estimate of present value of future cash outflows, excluding insurance acquisition cash flows	-	-	-	13,192,100	-	13,192,100
- Estimates of insurance acquisition cash flows	-	-	-	-	-	-
Estimate of present value of future cash outflows	-	-	-	13,192,100	-	13,192,100
Estimates of present value of future cash inflows	-	-	-	(15,474,340)	-	(15,474,340)
Risk adjustment	-	-	-	2,282,240	-	2,282,240
CSM				-	-	-
Losses on onerous contracts at initial recognition	**-**	**-**	**-**	**-**	**-**	**-**

(b) Reinsurance contracts held

The components of new business for reinsurance contracts held portfolios included in the Professional indemnity – reinsurance contracts held -claims acquired is disclosed in the table below:

	31 May 2026 Contracts held	31 May 2025 Contracts held
Reinsurance contract assets		
Estimate of present value of future cash inflows	-	14,253,616
Estimates of present value of future cash outflows	-	(11,997,481)
Risk adjustment	-	(2,256,135)
CSM	-	-
Cost of retroactive cover on reinsurance contract assets held	**-**	**-**

12. Insurance and reinsurance contracts (continued)

(c) CSM recognition in profit or loss

	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Insurance contracts issued							
Year ended 31 May 2026							
Professional indemnity – insurance contracts -claims acquired	-	-	-	-	-	-	-
Total							
Year ended 31 May 2025							
Professional indemnity – insurance contracts -claims acquired	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Reinsurance contracts held							
Year ended 31 May 2026							
Professional indemnity – reinsurance contracts held -claims acquired	4,875	4,242	3,028	2,527	1,397	5,315	**21,384**
Total	**4,875**	**4,242**	**3,028**	**2,527**	**1,397**	**5,315**	**21,384**
Year ended 31 May 2025							
Professional indemnity – reinsurance contracts held -claims acquired	7,118	5,836	4,401	3,356	2,365	6,378	**29,454**
Total	**7,118**	**5,836**	**4,401**	**3,356**	**2,365**	**6,378**	**29,454**

13. Cash and cash equivalents

	31 May 2026 USD	31 May 2025 USD
Current accounts with banks	1,102,944	3,622,191
Short term liquidity deposits	1,961,687	-
Cash and cash equivalents	**3,064,631**	**3,622,191**

The bank balances are repayable on demand and carry a variable interest rate. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above. Information about the Company's exposure to credit risk is disclosed in note 4 (b) iii.

14. Financial assets

	31 May 2026 USD	31 May 2025 USD
Debt instruments designated at fair value through profit or loss	11,140,137	12,793,061
Total	**11,140,137**	**12,793,061**

Investments are analysed as follows:

	31 May 2026 USD	31 May 2025 USD
Government bonds designated at fair value through profit or loss	11,140,137	12,793,061
Total	**11,140,137**	**12,793,061**

Investments, comprising principally marketable debt securities, are measured at fair value annually at the close of business on 31 May.

For investments traded in active markets, fair value is determined by reference to Stock Exchange quoted prices, as follows:

a) listed debt securities are valued by reference to quoted closing bid prices,
b) listed exchange-trade-funds are valued by reference to quoted closing bid prices, and
c) other listed equity investments, including money market funds and mutual funds, are valued by reference to the quoted closing net asset value (NAV) price.

For other investments, fair value is estimated by reference to the current market value of similar instruments or by reference to the discounted cash flows of the underlying assets.

Interest of USD 205,112 (2025: USD 378,392) from debt securities at FVTPL were recorded in profit or loss and presented in net investment income (note 9).

14. Financial assets (continued)

The following table shows the carrying amounts and fair values of assets and liabilities which are measured at fair value, including their levels in the fair value hierarchy. It does not include assets and liabilities which are not measured at fair value. The carrying amount of assets and liabilities which are not measured at fair value is a reasonable approximation of their fair value.

	Carrying amount USD	Level 1 USD	Level 2 USD	Level 3 USD
As at 31 May 2026				
Government bonds designated at fair value through profit or loss	11,140,137	11,140,137	-	-
Total	**11,140,137**	**11,140,137**	**-**	**-**
As at 31 May 2025				
Government bonds designated at fair value through profit or loss	12,793,061	12,793,061	-	-
Total	**12,793,061**	**12,793,061**	**-**	**-**

Transfers between levels

The Company considers that the classification of the FVTPL quoted equity securities in Level 1 category remains appropriate as at 31 May 2026. There were no transfers between Level 1 and Level 2 during the year ended 31 May 2026.

Listed investments

The fair values of investments traded on active liquid markets including investments in financial assets at fair value through profit or loss and at fair value through other comprehensive income, are determined with reference to quoted market prices. These investments are included within Level 1 of the hierarchy. For investments classified within Level 2 of the hierarchy, as a result of determining that the market is not highly active, the Company considers whether the quoted market price provides an accurate approximation of the asset's fair value. If not, then the Company considers whether an adjustment is required to the quoted price, or whether an alternative valuation technique should be applied to determine the fair value. None of the Company's financial assets are classified within Level 2 and 3 of the fair value hierarchy. Information about the Company's exposure to credit and market risks is included in notes 4 iii and 9 .

15. Current and deferred tax assets and liabilities

	31 May 2026 USD	31 May 2025 USD
Current tax assets	30,185	19,674
	30,185	**19,674**

16. Other receivables

	31 May 2026 USD	31 May 2025 USD
Other receivables	303,419	295,173
Prepayments	236,311	29,477
	539,730	**324,650**

The Board of Directors considers that the carrying amount of other receivables approximates their fair value.

17. Other payables

	31 May 2026 USD	31 May 2025 USD
Accrued expenses	167,490	162,922
Other payables	15,360	78,599
	182,850	**241,521**

The Board of Directors considers that the carrying amount of other payables approximates their fair value.

18. Share capital

	31 May 2026 USD	31 May 2025 USD
Balance at the beginning of the period	10,000,000	10,0000,000
Paid-up share capital	-	-
Balance at the end of the period	**10,00,000**	**10,000,000**

	31 May 2026 USD	31 May 2025 USD
Authorised		
10,000,000 ordinary shares at USD 1 each	10,000,000	10,000,000
Issued		
10,000,000 ordinary shares at USD 1 each	10,000,000	10,000,000

The issued and fully paid share capital consists of ordinary shares, and their holders are entitled to dividends and have one voting right per share. Retained earnings includes the total earnings for the period less dividends paid to shareholders. Retained earnings are distributable to the owners of the Company.

19. Related party transactions

The Company is controlled by International Transport Intermediaries Club Limited ("ITIC") a mutual company registered in England and Wales, which owns 100% of the Company's shares. ITIC has no share capital and is controlled by the members who are also the insureds. Subsequently, all insurance transactions are deemed to be between related parties but these are the only transactions between ITIC and its members. Some of the directors are current representatives of member companies and, other than the member interests of their companies, the directors have no financial interests in ITIC and the Company.

The Company's parent entity prepares consolidated financial statements available for public use that comply with the UK GAAP. These consolidated financial statements can be downloaded from ITIC's website at https://www.itic-insure.com/.

The Company reinsures on a proportional quota-share basis with Transport Intermediaries Mutual Insurance Association Limited ("TIMIA"), registered in Bermuda. The sole Members of TIMIA are its Directors, International Transport Intermediaries Club Limited and the Company (notes 3 and 4 (b) ii iii).

	Nature	**2026** USD	**2025** USD
Allocation of reinsurance premiums	Reinsurance	(11,761,559)	9,441,176
Amounts recoverable from reinsurers for incurred claims	Reinsurance	9,778,168	(5,253,992)
Total		(1,983,391)	4,187,184

	Nature	**31 May 2026** USD	**31 May 2025** USD
Reinsurance contract assets	Reinsurance	19,753,225	17,135,495
Total		**19,753,225**	**17,135,495**

Directors were remunerated as follows:

	Nature	**2026** USD	**2025** USD
Emoluments of non-executive directors			
- Other income and expense	Director fees	156,498	123,435
Total		156,498	123,435

Thomas Miller Cyprus Insurance Agency Limited provides key management personnel services for the Company, and their remuneration is included in the management fee (note 10).

20. Contingent liabilities

The Company had no contingent liabilities as at 31 May 2026.

21. Events after the reporting period

The Company is managed by Thomas Miller Cyprus Insurance Agency Limited which is part of the Thomas Miller Holdings group ("Thomas Miller"). In late 2025, The United Kingdom Mutual Steam Ship Assurance Association Limited ("UK P&I") and Through Transport Mutual Insurance Association Limited ("TT Club"), two clubs also managed by Thomas Miller, announced their intentions to combine. To date and in accordance with press releases, the two clubs have made good progress in respect of their combination. Concurrently, UK P&I and TT Club have together submitted a proposal for the acquisition of the entirety of the share capital Thomas Miller not already owned by UK P&I Club. In response to these developments, the Company and its parent are in the process of considering their positions. Management does not foresee that any plans shall, in anyway, affect the appropriateness of the basis of preparation of these financial statements. There were no other material events after the reporting period, which have a bearing on the understanding of the financial statements.