

Registered number: 02998217

Annual Report and Financial Statements 2024  
**Highway Insurance Group Limited**

# Highway Insurance Group Limited

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## Highway Insurance Group Limited

### Company Information

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<b>Directors:</b>	N J George S Raffard H Topham
<b>Company Secretary:</b>	C M Twemlow
<b>Registered office:</b>	57 Ladymead Guildford Surrey GU1 1DB
<b>Registered number:</b>	02998217
<b>Independent auditors:</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London SE1 2RT

The Directors present their Strategic Report for the year ended 31 December 2024.

Highway Insurance Group Limited ("HIG", "the Company") is a wholly owned subsidiary of Liverpool Victoria Insurance Company Limited ("LVIC"), which via intermediate holding companies, is owned by Allianz (UK) Limited ("AZ(UK)"). AZ(UK) and its subsidiaries are collectively referred to in this document as "Allianz UK". The Company's ultimate shareholder is Allianz Societas Europaea ("Allianz SE"), which is headquartered in Germany. Allianz SE and its subsidiaries are collectively referred to in this document as "Allianz SE Group".

### Principal activities

The Company acts as a holding company for Highway Insurance Company Limited ("HICO"), whose principal purpose is to carry out general insurance business through broker distribution channels.

### Business review

The results for the year are set out in the Statement of Profit and Loss and Other Comprehensive Income on page 9. The result for the year wholly attributable to the equity holder amounted to £nil (2023: £31,000k loss).

In 2024, there was no impairment to the value of HICO based on the impairment assessment completed. Please refer to note 3 for further information. In 2023, the review of the Net Asset Value against the carrying value of HICO indicated the need to complete an impairment assessment. The Company relied upon the value in use method and impaired the carrying amount of HICO, by £31,000k.

### Key Performance Indicators ("KPIs")

The financial KPIs monitored by the Company are result before tax and total equity. The result before tax for the year amounted to £nil (2023: £31,000k loss), and total equity was £198,226k (2023: £198,226k).

### Principal risks and uncertainties

We continually assess the principal risks and uncertainties facing our business, monitoring potential impacts and where necessary implementing mitigation and management solutions. The primary uncertainty relevant to the Company would be whether the carrying value of its investment in subsidiary undertaking, HICO, is supportable.

Ongoing inflationary pressures have continued to be challenging for HICO as well as the broader market. Claims performance continued to face pressure from inflation in 2024 and it is expected that the economic environment will continue to be volatile in 2025.

### Future outlook

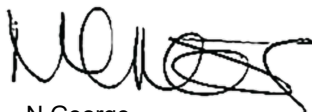
No changes in the principal activities are anticipated in the foreseeable future.

The challenges presented by the current economic environment will continue to be monitored, in particular the high rate of inflation. The Company also recognises that the global political instability may drive other threats. The Company continues to monitor economic conditions and emerging threats and our well established business resilience and crisis management ensures appropriate actions can be taken.

### Going concern

The Directors, having undertaken an assessment, are confident in the Company's ability to continue as a going concern. For more information on the going concern assessment please refer to the Directors' Report on page 3.

On behalf of the Board



N George  
Director  
23 July 2025

## Highway Insurance Group Limited

### Directors' Report for the Year Ended 31 December 2024

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The Directors present their Annual Report and Financial Statements for the year ended 31 December 2024.

As permitted by section 414C(11) of the Companies Act 2006 (the "Act"), certain information is not included in the Directors' Report because it has instead been shown in the Strategic Report. This information is:

- Results for the year;
- Principal activities of the Company;
- Business review and future prospects;
- Principal risks and uncertainties.

#### Directors

The Directors who held office during the year, and up to the date of signing the Financial Statements, were as follows:

M P Crane (resigned 30 April 2024)  
N J George (appointed 18 July 2024)  
M P Milliner (resigned 26 April 2024)  
S Raffard  
H Topham

#### Directors' Liabilities

A qualifying third-party indemnity was in force during the financial year and at the date of approval of the Financial Statements.

No interim dividend was paid for the year ended 31 December 2024 (2023: £nil). The Directors do not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: £nil).

#### Future outlook

The future outlook for the Company is outlined in the Strategic Report on page 2.

#### Going concern

These Financial Statements have been prepared on a going concern basis. The Company manages capital so as to safeguard its ability to continue as a going concern. The Company has no short term or long term debt and considers its capital to comprise its ordinary share capital and accumulated losses. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of signing the Financial Statements.

#### Independent Auditors

Pursuant to section 487(2) of the Act, PricewaterhouseCoopers LLP will be deemed to have been re-appointed as auditors at the end of 28 days beginning with the day on which copies of the Annual Report and Financial Statements are sent to Members.

By order of the Board



C M Twemlow  
Company Secretary

23 July 2025

**Statement of Directors' responsibilities in respect of the Financial Statements**

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The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have prepared the Financial Statements in accordance with UK-adopted international accounting standards.

Under company law, Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the Financial Statements, the Directors are required to:

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

The Directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Act.

The Directors are responsible for the maintenance and integrity of the Company's Financial Statements published on the Allianz UK website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

**Directors' confirmations**

In the case of each Director in office at the date the Directors' Report is approved:

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

On behalf of the Board



N George  
Director

23 July 2025

# Independent auditors' report to the members of Highway Insurance Group Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Highway Insurance Group Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its result and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2024; the Statement of Profit and Loss and Other Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

#### **Strategic report and Directors' report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

### **Responsibilities for the financial statements and the audit**

#### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of Directors' responsibilities in respect of the Financial Statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with members of management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Board of Directors;
- Obtaining management's impairment analysis for the valuation of investment in group undertakings and challenging the assumptions made;
- Designing audit procedures to incorporate unpredictability around the nature and extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### **Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

*ANDREW BOX*

Andrew Box (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
23 July 2025

## Highway Insurance Group Limited

### Statement of Profit and Loss and Other Comprehensive Income for the Year Ended 31 December 2024

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		2024	2023
	Note	£'000	£'000
Impairment of investment in group undertakings	3	-	(31,000)
<b>Operating result/(loss)</b>		-	(31,000)
<b>Result/(loss) before tax</b>		-	(31,000)
Income tax expense	4(a)	-	-
<b>Result/(loss) for the year wholly attributable to the equity holder</b>		-	(31,000)

There has been no other comprehensive income for the year ended 31 December 2024 (2023: £nil).

The accounting policies and notes on pages 13 to 18 are an integral part of these Financial Statements.

Highway Insurance Group Limited

Statement of Changes in Equity  
For the Year Ended 31 December 2024

	Note	Share capital	Share premium	Capital contribution reserve	Accumulated losses	Total
		£'000	£'000	£'000	£'000	£'000
<b>Balance as at 1 January 2023</b>		41,756	20,470	157,192	(35,192)	184,226
Loss for the year		-	-	-	(31,000)	(31,000)
<b>Total comprehensive expense for the year</b>		-	-	-	<b>(31,000)</b>	<b>(31,000)</b>
Capital injection	6	45,000	-	-	-	45,000
<b>Balance as at 31 December 2023</b>		<b>86,756</b>	<b>20,470</b>	<b>157,192</b>	<b>(66,192)</b>	<b>198,226</b>
<b>Balance as at 31 December 2024</b>		<b>86,756</b>	<b>20,470</b>	<b>157,192</b>	<b>(66,192)</b>	<b>198,226</b>

The accounting policies and notes on pages 13 to 18 are an integral part of these Financial Statements.

## Highway Insurance Group Limited

### Statement of Financial Position As at 31 December 2024

		<b>2024</b>	<b>2023</b>
<b>Assets</b>	Note	<b>£'000</b>	<b>£'000</b>
Investment in group undertakings	3	198,163	198,163
Deferred tax assets	4(c)	1	1
Cash and cash equivalents	5	62	62
<b>Total assets</b>		<b>198,226</b>	<b>198,226</b>
<b>Equity and liabilities</b>			
<b>Equity attributable to equity holder of the parent</b>			
Share capital	6	(86,756)	(86,756)
Share premium	6	(20,470)	(20,470)
Capital contribution reserve	6	(157,192)	(157,192)
Accumulated losses		66,192	66,192
<b>Total equity</b>		<b>(198,226)</b>	<b>(198,226)</b>
<b>Liabilities</b>			
<b>Total liabilities</b>		<b>-</b>	<b>-</b>
<b>Total equity and liabilities</b>		<b>(198,226)</b>	<b>(198,226)</b>

The accounting policies and notes on pages 13 to 18 are an integral part of these Financial Statements.

These Financial Statements on pages 9 to 18 were approved by the Board of Directors on 23 July 2025 and signed on its behalf by:



N George  
Director  
23 July 2025  
**Highway Insurance Group Limited**  
**Registered Number: 02998217**

Highway Insurance Group Limited

Statement of Cash Flows  
For the Year Ended 31 December 2024

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	Note	2024 £'000	2023 £'000
<b>Cash flows from operating activities</b>			
Loss before tax		-	(31,000)
<i>Adjusted for non-cash items</i>			
Impairment of investment in group undertakings	3	<u>-</u>	<u>31,000</u>
		-	-
Income tax received	4(b)	<u>-</u>	<u>1</u>
<b>Net cash flows generated from operating activities</b>		<u>-</u>	<u>1</u>
<b>Net increase in cash and cash equivalents</b>		<u>-</u>	<u>1</u>
<b>Cash and cash equivalents at the beginning of the year</b>	5	<u>62</u>	<u>61</u>
<b>Cash and cash equivalents at end of year</b>	5	<u>62</u>	<u>62</u>

The accounting policies and notes on pages 13 to 18 are an integral part of these Financial Statements.

## 1. ACCOUNTING POLICIES

### 1.1 Company and its operations

Highway Insurance Group Limited is a private limited company incorporated in England and Wales and domiciled in the United Kingdom. The principal activity of the Company is acting as an investment holding company.

### 1.2 Statement of compliance

The Financial Statements of the Company have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Act as applicable to companies reporting under those standards.

### 1.3 Basis of preparation

The Company is exempt from the obligation to prepare and deliver group consolidated Financial Statements by virtue of the Act (Section 401-(1)(a)) as it is a subsidiary undertaking of a European Union parent company Allianz SE (see note 11). The Financial Statements present information about the Company as an individual undertaking.

The Financial Statements have been prepared on the historical cost basis. The functional and presentational currency is British Pounds.

### Going concern

These Financial Statements have been prepared on a going concern basis. For more information on the going concern assessment please refer to the Director's Report on page 3.

### New standards and interpretations adopted by the Company

There are no new standards and interpretations affecting the Company that are mandatorily effective from 1 January 2024. The accounting policies have been consistently applied unless a new policy has been implemented.

### New standards and interpretations not yet adopted by the Company

New standards and interpretations which are not mandatorily effective have not been applied in preparing these Financial Statements. The Company does not plan to adopt these standards early; instead it will apply the standards from the effective date as determined by the date of UK Endorsement Board.

### New amendments to existing standards adopted by the Company

#### Amendments to IAS 1 'Presentation of Financial Statements'

Amendments to the classification of liabilities as either current or non-current, and non-current liabilities with covenants, clarify that the classification of liabilities as either current or non-current is based solely on the Company's right to defer settlement for at least 12 months at the reporting date. The right needs to exist at the reporting date and must have substance. The amendments also aim to improve the quality of information the Company provides related to liabilities subject to these conditions. These amendments are not expected to have any impact on the Company.

### 1.4 Summary of material accounting policies

The Company has identified the accounting policies that are most significant to its business operations and the understanding of its results. Judgements made by management in the application of IFRSs that have a significant effect on the Financial Statements and estimates with a significant risk of significant adjustments in the next year are discussed in note 2.

The material accounting policy information adopted in the preparation of the Financial Statements are set out in the following paragraphs:

#### (a) Impairment of assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognised in the Statement of Profit and Loss and Other Comprehensive Income in those expense categories consistent with the function of the impaired asset.

**(b) Income taxes**

Income tax on the profit and loss for the year comprises current and deferred tax. Income tax is recognised in the Statement of Profit and Loss and Other Comprehensive Income. Current tax and deferred tax shall be recognised outside profit or loss if the tax relates to items that are recognised, in the same or a different period, outside profit and loss.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the Statement of Financial Position ("SFP") date, together with adjustments to tax payable in respect of prior years.

Deferred income tax is provided in full using the liability method on all temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the SFP date. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantially enacted at the SFP date.

Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. The carrying amount of deferred income tax assets are reviewed at each SFP 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 deferred income tax asset to be utilised.

Group tax losses are utilised when available. Consideration paid for group relief is accounted for in the Financial Statements as though the payment had been made to the relevant tax authorities.

**(c) Investment in group undertakings**

Investments in group undertakings are shown in the SFP at cost less any impairment charges. The carrying value is reviewed for impairment annually, or whenever events or circumstances indicate that the carrying amount may not be recoverable. The impairment assessment compares the carrying amount of the investment in the subsidiary with the recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use.

Where the carrying amount is higher than the recoverable amount, an impairment is recognised in the Statement of Profit and Loss and Other Comprehensive Income in the period in which it occurred. A reversal of an impairment loss shall be recognised immediately in the Statement of Profit and Loss and Other Comprehensive Income.

**(d) Cash and cash equivalents**

Cash and cash equivalents are initially recognised and subsequently re-measured at amortised cost. Cash and cash equivalents have an original maturity of three months or less at the date of placement.

An expected credit loss ("ECL") provision is assessed as at the SFP date and the carrying amount of the cash and cash equivalents balance is reported after deduction of any ECL.

The Company has adopted the "simplified approach" in determining the ECL. Under this approach, the ECL is calculated as the book cost of the cash and cash equivalents multiplied by a 1 year probability of default, an appropriate loss given default and the number of days to maturity as a fraction of a year.

**(e) Share capital**

Share capital is recognised when shares are issued and recognised at the par-amount.

**(f) Share premium**

Share premium account includes any premium received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the share premium account, net of any related income tax benefits.

**(g) Capital contribution reserve**

Capital contribution reserve represents capital contributions received from the parent company and is classified as equity.

**2. USE OF CRITICAL ESTIMATES, ASSUMPTIONS AND JUDGEMENTS**

The Company makes estimates, assumptions and judgements that affect the reported amounts of assets and liabilities. Estimates, assumptions and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The critical judgements, estimations and assumptions that the Directors have made in the process of applying the accounting policies and that have the most significant effect on the amounts recognised in the Financial Statements are discussed below:

**(a) Investment in group undertakings**

The subsidiaries are held in the Company's SOFP at cost less any provision for impairment. An assessment of the realisable value is made at the year end and, if the Directors assess that there has been a permanent fall in that value below the carrying value, a provision is made to bring down to the assessed realisable value.

**3. INVESTMENT IN GROUP UNDERTAKINGS**

	<b>Total £'000</b>
<b>Subsidiaries</b>	
<b>Cost or valuation</b>	
At 1 January 2023	184,163
Capital injection	45,000
Impairment	<u>(31,000)</u>
<b>At 31 December 2023</b>	<b><u>198,163</u></b>
<b>Carrying amount</b>	
<b>At 31 December 2023</b>	<b><u>198,163</u></b>
<b>At 31 December 2024</b>	<b><u>198,163</u></b>

The Company reviewed the value of its investment in its subsidiary HICO. The review of the net asset value over that carrying value has indicated the need to undertake an impairment assessment for HICO. The carrying value of HICO is £198.2m. The Company has relied upon the value in use method which resulted in no impairment to the value of HICO.

The recoverable amount (based on value-in-use calculations) of the investment in group undertakings has been determined using cash flow predictions based on financial plans approved by the Company covering a three-year period.

These plans are revisited in Q3 of each year, with reforecasts taking place at earlier intervals where these are felt necessary. All key functions in the business are involved in their development, before review and challenge by the Board. In undertaking the impairment assessment, management has taken account of the competitive market environment, and the fact the plan assumes the market is not disrupted by competitor behaviour. The plan is on a pre-weighted average quota share basis in line with Allianz Holdings plc practice.

The plan assumes strong underwriting and investment results. The investment returns were determined in consultation with the in-house Investment Management team. The forecast cash flows have been discounted at a pretax rate of 12.9% and terminal growth rate of 1.5% applied to cash flows from 2028 onwards. Both the terminal growth rate and the discount rate are consistent with the ranges observed in the market place.

Further sensitivity analysis shows that the base case discounted cash flows are most sensitive to a change in the expense or loss ratios. An increase in the expense or loss ratio of 4.0% would still not result in any impairment.

The subsidiary undertakings of the Company at 31 December 2024 are shown below. The registered office for all undertakings is 57 Ladymead, Guildford, Surrey, GU1 1DB.

Name of subsidiary	Country of Incorporation	Primary business operations	Proportion of ownership interest and voting rights held	
			2024	2023
Highway Insurance Company Limited	England	General insurance	100.0%	100.0%

4. INCOME TAX

(a) Income tax recognised in profit and loss

	2024 £'000	2023 £'000
Current tax:		
In respect of the current year	-	(1)
<b>Total current tax</b>	<u>-</u>	<u>(1)</u>
Deferred tax:		
In respect of current year	-	1
<b>Total deferred tax</b>	<u>-</u>	<u>1</u>
<b>Total income tax recognised in the current year</b>	<u>-</u>	<u>-</u>

The income tax expense for the year can be reconciled to the accounting result as follows:

	2024 £'000	2023 £'000
<b>Result/(loss) before tax</b>	<u>-</u>	<u>(31,000)</u>
<b>Income tax credit calculated at 25.0% (2023: 23.5%)</b>	<u>-</u>	<u>7,285</u>
Effect of expenses not deductible for tax purposes	-	(7,285)
<b>Income tax recognised in the current year</b>	<u>-</u>	<u>-</u>

The UK Government announced its intention in the budget of 3 March 2021 to legislate to increase the rate of corporation tax from 19% to 25% with effect from 1 April 2023. This legislation was substantively enacted on 24 May 2021.

**The Organisation for Economic Cooperation and Development (“OECD”) Pillar Two model rules**

As a fully consolidated affiliated entity of the Allianz SE Group, the Company is within the scope of the OECD Pillar Two Model rules. Under these rules, a top-up-tax must be paid per jurisdiction for the difference between the Global Anti-Base Erosion (“GloBE”) effective tax rate and the 15.0% minimum rate. Local Pillar Two legislation came into effect from 1 January 2024 in the UK, the jurisdiction in which the Company is incorporated. However, as the GloBE effective tax rate of all Allianz UK entities being situated for tax purposes in jurisdiction the UK is expected to be greater than the minimum rate of 15.0% no additional income tax is expected for the Company. Any transitional reliefs provided by the Pillar Two regulations will be taken as far as possible in order to reduce compliance and reporting efforts. The Company has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income tax legislation.

(b) Tax paid for cash flow purposes

	2024 £'000	2023 £'000
Movements in deferred tax asset in the other comprehensive income	-	(1)
Tax received during the year	-	1
<b>Current tax liability at 31 December</b>	<u>-</u>	<u>-</u>

(c) Deferred tax assets

The balance comprises temporary differences attributable to:

	2024 £'000	2023 £'000
Capital allowances	1	1
<b>Total deferred tax assets</b>	<u>1</u>	<u>1</u>
<b>Net deferred tax assets</b>	<u>1</u>	<u>1</u>

	Capital allowances £'000	Total £'000
<b>Movements in relation to deferred tax assets</b>		
<b>At 1 January 2023</b>	2	2
Charged to		
- profit and loss	<u>(1)</u>	<u>(1)</u>
<b>At 31 December 2023</b>	<u>1</u>	<u>1</u>
<b>At 31 December 2024</b>	<u>1</u>	<u>1</u>

The deferred tax asset is current.

## 5. CASH AND CASH EQUIVALENTS

	2024 £'000	2023 £'000
Cash and cash equivalents	<u>62</u>	<u>62</u>
<b>Total cash and cash equivalents</b>	<u>62</u>	<u>62</u>

The Company has concluded that the ECL model has made no significant impact on the valuation of cash and cash equivalents reported in the Financial Statements.

## 6. EQUITY

### Share capital - allotted, called up and fully paid shares

	2024		2023	
	No.	£	No.	£
Ordinary shares of £0.20 each	<u>433,780,674</u>	<u>86,756,134.80</u>	<u>433,780,674</u>	<u>86,756,134.80</u>

During 2023, 225,000,000 ordinary shares totalling £45,000k were issued as a capital injection from LVIC to HIG.

### Share premium

	2024 £'000	2023 £'000
Share premium classified as fully paid	<u>20,470</u>	<u>20,470</u>

### Capital contribution reserve

	2024 £'000	2023 £'000
Balance at 1 January	<u>157,192</u>	<u>157,192</u>
Balance at 31 December	<u>157,192</u>	<u>157,192</u>

## 7. EMPLOYEE RELATED COSTS

The Company has no employees and, as such, incurs no employee-related costs. Liverpool Victoria General Insurance Group (“LVGIG”) and Allianz Management Services Limited (“AMS”) provide services and staff resources to the Company as well as to other Allianz UK companies.

## 8. AUDITORS' REMUNERATION

The total remuneration payable by the Company excluding VAT, to its auditors in respect of the audit of these Financial Statements, is shown below. Other services supplied pursuant to legislation were £nil (2023: £nil).

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Fees payable to the Company's auditors and its associates	10	10

## 9. DIRECTORS' EMOLUMENTS

There were five Directors (2023: six) of HIG. Two Directors were remunerated by AMS and three Directors were remunerated by LVGIG. For one of the two Directors paid by AMS, it was not possible to make an accurate apportionment of their remuneration in respect of their roles as a Director of the Company. In the case of the other Director paid by AMS and the three Directors paid by LVGIG, no remuneration was paid specifically for their directorship in the Company. All these Directors provided services to Allianz UK and a number of its subsidiaries including the Company and AMS is a Group Services Company and does not recharge to the Company for such costs. Consequently, no remuneration is disclosed for these Directors.

### Key management personnel

The Company considers its key management personnel to be the Directors only.

## 10. RISK MANAGEMENT POLICIES

### Capital management

The Company's capital risk is determined with reference to the requirements of Allianz UK. In managing capital, the Company seeks to maintain sufficient, but not excessive, financial strength to support the requirements of all stakeholders. The sources of capital used by the Company are equity shareholders' funds. At 31 December 2024, the Company had £198,226k (2023: £198,226k) of total capital employed.

The Company solely invests in a subsidiary based in the United Kingdom. The operations of its subsidiary are primarily based in the United Kingdom hence any risk exposure is almost entirely confined within the UK.

## 11. PARENT AND ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is LVIC, a company registered in England and Wales. The ultimate parent undertaking and controlling party, Allianz SE, is incorporated in Germany and is the parent of the largest and smallest group of undertakings for which consolidated group Financial Statements are drawn up and of which the Company is a member. Copies of the consolidated Allianz SE Group Financial Statements are available on request from the ultimate parent's registered address, Allianz SE, Königinstrasse 28, 80802 München, Germany.

## 12. SUBSEQUENT EVENTS

There have been no material subsequent events after the SOFP date.