2024 INTERIM RESULTS

Ecclesiastical Insurance Office public limited company **24 September 2024**

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

Financial highlights

- Gross Written Premiums (GWP)[2] continued to grow, rising to £301.1m (H1 2023: £288.2m). This was driven by new business wins and supported by strong retention and customer loyalty. In the UK and Ireland, GWP rose by 11.3% from £190.9m to £212.5m.
- For general insurance, we reported a strong underwriting profit[2] of £20.4m (H1 2023: £0.3m). This result benefited from a more stable claims environment thanks to fewer major events compared to H1 2023.
- Overall profit before tax of £41.4m (H1 2023: £10.2m), achieved through a substantial insurance service result of £36.8m (H1 2023: £23.0m) and boosted by an investment result of £34.6m (H1 2023: £14.7m), driven by fair value movements in our equities portfolio.
- Our capital position remains strong with Moody's and AM Best ratings remaining Stable. This gives confidence we can deliver for our customers, clients and partners whilst maintaining our capital strength.

Key achievements

- Ecclesiastical UK continued its growth into new sectors with the launch of its new Office Professions product in July 2024, for office-based businesses providing professional services, and widened its leisure appetite following a successful launch in 2023.
- Our insurance businesses continue to be recognised for their award-winning service with prestigious awards including:
    - Ecclesiastical UK home insurance was placed top of the Fairer Finance table in its Spring ratings and first for both customer trust and customer happiness.
    - Ecclesiastical UK once again received the Gracechurch Service Quality Marque, reflecting its outstanding service quality for claims handling.
    - Ecclesiastical Ireland received the Investors in Diversity Bronze Award.
    - Ecclesiastical Canada was again named one of Greater Toronto's Top Employers for 2024, achieving the title for the sixth consecutive year. The business also received the Excellence in Philanthropy & Community Service and P&C Insurer of the Year awards at Insurance Business Canada's Excellence Awards 2023.
- As part of our mission to contribute to the greater good of society, we announced a grant of £8m to our charitable owner Benefact Trust in respect of our first half performance. This brings the total given to good causes in the past decade to £231m – and keeps us on course to deliver our ambition to give £250m to good causes by the end of 2025.
- We continued to invest in our teams, promoting and recruiting talent across all our territories, as part of our drive to be a world-class employer.

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

"We are clearly delighted by these results and would like to thank all our supporters for their help in growing our business so that we can give even more to good causes, transforming lives and communities in this country and abroad. The first half of 2024 saw continued positive trading momentum in the UK with excellent growth in premiums, both in our existing specialisms and in our new Leisure sector, which launched last year and has driven 20% of our open market new business.

"In the UK we continued our expansion into adjacent sectors with the launch of our Office Professions product in July 2024, targeted at all clerical-based office risks, such as accountants, architects, estate agents, lawyers, insurance brokers, call centres, graphic designers, and consultants. Alongside this we expanded our distribution capabilities with the introduction of our digital portal Schemes+ to help brokers manage their schemes more effectively.

"For general insurance, we reported a strong underwriting profit of £20.4m, helped by a more stable claims environment and our continued focus on protecting our prestigious portfolio of heritage properties, both in the UK and abroad. As a specialist insurer, we are trusted to safeguard some of the nation's most beloved buildings, and we take that responsibility very seriously, helping our customers to manage their risks effectively through our best-in-class risk management advice and guidance. And when the time comes for a customer to make a claim, our award-winning claims team is there to help. Our commitment to excellent customer service was recognised with multiple award wins in the first half of the year, including being awarded Gracechurch's Service Quality Marque for the third year running, and Fairer Finance's Home Insurance First Place Gold Ribbon for the 19th consecutive time.

“As a business with a purpose to contribute to the greater good of society, we donated £8m earlier this year to charity in respect of 2023 performance and I’m delighted that we’ve agreed to donate a further £8m, which will fund grants to those most in need in society. Thanks to all our supporters, we are now the third biggest corporate donor to charity in the UK[3] and this brings our total giving since 2014 to £231m and keeps us on course to meet our ambition to give £250m to good causes by the end of 2025.

“I’d like to thank all our colleagues, brokers, customers, and partners for their continued support for our unique business. Every one of them is helping us give even more to good causes and making a real difference in the world.”

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

[2] The Group uses Alternative Performance Measures (APMs) to help explain performance. More information on APMs is included in note 17.

[3] Directory of Social Change’s The Guide to UK Company Giving 2023/24.

Financial Highlights

	H1 2024	H1 2023
Insurance revenue	£311.7m	£284.1m
Insurance service result	£36.8m	£23.0m
Net investment result	£34.6m	£14.7m
Profit before tax	£41.4m	£10.2m
Group combined operating ratio[4]	88.6%	99.8%

	30 June 2024	31 December 2023
Net asset value	£648.5m	£628.9m
Solvency II capital cover (Ecclesiastical solo)	275%	254%

[4] The Group uses Alternative Performance Measures (APMs) to help explain performance. More information on APMs is included in note 17.

The Group has achieved an excellent six months of trading with premium growing 4.5% to over £300m and a Combined Operating Ratio (COR) of 88.6% (H1 2023: 99.8%). Underwriting performance has benefitted from benign weather claims and, together with a strong net investment result to £34.6m (H1 2023: £14.7m), has resulted in a profit before tax of £41.4m (H1 2023: £10.2m).

On an IFRS basis, the Group reported an insurance services result of £36.8m (H1 2023: £23.0m).

General Insurance – UK and Ireland

UK and Ireland reported GWP growth of 11.3% to £212.5m in the six months to 30 June 2024 (H1 2023: £190.9m). This has been driven by strong retention, supported by targeted rate strengthening and new business wins. The business reported an underwriting profit of £18.0m and a COR of 84.2% (H1 2023: £6.5m loss, COR 106.6%).

The underwriting profit at half-year benefited from benign weather claims. In comparison, H1 2023 was adversely impacted by a large claim in relation to the St Mark’s Church fire in London.

General Insurance – Canada

The Canadian business reported GWP of £37.7m, a reduction of 4.0% in local currency compared to the prior half year period of £40.3m. This was primarily as a result of increased competition in the retirement sector and the non-renewal of certain accounts.

The business reported an underwriting profit of £6.3m (H1 2023: £5.0m) and a COR of 83.2% (H1 2023: 86.8%), driven by favourable development of prior period claims. The current period loss includes the impact of the ‘Western Deep Freeze’ weather event in January but remains in a strong position.

General Insurance – Australia

The Australian business reported an 8.3% decrease in local currency GWP to £47.9m (H1 2023: £54.2m), primarily driven by lapses in line with strategy and lower retention in SME and mid-market portfolios. The business reported an underwriting loss of

£1.1m (H1 2023: £0.5m) and a COR of 104.9% (H1 2023: 97.8%), largely driven by adverse development of historical business interruption claims.

Investment Returns

There was a significant improvement in the net investment result for the first half of the year resulting in a profit of £34.6m (H1 2023: £14.7m). Investment income increased to £24.6m (H1 2023: £21.1m). Fair value profits of £10.1m in the first half of the year (H1 2023: £6.4m losses), were primarily due to unrealised profits on unlisted equities.

The Group continues to navigate the uncertain geopolitical and economic environment and remains committed to its long-term investment philosophy. The Group is well-diversified and relatively defensively positioned.

Life Business

The life business provides products which give guarantees for pre-paid funeral planning products sold by the Funeral Planning business in Benefact Group (Ecclesiastical Planning Services Limited). A legacy book remains closed to new business. The life business reported a profit before tax of £0.3m at the half year (H1 2023: £0.5m).

Balance Sheet and Capital Position

In the first half of the year, total shareholders' equity increased by £19.6m to £648.5m. Underwriting profits and investment returns were offset by a £8.0m charitable grant paid to the Company's ultimate shareholder, Benefact Trust Limited, in relation to 2023 performance and a dividend on preference shares. Our capital position remains robust with Solvency II capital ratio cover for Ecclesiastical solo increasing to 275% from 254%.

Strategic Highlights

The Ecclesiastical Insurance Office Group (Group) is part of the wider Benefact Group, a diverse family of specialist financial services businesses. The Benefact Group is proud of its owner, the Benefact Trust, and inspired by its charitable purpose. The businesses within Benefact Group are specialists within their own field united by a common purpose to give all available profits to charity and are driven by a common ambition to be trusted by customers, clients and business partners to do the right thing. These principles set the Benefact Group apart from others in the financial services sector, as its portfolio of businesses seek to contribute to the greater good.

Stretching targets were set for all general insurance teams to achieve profitable gross written premium growth across all geographies. This planned growth enables the insurance businesses that comprise the Ecclesiastical Insurance Office Group to contribute to the Benefact Group's ambition to 'Grow to Give'.

As part of the Benefact Group, the Group is aligned with its overarching strategy and strategic focus. The Group has continued to strengthen its positioning as a trusted specialist in its markets, leading to growth through developing its proposition, entering new segments and by improving efficiency.

This strong performance is underpinned by strategic investment in its capabilities, operations and people to drive business benefit and in turn enable charitable giving to its communities. This investment is made possible by the Group's resilience and financial strength.

Principal Risks and Uncertainties

The principal risks and uncertainties faced by the Group and our approach to managing them are outlined in our latest annual report which is available on www.ecclesiastical.com and in note 4 to these condensed financial statements. There has been no change to the principal risks and uncertainties since the year end.

Board Changes

During 2024, we are focusing on reshaping the Boards of Ecclesiastical Insurance Office plc and Benefact Group plc to increase the independence of Ecclesiastical Insurance Office plc and have reduced the commonality of membership. James Coyle, Maria Darby-Walker and the Venerable Karen Best were appointed to the Board of Ecclesiastical Insurance Office plc in May, July and August 2024 respectively. On 24 September 2024 Rita Bajaj and Chris Moulder stepped down from the Board of Ecclesiastical Insurance Office plc, but will continue as directors of Benefact Group plc, and Sir Stephen Lamport, Angus Winther and Francois Boisseau stepped down from the Board of Benefact Group plc but will continue as directors of Ecclesiastical Insurance Office plc.

In addition, Denise Cockrem, Chief Financial Officer, retired in June 2024. We are grateful for all that Denise has helped the Group achieve during her six years in the role. A process to appoint her successor is underway and Mark Bennett, Chief Actuary, is acting Chief Financial Officer in the interim.

Outlook

As we look ahead to the remainder of 2024, we remain cautiously optimistic about the prospects for our business amidst a complex and evolving economic landscape.

We are committed to deliver profitable growth so that we are able to give more and are focussing on ways in which we can deliver even better customer value and reach additional customers and customer groups while retaining our strong underwriting and risk management disciplines.

Sustainability and corporate responsibility are integral to our strategy. We are making significant strides in our sustainability initiatives. These efforts are expected to drive long-term value creation and align with evolving regulatory requirements and stakeholder expectations.

There is continued investment in updating the systems that support underwriting. Other investment has focused on continued improvement in organisational resilience and exploiting data as an asset. Alongside this, there has been a significant focus on building a World Class Team, with the Group committed to building on its inclusive culture where every colleague feels valued, respected and treated fairly.

Everything that the Group does is aimed at contributing to the greater good. Our charitable giving and our Movement for Good programme will continue to transform lives for the better.

By order of the Board
Mark Hews
Group Chief Executive
24 September 2024

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the 6 months to 30 June 2024

	Notes	**30.06.24 6 months £000**	30.06.23 6 months £000	31.12.23 12 months £000
Insurance revenue	13	**311,734**	284,082	586,484
Insurance service expenses	13	**(228,611)**	(225,820)	(408,584)
Insurance service result before reinsurance contracts held		**83,123**	58,262	177,900
Net expense from reinsurance contracts	13	**(46,305)**	(35,265)	(107,174)
Insurance service result		**36,818**	22,997	70,726
Net insurance financial result	13	**(250)**	2,606	(19,540)
Net investment result	7	**34,636**	14,737	57,469
Fee and commission income		**218**	-	-
Other operating expenses		**(28,477)**	(28,454)	(60,751)
Other finance costs		**(1,507)**	(1,638)	(3,151)
Profit before tax		**41,438**	10,248	44,753
Tax expense	8	**(9,486)**	(2,806)	(8,018)
Profit for the financial period from continuing operations		**31,952**	7,442	36,735
Net profit attributable to discontinued operations		**-**	718	719
Profit for the financial period		**31,952**	8,160	37,454

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the 6 months to 30 June 2024

	30.06.24 6 months £000	30.06.23 6 months £000	31.12.23 12 months £000
Profit for the period	**31,952**	8,160	37,454
Other comprehensive (expense)/income			
Items that will not be reclassified subsequently to profit or loss:			
Fair value gains on property	**-**	-	850
Actuarial (losses)/gains on retirement benefit plans	**(827)**	(595)	5,103
Attributable tax	**207**	149	(1,492)
	(620)	(446)	4,461
Items that may be reclassified subsequently to profit or loss:			
Losses on currency translation differences	**(3,046)**	(6,873)	(4,024)
Gains on net investment hedges	**2,482**	5,827	4,860
Attributable tax	**(576)**	(1,112)	(688)
	(1,140)	(2,158)	148
Net other comprehensive (expense)/income	**(1,760)**	(2,604)	4,609
Total comprehensive income	**30,192**	5,556	42,063

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the 6 months to 30 June 2024

	Share capital £000	Share premium £000	Revaluation reserve £000	Translation and hedging reserve £000	Retained earnings £000	Total £000
2024						
At 1 January	**120,477**	**4,632**	**857**	**19,704**	**483,246**	**628,916**
Profit for the period	**-**	**-**	**-**	**-**	***31,952***	***31,952***
Other net expense	**-**	**-**	**-**	***(1,140)***	***(620)***	***(1,760)***
Total comprehensive (expense)/income	**-**	**-**	**-**	**(1,140)**	**31,332**	**30,192**
Dividends on preference shares	**-**	**-**	**-**	**-**	**(4,591)**	**(4,591)**
Gross charitable grant	**-**	**-**	**-**	**-**	**(8,000)**	**(8,000)**
Tax relief on charitable grant	**-**	**-**	**-**	**-**	**2,000**	**2,000**
At 30 June	**120,477**	**4,632**	**857**	**18,564**	**503,987**	**648,517**
2023						
At 1 January	120,477	4,632	222	19,556	465,596	610,483
Profit for the period	-	-	-	-	*8,160*	*8,160*
Other net expense	-	-	-	*(2,158)*	*(446)*	*(2,604)*
Total comprehensive (expense)/income	-	-	-	(2,158)	7,714	5,556
Dividends on ordinary shares	-	-	-	-	(5,223)	(5,223)
Dividends on preference shares	-	-	-	-	(4,591)	(4,591)
Gross charitable grant	-	-	-	-	(6,000)	(6,000)
At 30 June	120,477	4,632	222	17,398	457,496	600,225
2023						
At 1 January	120,477	4,632	222	19,556	465,596	610,483
Profit for the year	-	-	-	-	*37,454*	*37,454*
Other net income	-	-	*635*	*148*	*3,826*	*4,609*
Total comprehensive income	-	-	635	148	41,280	42,063
Dividends on ordinary shares	-	-	-	-	(5,223)	(5,223)
Dividends on preference shares	-	-	-	-	(9,181)	(9,181)
Gross charitable grant	-	-	-	-	(13,000)	(13,000)
Tax relief on charitable grant	-	-	-	-	3,837	3,837
Group tax relief in excess of standard rate	-	-	-	-	(63)	(63)
At 31 December	120,477	4,632	857	19,704	483,246	628,916

The revaluation reserve represents cumulative net fair value gains on owner-occupied property. Further details of the translation and hedging reserve are included in note 12.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2024

	Notes	**30.06.24**	30.06.23	31.12.23
		£000	£000	£000
Assets				
Cash and cash equivalents		**84,884**	100,736	112,082
Financial investments	10	**974,950**	867,122	941,755
Current tax recoverable		**1,817**	3,257	5,181
Reinsurance contract assets	13	**244,045**	250,302	220,108
Investment property		**126,634**	135,088	130,813
Pension assets		**18,361**	14,231	19,788
Property, plant and equipment		**33,316**	30,723	34,183
Goodwill and other intangible assets		**26,835**	28,429	25,866
Deferred tax assets		**7,906**	7,923	8,483
Other assets		**180,283**	153,964	165,104
Total assets		**1,699,031**	1,591,775	1,663,363
Equity				
Share capital		**120,477**	120,477	120,477
Share premium account		**4,632**	4,632	4,632
Retained earnings and other reserves		**523,408**	475,116	503,807
Total shareholders' equity		**648,517**	600,225	628,916
Liabilities				
Insurance contract liabilities	13	**784,498**	778,083	781,842
Investment contract liabilities		**117,353**	74,992	95,886
Current tax liabilities		**799**	910	2,931
Lease obligations		**20,554**	17,487	21,687
Retirement benefit obligations		**4,438**	4,781	4,801
Subordinated liabilities	14	**25,539**	25,363	25,853
Provisions for other liabilities		**9,822**	8,932	6,330
Deferred tax liabilities		**41,148**	37,096	37,838
Other liabilities		**46,363**	43,906	57,279
Total liabilities		**1,050,514**	991,550	1,034,447
Total shareholders' equity and liabilities		**1,699,031**	1,591,775	1,663,363

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the 6 months to 30 June 2024

		*Restated**	
	30.06.24	30.06.23	31.12.23
	6 months	6 months	12 months
	£000	£000	£000
Profit before tax from continuing operations	**41,438**	10,248	44,753
Profit before tax from discontinued operations	**-**	718	719
Adjustments for:			
Depreciation of property, plant and equipment	**3,139**	2,863	5,879
Revaluation of property, plant and equipment	**-**	-	(35)
Profit on disposal of property, plant and equipment	**16**	-	2
Amortisation and impairment of intangible assets	**1,579**	2,389	5,583
Movement in expected credit loss provision	**31**	(1,272)	(1,255)
Profit on disposal of subsidiary	**-**	(718)	(718)
Net fair value (gains)/losses on financial instruments and investment property	**(10,051)**	6,406	(12,928)
Dividend and interest income	**(19,751)**	(16,868)	(35,077)
Finance costs	**1,507**	1,638	3,151
Other adjustments for non-cash items	**242**	325	1,560
	18,150	5,729	11,634
Changes in operating assets and liabilities:			
Net (increase)/decrease in reinsurance contract assets	**(25,948)**	(17,851)	13,974
Net increase in investment contract liabilities	**21,467**	16,513	37,407
Net increase in insurance contract liabilities	**8,829**	6,096	6,430
Net increase in other assets	**(14,380)**	(11,743)	(16,857)
Net (decrease)/increase in other liabilities	**(5,094)**	3,403	11,615
Cash generated by operations	**3,024**	2,147	64,203
Purchases of financial instruments and investment property	**(81,607)**	(74,523)	(202,338)
Sale of financial instruments and investment property	**56,583**	66,247	147,364
Dividends received	**5,784**	5,156	10,452
Interest received	**12,729**	10,417	23,618
Tax paid	**(2,745)**	(459)	(2,705)
Net cash (used by)/from operating activities	**(6,232)**	8,985	40,594
Cash flows from investing activities			
Purchases of property, plant and equipment	**(2,334)**	(318)	(2,358)
Proceeds from the sale of property, plant and equipment	**-**	18	296
Purchases of intangible assets	**(2,576)**	(614)	(1,245)
Net cash used by investing activities	**(4,910)**	(914)	(3,307)
Cash flows from financing activities			
Interest paid	**(1,256)**	(1,227)	(2,491)
Payment of lease liabilities	**(1,130)**	(3,578)	(3,128)
Dividends paid to Company's shareholders	**(4,591)**	(4,591)	(9,181)
Charitable grant paid to ultimate parent undertaking	**(8,000)**	-	(13,000)
Net cash used by financing activities	**(14,977)**	(9,396)	(27,800)
Net (decrease)/increase in cash and cash equivalents	**(26,119)**	(1,325)	9,487
Cash and cash equivalents at the beginning of the period	**112,082**	104,664	104,664
Exchange losses on cash and cash equivalents	**(1,079)**	(2,603)	(2,069)
Cash and cash equivalents at the end of the period	**84,884**	100,736	112,082

* The comparative financial statements have been restated to exclude £5.2m of cash from both the opening cash balance and from the cash flows related to the disposal of interest in a subsidiary. This adjustment was made to correct the presentation of these cash flows. The opening cash balance as of 30 June 2023 has been reduced from £109.8m to £104.7m. The cash flows related to the disposal of interest in the subsidiary have been reduced from £5.2m to £nil.

NOTES TO THE CONDENSED SET OF FINANCIAL STATEMENTS

1. General information and basis of preparation

Ecclesiastical Insurance Office plc (hereafter referred to as the 'Company', or 'Parent'), a public limited company incorporated and domiciled in England, together with its subsidiaries (collectively, the 'Group') operates principally as a provider of general insurance with offices in the UK & Ireland, Australia and Canada. The principal accounting policies adopted in preparing the International Financial Reporting Standards (IFRS) financial statements of the Group and Parent are set out below.

The annual financial statements are prepared in accordance with UK adopted International Accounting Standards and the Disclosure Guidance and Transparency Rules issued by the Financial Conduct Authority. The condensed consolidated financial statements included in the 2024 interim results has been prepared in accordance with UK adopted IAS 34 *Interim Financial Reporting* and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority.

The information for the year ended 31 December 2023 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The comparative results for the year ended 31 December 2023 have been taken from the Group's 2023 Annual Report and Accounts. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditor reported on those accounts: its report was unqualified, did not draw attention to any matters by way of emphasis without qualifying the report, and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

These condensed consolidated interim financial statements were approved by the Board on 24 September 2024 and were reviewed by the Group's statutory auditor but not audited.

The Directors have assessed the going concern status of the Group. The Directors have considered the Group's plans and forecasts, financial resources, investment portfolio and solvency position. The Group's forecasts and projections, taking into account plausible scenarios, show that the group will have adequate resources to continue operating over a period of at least 12 months from the approval of the condensed consolidated interim financial statements. Accordingly, the Directors continue to adopt the going concern basis in preparing the consolidated interim financial statements.

2. Accounting policies

The same accounting policies and methods of computation are followed in the consolidated interim financial statements as applied in the Group's latest audited annual financial statements except for the new standards, interpretations and amendments that became effective in the current period, as stated below.

The following standards and amendments were in issue but not yet effective and have not been applied to these condensed financial statements:

- IFRS 18 *Presentation and Disclosure in Financial Statements* was issued on 9 April 2024, effective for periods beginning on or after 1 January 2027. The new standard sets out the requirements for presentation and disclosure of financial statements, aiming to improve the structure and content of the primary financial statements. As of 30 June 2024, it was not practicable to determine what the potential impact would be on the Group's financial statements disclosures once the standard is adopted.
- Amendments to the Classification and Measurement Requirements for Financial Instruments in IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*

  These amendments were issued on 30 May 2024, effective for periods beginning on or after 1 January 2026. These amendments improve the requirements in IFRS 9 and IFRS 7 related to settling financial liabilities using an electronic payment system; and assessing contractual cash flow characteristics of financial assets, including those with environmental, social and governance (ESG)-linked features.

  The amendments also modify disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and add disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs. The adoption of this standard may have a significant impact on how the Group's income statement is presented and may potentially impact disclosures on our alternative performance metrics. The Group is currently assessing the impact of adopting this standard.

3. Adoption of new and revised accounting standards

The following new or revised IFRS standards, interpretations and amendments to IFRS standards became effective for reporting periods starting on 1 January 2024. None of these changes had a significant impact on the condensed consolidated interim financial statements of the Group:

Amendments to IAS 1 *Presentation of Financial Statements*:

• Classification of Liabilities as Current or Non-current (issued on 23 January 2020);

• Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 15 July 2020); and

• Non-current Liabilities with Covenants (issued on 31 October 2022)

Amendments to IFRS 16 *Leases: Lease Liability in a Sale and Leaseback* (issued on 22 September 2022)

Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments - Disclosures: Supplier Finance Arrangements* (issued on 25 May 2023)

4. Critical accounting estimates and judgements

In preparing these interim financial statements and applying the Group’s accounting policies, the Directors have made judgements and estimates based on their best knowledge of current circumstances and expectation of future events. The judgements made in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 31 December 2023 consolidated financial statements. Estimates and their underlying assumptions continue to be reviewed on an ongoing basis with revisions to estimates being recognised prospectively. There have been no significant changes since 31 December 2023.

Pensions

The outcome of the Court of Appeal's judgement in the case of Virgin Media v NTL Trustees, which was released on 25 July, is being considered. The relevance and implications, if any, of this ruling for the Ecclesiastical defined benefit pension scheme are not yet known.

5. Risk management

The principal risks and uncertainties, together with details of the financial risk management objectives and policies of the Group, have not changed significantly during the first half of the year. These risks are disclosed in the latest annual report.

6. Segment information

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

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

The activities of each operating segment are described below.

- **General insurance business**

  United Kingdom and Ireland

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

  Australia

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

  Canada

  The Group operates a general insurance Ecclesiastical branch in Canada.

  Other insurance operations

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

- **Life business**

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

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

Segment performance

The Group uses the following key measures to assess the performance of its operating segments:

- Gross written premium
- Underwriting result
- Investment return

Gross written premium is the measure used in internal reporting for turnover of the general and life insurance business segments. The underwriting result is used as a measure of profitability of the insurance business segments. The investment return is used as a profitability measure of the Group's investments. Gross written premium and underwriting result are attributed to the geographical region in which the customer is based.

The Group also uses net combined operating ratio (COR) as a measure of underwriting efficiency. The COR expresses the total of net claims costs, commission and underwriting expenses as a percentage of net earned premiums. Further details on the gross written premiums, underwriting profit or loss and COR, which are alternative performance measures, are detailed in note 17.

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

All other segment results consist of the profit or loss before tax measured in accordance with IFRS.

Segment gross written premiums

	30.06.24 6 months £000	30.06.23 6 months £000	31.12.23 12 months £000
General business			
United Kingdom and Ireland	**212,471**	190,949	399,716
Australia	**47,864**	54,238	102,668
Canada	**37,656**	40,329	106,937
Other insurance operations	**3,305**	2,681	5,686
Total	**301,296**	288,197	615,007
Life business	**(236)**	(23)	(24)
Group gross written premium	**301,060**	288,174	614,983

Segment results

6 months ended 30 June 2024	***Combined operating ratio***	**Underwriting £000**	**Investments £000**	**Other £000**	**Total £000**
General business					
United Kingdom and Ireland	**84.2%**	**18,048**	**31,235**	**(1,320)**	**47,963**
Australia	**104.9%**	**(1,121)**	**1,536**	**107**	**522**
Canada	**83.2%**	**6,337**	**3,353**	**(484)**	**9,206**
Other insurance operations		**(2,825)**	**-**	**93**	**(2,732)**
	88.6%	**20,439**	**36,124**	**(1,604)**	**54,959**
Life business		**320**	**693**	**-**	**1,013**
Corporate costs		**-**	**-**	**(14,534)**	**(14,534)**
Profit/(loss) before tax		**20,759**	**36,817**	**(16,138)**	**41,438**

6 months ended 30 June 2023	*Combined operating ratio*	Underwriting £000	Investments £000	Other £000	Total £000
General business					
United Kingdom and Ireland	106.6%	(6,465)	13,692	(1,334)	5,893
Australia	97.8%	462	3,512	(454)	3,520
Canada	86.8%	4,993	2,063	(65)	6,991

Other insurance operations		1,357	-	-	1,357
	99.8%	347	19,267	(1,853)	17,761
Life business		457	1,950	-	2,407
Corporate costs		-	-	(10,639)	(10,639)
Other activities		-	-	719	719
Profit/(loss) before tax		804	21,217	(11,773)	10,248

12 months ended 31 December 2023	*Combined operating ratio*	Underwriting £000	Investments £000	Other £000	Total £000
General business					
United Kingdom and Ireland	92.1%	16,371	30,751	(2,640)	44,482
Australia	113.4%	(5,120)	6,031	(377)	534
Canada	80.4%	14,924	6,500	(134)	21,290
Other insurance operations		(1,655)	(1,027)	87	(2,595)
	92.6%	24,520	42,255	(3,064)	63,711
Life business		1,240	3,881	-	5,121
Corporate costs		-	-	(24,079)	(24,079)
Profit/(loss) before tax		25,760	46,136	(27,143)	44,753

7. Net investment result

	30.06.24 6 months £000	30.06.23 6 months £000	31.12.23 12 months £000
Investment income	**24,585**	21,143	44,506
Fair value movements on financial instruments at fair value through profit or loss	**14,044**	(3,544)	19,579
Fair value movements on investment property	**(3,993)**	(2,862)	(6,651)
Fair value movements on property, plant and equipment	**-**	-	35
Net investment result	**34,636**	14,737	57,469

8. Tax

Income tax for the six month period is calculated at rates representing the best estimate of the average annual effective income tax rate expected for the full year, applied to the pre-tax result of the six month period.

Deferred tax is provided in full on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Deferred tax is measured using tax rates expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled, based on tax rates and laws which have been enacted or substantively enacted at the period-end date.

9. Preference shares

Interim dividends paid on the 8.625% Non-Cumulative Irredeemable Preference shares amounted to £4.6m (H1 2023: £4.6m). At the point these dividends were paid, consideration was given to the distributable reserves and capital position.

10. Financial investments

Financial investments summarised by measurement category are as follows:

	30.06.24 £000	*Restated** 30.06.23 £000	31.12.23 £000
Financial investments at fair value through profit or loss			
Equity securities			

- listed	**257,897**	232,347	250,106
- unlisted	**87,044**	79,140	76,898
Debt securities			
- government bonds	**209,342**	217,761	202,251
- listed	**305,773**	261,098	316,672
Structured notes	**113,228**	73,952	94,970
Derivative financial instruments			
- options	**-**	100	-
- forwards	**1,652**	2,650	824
	974,936	867,048	941,721
Measured at amortised cost			
Other loans	**14**	74	34
Total financial investments	**974,950**	867,122	941,755

* The comparative financial statements have been restated to correctly classify derivatives as fair value through profit or loss, in accordance with IFRS 9 *Financial Instruments* and reflect the current year disclosures for composition of OEICs. OEICs previously included in equity securities but relating to bond OEICs have been restated in debt securities to better reflect the nature of the assets and requirements of IFRS 7.

11. Financial instruments held at fair value disclosures

IAS 34 requires that interim financial statements include certain disclosures about the fair value of financial instruments set out in IFRS 13 *Fair Value Measurement* and IFRS 7 *Financial Instruments: Disclosures*.

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

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

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

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

Instruments move between fair value hierarchies primarily due to increases or decreases in market activity or changes to the significance of unobservable inputs to valuation and are recognised at the date of the event or change in circumstances which caused the transfer.

	Fair value measurement at the end of the reporting period based on			
	Level 1	**Level 2**	**Level 3**	**Total**
30 June 2024	**£000**	**£000**	**£000**	**£000**
Financial assets at fair value through profit or loss				
Financial investments				
Equity securities	**257,897**	**-**	**87,044**	**344,941**
Debt securities	**514,560**	**555**	**-**	**515,115**
Structured notes	**-**	**113,228**	**-**	**113,228**
Derivatives	**-**	**1,652**	**-**	**1,652**
	772,457	**115,435**	**87,044**	**974,936**
30 June 2023 (restated*)				
Financial assets at fair value through profit or loss				
Financial investments				
Equity securities	232,348	-	79,139	345,338

Debt securities	478,047	812	-	445,008
Structured notes	-	73,952	-	73,952
Derivatives	-	2,750	-	2,750
	710,395	77,514	79,139	867,048
31 December 2023				
Financial assets at fair value through profit or loss				
Financial investments				
Equity securities	250,106	-	76,898	327,004
Debt securities	516,844	2,079	-	518,923
Structured notes	-	94,970	-	94,970
Derivatives	-	824	-	824
	766,950	97,873	76,898	941,721

* The comparative financial statements have been restated to correctly classify derivatives as fair value through profit or loss, in accordance with IFRS 9 *Financial Instruments* and reflect the current year disclosures for composition of OEICs. OEICs previously included in equity securities but relating to bond OEICs have been restated in debt securities to better reflect the nature of the assets and requirements of IFRS 7.

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

	Equity securities £000
2024	
At 1 January	**76,898**
Total gains recognised in profit or loss	**10,146**
At 30 June	**87,044**
Total gains for the period included in profit or loss for assets held at the end of the reporting period	**10,146**
2023	
At 1 January	85,726
Total losses recognised in profit or loss	(6,587)
At 30 June	79,139
Total losses for the period included in profit or loss for assets held at the end of the reporting period	(6,587)
2023	
At 1 January	85,726
Total losses recognised in profit or loss	(8,780)
Disposal proceeds	(48)
At 31 December	76,898
Total losses for the period included in profit or loss for assets held at the end of the reporting period	(8,780)

All the above gains or losses included in profit or loss for the period are presented in the net investment result within the consolidated statement of profit or loss.

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

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

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

Non exchange-traded derivative contracts (Level 2)

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

Structured notes (Level 2)

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

Unlisted equity securities (Level 3)

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

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

	Change in variable	**Potential increase/ (decrease) in the valuation**		
		30.06.24	30.06.23	31.12.23
		£000	£000	£000
Increase in price-to-tangible book ratio	+10%	**8,704**	7,914	7,690
Decrease in price-to-tangible book ratio	-10%	**(8,704)**	(7,914)	(7,690)
Increase in illiquidity discount	+5%	**(5,120)**	(4,655)	(4,523)
Decrease in illiquidity discount	-5%	**5,120**	4,655	4,523

12. Translation and hedging reserve

	Translation reserve	**Hedging reserve**	**Total**
	£000	**£000**	**£000**
2024			
At 1 January	**14,814**	**4,890**	**19,704**
Losses on currency translation differences	**(3,046)**	**-**	**(3,046)**
Gains on net investment hedges	**-**	**2,482**	**2,482**
Attributable tax	**-**	**(576)**	**(576)**
At 30 June	**11,768**	**6,796**	**18,564**
2023			
At 1 January	18,838	718	19,556
Losses on currency translation differences	(6,873)	-	(6,873)
Gains on net investment hedges	-	5,827	5,827
Attributable tax	-	(1,112)	(1,112)
At 30 June	11,965	5,433	17,398
2023			
At 1 January	18,838	718	19,556
Losses on currency translation differences	(4,024)	-	(4,024)
Gains on net investment hedges	-	4,860	4,860
Attributable tax	-	(688)	(688)
At 31 December	14,814	4,890	19,704

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

13. Insurance contract liabilities and reinsurers' share of contract liabilities

		*Restated**	
	30.06.24	30.06.23	31.12.23
	£000	£000	£000
Gross			
General insurance contract liabilities for incurred claims	**645,822**	636,123	634,819

General insurance contract liabilities for remaining coverage	**86,122**	85,970	90,994
Life insurance contract liabilities for remaining coverage	**52,554**	55,990	56,029
Total gross insurance contract liabilities	**784,498**	778,083	781,842
Recoverable from reinsurers			
General reinsurance contract assets for incurred claims	**189,889**	196,572	179,928
General reinsurance contract assets for remaining coverage	**54,156**	53,730	40,180
Total reinsurers' share of insurance liabilities	**244,045**	250,302	220,108
Net			
General insurance contract liabilities for incurred claims	**455,933**	439,551	454,891
General insurance contract liabilities for remaining coverage	**31,966**	32,240	50,814
Life insurance contract liabilities for remaining coverage	**52,554**	55,990	56,029
Total net insurance liabilities	**540,453**	527,781	561,734

* The comparative financial statements have been restated to correctly classify insurance contract liabilities for remaining coverage between general and life insurance.

A risk adjustment of £61.9m net of reinsurance has been included in the measurement of closing net insurance contract liabilities, representing an increase over the half year of £0.7m (H1 2023: increase of £0.8m).

	Insurance contract liabilities			**Reinsurance contract assets**		
	General liabilities for remaining coverage £000	**General liabilities for incurred claims £000**	**Life liabilities for remaining coverage £000**	**General assets for remaining coverage £000**	**General assets for incurred claims £000**	**Total £000**
At 1 January 2023	93,140	636,638	59,263	(37,650)	(202,474)	548,917
Insurance revenue	(280,876)	-	(3,206)	-	-	(284,082)
Incurred claims and other insurance service expenses	-	171,199	-	-	-	171,199
Changes that relate to current service	-	-	3,169	-	-	3,169
Changes that relate to past service	-	(6,804)	-	-	-	(6,804)
Losses on onerous contracts and reversal of those losses	348	-	-	-	-	348
Insurance acquisition cash flows amortisation	57,908	-	-	-	-	57,908
Insurance service expenses	58,256	164,395	3,169	-	-	225,820
Insurance service result before reinsurance contracts held	(222,620)	164,395	(37)	-	-	(58,262)
Allocation of reinsurance premiums	-	-	-	76,104	-	76,104
Recoveries of incurred claims and other insurance service expenses	-	-	-	926	(48,524)	(47,598)
Changes that relate to past service	-	-	-	-	6,891	6,891
Recoveries of losses on onerous contracts and reversal of those losses	-	-	-	(132)	-	(132)
Net expense/(income) from reinsurance contracts	-	-	-	76,898	(41,633)	35,265
Insurance service result	(222,620)	164,395	(37)	76,898	(41,633)	(22,997)

Finance income from insurance contracts issued	-	(950)	(837)	-	-	(1,787)
Finance income from reinsurance contracts held	-	-	-	-	(819)	(819)
Net insurance financial result	-	(950)	(837)	-	(819)	(2,606)
Total amounts recognised in statement of profit or loss	(222,620)	163,445	(874)	76,898	(42,452)	(25,603)
Exchange differences	(1,893)	(16,733)	-	1,576	6,199	(10,851)
Premiums received	283,603	-	-	-	-	283,603
Insurance acquisition cash flows	(66,260)	-	-	-	-	(66,260)
Claims and other directly attributable expenses paid	-	(147,227)	(2,399)	-	-	(149,626)
Premiums paid	-	-	-	(94,554)	-	(94,554)
Amounts received	-	-	-	-	42,155	42,155
Total cash flows	217,343	(147,227)	(2,399)	(94,554)	42,155	15,318
At 30 June 2023	85,970	636,123	55,990	(53,730)	(196,572)	527,781
Insurance revenue	(299,099)	-	(3,303)	-	-	(302,402)
Incurred claims and other insurance service expenses	-	136,870	-	-	-	136,870
Changes that relate to current service	-	-	2,533	-	-	2,533
Changes that relate to past service	-	(17,743)	-	-	-	(17,743)
Losses on onerous contracts and reversal of those losses	(193)	-	-	-	-	(193)
Insurance acquisition cash flows amortisation	61,297	-	-	-	-	61,297
Insurance service expenses	61,104	119,127	2,533	-	-	182,764
Insurance service result before reinsurance contracts held	(237,995)	119,127	(770)	-	-	(119,638)
Allocation of reinsurance premiums	-	-	-	71,990	-	71,990
Recoveries of incurred claims and other insurance service expenses	-	-	-	4,087	(28,524)	(24,437)
Changes that relate to past service	-	-	-	-	24,133	24,133
Recoveries of losses on onerous contracts and reversal of those losses	-	-	-	223	-	223
Net expense/(income) from reinsurance contracts	-	-	-	76,300	(4,391)	71,909
Insurance service result	(237,995)	119,127	(770)	76,300	(4,391)	(47,729)
Finance expense from insurance contracts issued	-	25,052	3,465	-	-	28,517
Finance income from reinsurance contracts held	-	-	-	-	(6,371)	(6,371)
Net insurance financial result	-	25,052	3,465	-	(6,371)	22,146
Total amounts recognised in statement of profit or loss	(237,995)	144,179	2,695	76,300	(10,762)	(25,583)
Exchange differences	232	3,424	-	(647)	(979)	2,030
Premiums received	313,190	-	-	-	-	313,190
Insurance acquisition cash flows	(70,403)	-	-	-	-	(70,403)
Claims and other directly attributable expenses paid	-	(148,907)	(2,656)	-	-	(151,563)
Premiums paid	-	-	-	(62,103)	-	(62,103)
Amounts received	-	-	-	-	28,385	28,385

Total cash flows	242,787	(148,907)	(2,656)	(62,103)	28,385	57,506
At 31 December 2023	90,994	634,819	56,029	(40,180)	(179,928)	561,734
Insurance revenue	**(308,821)**	**-**	**(2,913)**	**-**	**-**	**(311,734)**
Incurred claims and other insurance service expenses	**-**	**163,577**	**-**	**-**	**-**	**163,577**
Changes that relate to current service	**-**	**-**	**2,793**	**-**	**-**	**2,793**
Changes that relate to past service	**-**	**(2,242)**	**-**	**-**	**-**	**(2,242)**
Losses on onerous contracts and reversal of those losses	**(290)**	**-**	**-**	**-**	**-**	**(290)**
Insurance acquisition cash flows amortisation	**64,773**	**-**	**-**	**-**	**-**	**64,773**
Insurance service expenses	**64,483**	**161,335**	**2,793**	**-**	**-**	**228,611**
Insurance service result before reinsurance contracts held	**(244,338)**	**161,335**	**(120)**	**-**	**-**	**(83,123)**
Allocation of reinsurance premiums	**-**	**-**	**-**	**82,432**	**-**	**82,432**
Recoveries of incurred claims and other insurance	**-**	**-**	**-**	**(795)**	**(39,543)**	**(40,338)**
Changes that relate to past service	**-**	**-**	**-**	**-**	**3,979**	**3,979**
Recoveries of losses on onerous contracts and reversal of those losses	**-**	**-**	**-**	**232**	**-**	**232**
Net expense/(income) from reinsurance contracts	**-**	**-**	**-**	**81,869**	**(35,564)**	**46,305**
Insurance service result	**(244,338)**	**161,335**	**(120)**	**81,869**	**(35,564)**	**(36,818)**
Finance expense/(income) from insurance contracts issued	**-**	**1,838**	**(203)**	**-**	**-**	**1,635**
Finance income from reinsurance contracts held	**-**	**-**	**-**	**-**	**(1,385)**	**(1,385)**
Net insurance financial result	**-**	**1,838**	**(203)**	**-**	**(1,385)**	**250**
Total amounts recognised in statement of profit or loss	**(244,338)**	**163,173**	**(323)**	**81,869**	**(36,949)**	**(36,568)**
Exchange differences	**(808)**	**(5,439)**	**-**	**502**	**1,495**	**(4,250)**
Premiums received	**302,115**	**-**	**-**	**-**	**-**	**302,115**
Insurance acquisition cash flows	**(61,841)**	**-**	**-**	**-**	**-**	**(61,841)**
Claims and other directly attributable expenses paid	**-**	**(146,731)**	**(3,152)**	**-**	**-**	**(149,883)**
Premiums paid	**-**	**-**	**-**	**(96,347)**	**-**	**(96,347)**
Amounts received	**-**	**-**	**-**	**-**	**25,493**	**25,493**
Total cash flows	**240,274**	**(146,731)**	**(3,152)**	**(96,347)**	**25,493**	**19,537**
At 30 June 2024	**86,122**	**645,822**	**52,554**	**(54,156)**	**(189,889)**	**540,453**

14. Subordinated debt

	30.06.24	30.06.23	31.12.23
	£000	£000	£000
6.3144% EUR 30m subordinated debt	**25,539**	25,363	25,853

Subordinated debt consists of a privately-placed issue of 20-year subordinated bonds, maturing in February 2041 and callable after February 2031. The Group's subordinated debt ranks below its senior debt and ahead of its preference shares and ordinary share capital.

Subordinated debt is stated at amortised cost.

15. Related party transactions

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

Charitable grants to the ultimate parent company are disclosed in the condensed consolidated statement of changes in equity.

There have been no material related party transactions in the period or changes thereto since the latest annual report which require disclosure.

16. Ultimate parent company and controlling party

The Company is a wholly-owned subsidiary of Benefact Group plc. Its ultimate parent and controlling company is Benefact Trust Limited. Both companies are incorporated in England and Wales and copies of their financial statements are available from the registered office. The parent companies of the smallest and largest groups for which group financial statements are drawn up are Ecclesiastical Insurance Office plc and Benefact Trust Limited, respectively.

17. Alternative Performance Measures

The Group uses alternative performance measures (APMs) in addition to the figures which are prepared in accordance with IFRS. The financial measures in our key financial performance data include gross written premiums and the combined operating ratio (COR). These measures are commonly used in the industries we operate in and we believe they provide useful information and enhance the understanding of our results.

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

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

		30.06.24 6 months £000
Gross written premiums		**301,296**
Change in the gross unearned premium provision		**7,262**
Insurance revenue	**[1]**	**308,558**

		30.06.24					
		Underwriting		**Investment return**	**Corporate costs**	**Other income and charges**	**Total**
		General £000	**Life £000**	**£000**	**£000**	**£000**	**£000**
Insurance revenue	**[1]**	**308,558**	**2,913**	**272**	**-**	**(9)**	**311,734**
Insurance service expenses		**(230,186)**	**(2,793)**	**4,359**	**-**	**9**	**(228,611)**
Insurance service result before reinsurance contracts held		**78,372**	**120**	**4,631**	**-**	**-**	**83,123**
Net expense from reinsurance contracts		**(46,305)**	**-**	**-**	**-**	**-**	**(46,305)**
Insurance service result		**32,067**	**120**	**4,631**	**-**	**-**	**36,818**
Net insurance financial result		**-**	**202**	**(452)**	**-**	**-**	**(250)**
Net investment result		**-**	**578**	**34,058**	**-**	**-**	**34,636**
Fee and commission income		**-**	**-**	**-**	**-**	**218**	**218**
Other operating expenses		**(11,628)**	**(580)**	**(1,420)**	**(14,534)**	**(315)**	**(28,477)**
Other finance costs		**-**	**-**	**-**	**-**	**(1,507)**	**(1,507)**
Profit/(loss) before tax	**[2]**	**20,439**	**320**	**36,817**	**(14,534)**	**(1,604)**	**41,438**

Reconciliation to net earned premiums

Insurance revenue	**[1]**	**308,558**
Outward reinsurance premiums earned		**(129,692)**
Net earned premiums	**[3]**	**178,866**
Combined operating ratio = ([3] - [2]) / [3]		**88.6%**

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

The Group uses the industry standard net combined operating ratio as a measure of underwriting efficiency. The COR expresses the total of net claims costs, commission and underwriting expenses as a percentage of net earned premiums. It is calculated as ([3] - [2]) / [3].

		30.06.23 6 months £000
Gross written premiums		288,197
Change in the gross unearned premium provision		(7,671)
Insurance revenue	[1]	280,526

		30.06.23					
		Underwriting		**Investment return**	**Corporate costs**	**Other income and charges**	**Total**
		General	**Life**				
		£000	**£000**	**£000**	**£000**	**£000**	**£000**
Insurance revenue	[1]	280,526	3,206	353	-	(3)	284,082
Insurance service expenses		(228,380)	(3,169)	5,941	-	(212)	(225,820)
Insurance service result before reinsurance contracts held		52,146	37	6,294	-	(215)	58,262
Net expense from reinsurance contracts		(35,265)	-	-	-	-	(35,265)
Insurance service result		16,881	37	6,294	-	(215)	22,997
Net insurance financial result		-	837	1,769	-	-	2,606
Net investment result		-	119	14,618	-	-	14,737
Other operating expenses		(16,534)	(536)	(1,464)	(10,639)	719	(28,454)
Other finance costs		-	-	-	-	(1,638)	(1,638)
Profit/(loss) before tax	[2]	347	457	21,217	(10,639)	(1,134)	10,248

Reconciliation to net earned premiums

Insurance revenue	[1]	280,526
Outward reinsurance premiums earned		(119,423)
Net earned premiums	[3]	161,103
Combined operating ratio = ([3] - [2]) / [3]		99.8%

		31.12.23 12 months £000
Gross written premiums		615,007
Change in the gross unearned premium provision		(35,861)
Insurance revenue	[1]	579,146

		31.12.23					
		Underwriting		Investment return	Corporate costs	Other income and charges	Total
		General	Life				
		£000	£000	£000	£000	£000	£000
Insurance revenue	[1]	579,146	6,509	832	-	(3)	586,484
Insurance service expenses		(415,686)	(5,702)	12,801	-	3	(408,584)
Insurance service result before reinsurance contracts held		163,460	807	13,633	-	-	177,900
Net expense from reinsurance contracts		(107,174)	-	-	-	-	(107,174)
Insurance service result		56,286	807	13,633	-	-	70,726
Net insurance financial result		-	(2,628)	(16,912)	-	-	(19,540)
Net investment result		-	4,274	53,195	-	-	57,469
Other operating expenses		(31,766)	(1,213)	(3,780)	(24,079)	87	(60,751)
Other finance costs		-	-	-	-	(3,151)	(3,151)
Profit/(loss) before tax	[2]	24,520	1,240	46,136	(24,079)	(3,064)	44,753

Reconciliation to net earned premiums

Insurance revenue	[1]	579,146
Outward reinsurance premiums earned		(249,091)
Net earned premiums	[3]	330,055
Combined operating ratio = ([3] - [2]) / [3]		92.6%

Responsibility Statement

Each of the directors, as listed below, confirm that these condensed consolidated interim financial statements have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and that the interim management report includes a true and fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

– an indication of important events that have occurred during the first six months and their impact on the condensed consolidated interim financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

– material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

By order of the Board
Mark Hews
Group Chief Executive
24 September 2024

Directors

R. D. C. Henderson	*Chair*
R. Bajaj	
K. Best	
F. X. Boisseau	
J. Coyle	
M. E. Darby-Walker	
M. C. J. Hews	*Group Chief Executive*
Sir S. M. J. Lamport	
N. P. Maidment	
C. J. G. Moulder	
S. J. Whyte	*Deputy Group Chief Executive*
A. Winther	

Disclaimer

Certain statements in this document are forward-looking with respect to plans, goals and expectations relating to the future financial position, business performance and results of the Group and wider group. The statements are based on the current expectations of management of the Group. Management believe that the expectations reflected in these forward-looking statements are reasonable, however, can give no assurance that these expectations will prove to be an accurate reflection of actual results. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that are beyond the Group's ability to control or estimate precisely including, amongst other things, UK domestic and global economic and business conditions, market-related risks, inflation, the impact of competition, changes in customer preferences, risks relating to sustainability and climate change, the policies and actions of regulatory authorities, the impact of tax or other legislation and other regulations in the jurisdictions in which the Group operates.

Independent review report to Ecclesiastical Insurance Office plc

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Ecclesiastical Insurance Office Public Limited Company's condensed consolidated interim financial statements (the "interim financial statements") in the 2024 interim results of Ecclesiastical Insurance Office Public Limited Company for the 6 month period ended 30 June 2024 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Condensed Consolidated Statement of Financial Position as at 30 June 2024;
- the Condensed Consolidated Statement of Profit or Loss and Condensed Consolidated Statement of Comprehensive Income for the period then ended;
- the Condensed Consolidated Statement of Cash Flows for the period then ended;
- the Condensed Consolidated Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the 2024 interim results of Ecclesiastical Insurance Office Public Limited Company have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the 2024 interim results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.

Our responsibilities and those of the directors

The 2024 interim results, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the 2024 interim results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the 2024 interim results, including the interim financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the 2024 interim results based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
Bristol
24 September 2024