

**ACADIA INTERNATIONAL INSURANCE DAC**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FINANCIAL YEAR ENDED 30 JUNE 2025**

**Registered Number: 218792**

# ACADIA INTERNATIONAL INSURANCE DAC

## DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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## ACADIA INTERNATIONAL INSURANCE DAC

### COMPANY INFORMATION

<b>Directors</b>	Jennifer Marie Chester (Non-Executive Director) (American) Jane de Barra Murphy (Independent Non-Executive Director) (Irish) James Meehan (Non-Executive Director) (American) Lie Rudy Priyetna (Executive Director) (Indonesian)
<b>Secretary</b>	Wilton Secretarial Limited 2 Grand Canal Square Dublin 2
<b>Insurance Manager</b>	Aon Insurance Managers (Dublin) Limited 15 Georges Quay Dublin 2
<b>Independent Auditors</b>	Forvis Mazars Chartered Accountants & Statutory Audit Firm Harcourt Centre, Block 3 Harcourt Road Dublin 2
<b>Actuary</b>	P&C Actuarial Consulting, Strategy and Technology Group The Leadenhall Building 122 Leadenhall Street London, EC3V 4AN United Kingdom
<b>Solicitors</b>	William Fry 2 Grand Canal Square Dublin 2
<b>Registered Office</b>	15 Georges Quay Dublin 2
<b>Bankers</b>	JP Morgan Chase Bank N.A. - London Branch 25 Bank Street, Canary Wharf London E14 5JP United Kingdom
<b>Custodians</b>	J.P. Morgan Administrative Services (Ireland) Ltd 200 Capital Dock 79 Sir John Rogerson's Quay, D02 RK57 Dublin 2
<b>Registered Number</b>	218792

## ACADIA INTERNATIONAL INSURANCE DAC

### DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2025

The directors present their report and the financial statements of Acadia International Insurance DAC ("the Company") for the year ended 30 June 2025.

#### PRINCIPAL ACTIVITIES

The Company insures, on a direct and reinsurance basis, the property, liability and aviation liability risks in respect of companies within the Parker Hannifin Corporation, the Company's ultimate parent company.

The Company was incorporated under the laws of the Republic of Ireland on 23 June 1994 and received a direct insurance license from the Department of Enterprise, Trade and Employment in the Republic of Ireland on 1 July 1994.

The Company is managed in Dublin by Aon Insurance Managers (Dublin) Limited.

#### REVIEW OF BUSINESS

The profit and loss account and balance sheet for the year ended and as at 30 June 2025 are set out on pages 17 to 21. The loss on ordinary activities for the year before taxation amounted to US\$7.48m (2024: Profit of US\$4.94m). The loss was due to an adverse development of a claim reported during the year (see Note 13). Both the level of business and the year-end financial position were considered satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable

Gross premiums written were US\$38.30m compared with US\$34.82m in the previous year.

Gross claims paid during 2025 totalled US\$2.36m (2024: US\$2.73m). Recoveries from reinsurers on these claims amounted to US\$0.77m (2024: US\$3.21m). The gross claims paid and the reinsurance recoveries are primarily attributable to a property loss from 2024 underwriting year.

The Aviation Product Liability coverage is 100% reinsured. Reinsurers of this coverage have a cut-through clause in place which allows for payments to be made directly by each carrier under the terms of the original policies, which would otherwise be payable to the Company as the Reinsured. During the year, the Company booked an overall paid amount of \$0.2m and a corresponding reinsurance recovered amount of \$0.2m representing the 100% recovery on this coverage.

At 30 June 2025, the assets of the Company were US\$271.70m (2024: US\$80.36m) and the liabilities were US\$231.38m (2024: US\$46.99m).

The directors take a prudent approach to estimating future claims development and in ascertaining the level of reserves required. Yearly reviews are provided by P&C Actuarial Consulting, Strategy and Technology Group and overseen by the Head of Actuarial Function ("HoAF").

The directors are satisfied with the Company's performance and development during the year, and consider that the Company is well placed to meet future demands. The directors have considered the potential liabilities assumed under the insurance contracts and believe the technical provisions held to be adequate.

#### RESULTS AND DIVIDENDS

The results for the year show a loss after tax of US\$6.54m (2024: Profit of US\$4.32m) and net earned premium of US\$4.38m (2024: US\$3.76m).

The accumulated retained profit at 30 June 2025 amounted to US\$25.82m (2024: US\$32.37m).

During the financial year, the Company received a capital contribution of \$13.5m from its shareholder. This contribution was approved by the Central Bank of Ireland as a Tier 1 Basic Own Fund item in accordance with Regulation 110(4) of the European Union (Insurance and Reinsurance) Regulations 2015. The contribution strengthens the Company's position and supports its strategic growth objectives.

The directors do not recommend payment of a dividend for the year ended 30 June 2025 (2024: \$nil).

#### KEY PERFORMANCE INDICATORS

Given the straightforward nature of the business, the directors are of the opinion that the analysis presented under the review of business and future developments section is adequate.

## **ACADIA INTERNATIONAL INSURANCE DAC**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 June 2025 (CONTINUED)**

#### **RISKS AND UNCERTAINTIES**

The Company's internal organisational and management structure and its system of internal financial reporting to the Board of Directors ("the Board") is the basis for identifying the predominant source and nature of the differing risks facing the Company.

The Company has exposure to a number of both insurance and financial risks, as outlined in the risk management note in pages 31 to 37, along with details on how the Company manages these risks.

#### **POLITICAL DONATIONS**

There were no political donations for the year (2024: \$nil).

#### **GOING CONCERN**

The Company reflects a net asset position of US\$40.32m at 30 June 2025 (2024: US\$33.37m). The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Furthermore, the directors are not aware of any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern, thus, they continue to adopt the going concern basis in preparing the annual financial statements.

#### **MILITARY CONFLICT**

The Board have not identified any additional exposures for the Company arising from the military conflict in the Ukraine and Palestine, however, will continue to monitor the situation as it develops.

#### **CLIMATE CHANGE**

The directors recognise that climate change poses a risk to both the Company and its stakeholders. The Company continues to develop processes and controls proportionate to the nature and scale of the business. The directors will continue to monitor the potential impact of climate change on operations and implement mitigating solutions where possible.

#### **CORPORATE GOVERNANCE CODE**

The Company is subject to the Corporate Governance Requirements for Captive Insurance and Captive Reinsurance Undertakings 2015 ("the Code") issued by the Central Bank of Ireland. The directors confirm that to the best of their knowledge, the Company has materially complied with all its obligations and requirements under the Code.

#### **ACCOUNTING RECORDS**

The Company utilises a general ledger system ("Globe") for its accounting records. This system is fully auditable. The measures taken by the directors to secure compliance with the requirements of Sections 281 to 285 of the Companies Act, 2014 with regard to the keeping of adequate accounting records are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The accounting records of the Company are located at 15 Georges Quay, Dublin 2.

There have been no subsequent events since 30 June 2025 that resulted in the amendment of the financial statements.

#### **TRANSACTIONS INVOLVING DIRECTORS**

There are no contracts of any significance in relation to the business of the Company in which the directors had any interest, as defined by the Companies Act, 2014, at any time during the year ended 30 June 2025.

## ACADIA INTERNATIONAL INSURANCE DAC

### DIRECTORS' REPORT FOR THE YEAR ENDED 30 June 2025 (CONTINUED)

#### DIRECTORS AND SECRETARY

The following directors and secretary served during the year and up to the date of signing the financial statements unless otherwise

Jennifer Marie Chester (Non-Executive Director)  
James Meehan (Non-Executive Director)  
Jane de Barra Murphy (Independent Non-Executive Director)  
Lie Rudy Priyetna (Executive Director)

In accordance with the Articles of Association, the existing directors will continue in office.

Company Secretary - Wilton Secretarial Limited

#### DIRECTORS AND SECRETARY'S INTERESTS

None of the directors or secretary have interest exceeding 1% of the nominal value of the issued share capital, in the shares of the Company or any Group company at any time during the financial year, and therefore constitutes non disclosable interest under Section 260(f) of the Companies Act, 2014.

#### INDEPENDENT AUDITORS

The auditors, Forvis Mazars, Chartered Accountants & Statutory Audit Firm have signified their willingness to continue in office in accordance with Section 383 (2) of the Companies Act, 2014.


#### AUDIT COMMITTEE

The Company, being a captive insurance undertaking, is availing of the exemption set out in Section 1551(13) of the Companies (Statutory Audits) Act 2018, which allows the Company's Board to perform the functions of an Audit Committee; in lieu of the establishment of a separate Audit Committee.

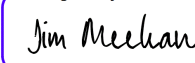
#### STATEMENT ON RELEVANT AUDIT INFORMATION

The directors who held office at the date of the approval of this directors' report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all 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 auditor is aware of that information.

On behalf of the Board

DocuSigned by:  
  
8AA3E2B5B8C946D...

Jennifer Marie Chester  
Director

Signed by:  
  
4107B27ZEC64C9

James Meehan  
Director

Date: 29 September 2025

## ACADIA INTERNATIONAL INSURANCE DAC

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland and FRS 103, Insurance Contracts. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its profit or loss for that year. In preparing these financial statements, the Directors are required to:

In preparing these financial statements, the directors are required to:

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

The directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly

On behalf of the Board

DocuSigned by:  
*Jennifer Chester*  
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Jennifer Marie Chester  
Director

Signed by:  
*Jim Meehan*  
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James Meehan  
Director

## Independent auditor's report to the members of Acadia International Insurance DAC

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Acadia International Insurance DAC ('the Company'), for the year ended 30 June 2025, which comprise profit and loss account (technical and non-technical), balance sheet, statement of changes in equity and notes to the Company financial statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Companies Act 2014, European Union (Insurance Undertakings: Financial Statements) Regulations 2015, FRS 102 "*The Financial Reporting Standard applicable in the UK and Republic of Ireland*" and FRS 103 "*Insurance Contracts*" issued in the United Kingdom by the Financial Reporting Council.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 30 June 2025, and of its loss for the year then ended;
- have been properly prepared in accordance with , FRS 102 "*The Financial Reporting Standard applicable in the UK and Republic of Ireland*" and FRS 103 "*Insurance Contracts*"; and
- have been properly prepared in accordance with the requirements of the Irish Companies Act 2014 and European Union (Insurance Undertakings: Financial Statements) Regulations 2015.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), applied as required for the types of entity determined to be appropriate in the circumstances. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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

### **Conclusions relating to going concern**

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

Our audit procedures to evaluate the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included but were not limited to the following:

- assessed the appropriateness of management's going concern assessment process including discussions/enquires with the management;
- reviewed the financial performance and financial position of the Company at the year-end date for indicators of any going concern uncertainties;
- reviewed board meeting minutes for any events and conditions that were not considered in management's assessment;
- reviewed the stress scenarios relating to the underlying key assumptions and evaluated the outcome under this exercise;
- reviewed post period activities; and
- evaluated the sufficiency of disclosures in the financial statements pertaining to the going concern assessment.

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 the date when the financial statements are authorised for issue.

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

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditor, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We summarise below the key audit matters in forming our audit opinion above, together with an overview of the principal audit procedures performed to address each matter and, where relevant, key observations arising from those procedures.

Valuation of technical provisions	How the matter was addressed
<p>The estimation of the Company's insurance contract liabilities involves a significant degree of judgement. This assessment is underpinned by a best-estimate ultimate claims cost calculation for all claims incurred but not settled at the year end, whether reported or not.</p> <p>In considering the quantum of these insurance contract liabilities, it should be noted that there is a degree of uncertainty in the calculation of ultimate claims costs with potentially the final cost of claims being significantly different to the original estimate.</p> <p>This degree of uncertainty is dependent, amongst other factors, on the business underwritten by the Company, the level of stability in the historic data and potential future changes in the claims' environment.</p> <p>Consequently, the Company may also include a margin in excess of the best-estimate in line with its reserving policy.</p> <p>Technical provisions amounted to \$192m of which \$171m is related to outstanding loss reserve as at 30 June 2025.</p> <p>Refer to the accounting policy in note 2.a (Critical accounting estimates and judgements and key sources of estimation uncertainty), note 2.d (Insurance contracts), note 2.f (Claims), note 2.o (Additional unexpired risk reserve) notes 13 (Insurance contract liabilities) and note 16.a Risk Management – insurance risk) of the financial statements.</p>	<p>We have addressed this risk with the assistance of our actuarial specialists through the following procedures:</p> <ul style="list-style-type: none"> <li>• performed walkthrough procedures of the claims reserving process to update our understanding of the methodology adopted for the valuation of technical provisions and identification of the key controls;</li> <li>• obtained evidence to support the key reserving methods that management employs and compared these methods with those previously selected and with standard actuarial practice;</li> <li>• obtained evidence to support the key actuarial reserving assumptions including comparison with the Company's own historic experience and discussions with the management's actuarial expert on the application of their expert judgement;</li> <li>• evaluated the management's actuarial expert's objectivity, competence, capability and the scope of their work;</li> <li>• obtained the data provided to the management's actuarial expert's for the valuation of technical provisions and tested for consistency with the underlying records and supporting schedules used for our audit purposes;</li> <li>• reviewed the analysis of movements in technical provisions during the year, investigating reasons for significant changes;</li> <li>• selected sample of outstanding loss claims and traced to relevant support;</li> <li>• obtained an understanding of the operational impacts of key current events, as well as the impact on claims experience during the year, and reviewed the appropriateness of actuarial reserving assumptions and the methodologies used to derive provision in respect of these;</li> <li>• reviewed the calculation of the incurred but not reported ("IBNR") reserve, including an assessment of the spreadsheets and data provided and</li> </ul>

	<p>ensured consistency with our audit supporting schedules;</p> <ul style="list-style-type: none"> <li>• reviewed the Company’s reserving policy and its application to derive the booked reserves in the financial statements, and considered the reasonableness of the booked technical provisions;</li> <li>• reviewed the impact of reinsurance arrangements on the level of provisions, i.e. IBNR reinsurance recovery reserve; and</li> <li>• reviewed the Company’s disclosures to ensure compliance with the relevant accounting standard requirements.</li> </ul> <p>Based on the work performed, review of supporting documentation and discussions with management and the management’s actuarial experts, we conclude that the approach taken by the Company towards the valuation of technical provisions is reasonable, and that the technical provisions are reasonably stated as at 30 June 2025.</p>
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**Our application of materiality**

We apply the concept of materiality in planning and performing the audit and in evaluating the impact of misstatements, if any. Materiality is an expression of the relative significance or importance of a matter in the context of the financial statements. Misstatements in the financial statements are material if they, individually or in aggregate, could reasonably be expected to influence the economic decisions of users taken based on the financial statements.

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	\$1.2m
How we determined it	3% of shareholders’ equity
Rationale for benchmark applied	In determining our materiality, we have applied professional judgement and considered those financial metrics, which we believed to be relevant, and concluded that shareholders’ equity was the most relevant benchmark.

	In our view, this is a metric against which the Company is commonly measured by its stakeholders.
Performance materiality	<p>Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole.</p> <p>We set performance materiality at \$907k which represents 75% of overall materiality.</p> <p>The primary factors that we considered in determining the level of performance materiality include our understanding of the Company’s control environment; the level and nature of errors detected in previous years audits and our expectation of the number of errors in the current year audit.</p>
Reporting threshold	We agreed with the directors that we would report to them misstatements identified during our audit above \$36k as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

### **Overview of the scope of the audit**

As part of designing our audit, we assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the directors made subjective judgements such as making assumptions on significant accounting estimates.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of a risk assessment, our understanding of the Company, its environment, controls and critical business processes, to consider qualitative factors in order to ensure that we obtained sufficient coverage across all financial statement line items.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Directors’ report and Financial Statements other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements 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 in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2014**

In our opinion, based on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the directors' report has been prepared in accordance with applicable legal requirements;
- the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited; and
- the financial statements are in agreement with the accounting records.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

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

Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the requirements of any of Sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.

#### **Respective responsibilities**

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

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### ***Auditor's responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) 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 its industry, we identified that the principal risks of non-compliance with laws and regulations related with the Central Bank of Ireland ("CBI") regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements.

In identifying and assessing risks of material misstatement in respect to irregularities including non-compliance with laws and regulations, our procedures included but were not limited to:

- obtaining an understanding of the legal and regulatory framework applicable to the Company, the industry in which it operates;
- discussing with the directors and management the policies and procedures in place regarding compliance with laws and regulations;
- discussing amongst the engagement team the identified laws and regulations, and remaining alert to any indications of non-compliance; and
- focusing on areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussions with the directors (as required by auditing standards), from inspection of the Company's, regulatory and legal correspondence and review of minutes of directors' meetings in the period. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Irish tax law, the Irish Companies Act 2014 and the European Union (Insurance Undertakings: Financial Statements) (Amendment) Regulation 2015.

Our procedures in relation to fraud included but were not limited to:

- making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

The primary responsibility for the prevention and detection of irregularities including fraud rests with both those charged with governance and management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

As a result of our procedures, we did not identify any key audit matters relating to irregularities. The risks of material misstatement that had the greatest effect on our audit, including fraud, are discussed under “Key audit matters” within this report.

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accounting Supervisory Authority’s website at: [http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf). This description forms part of our auditor’s report.

### **Other matters which we are required to address**

Following the recommendation of the Board of Directors, we were appointed by the Company on 19 October 2017 to audit the financial statements for the year ended 30 June 2018 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments is eight years.

The non-audit services prohibited by IAASA’s Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

Our audit opinion is consistent with the additional report to the Board of Directors we are required to provide in accordance with ISA (Ireland) 260.

### **The purpose of our audit work and to whom we owe our responsibilities**

Our report is made solely to the Company’s members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company’s members, as a body, for our audit work, for this report, or for the opinions we have formed.

*Martina Mahon*

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Martina Mahon  
for and on behalf of Forvis Mazars  
Chartered Accountants & Statutory Audit Firm  
Harcourt Centre, Block 3  
Harcourt Road  
Dublin 2  
Date: 6 October 2025

**ACADIA INTERNATIONAL INSURANCE DAC****PROFIT & LOSS ACCOUNT: TECHNICAL ACCOUNT  
YEAR ENDED 30 JUNE 2025**

	Notes	2025 US\$'000	2024 US\$'000
<b>Earned premiums, net of reinsurance</b>			
Gross premiums written	3,13	38,296	34,821
Outward reinsurance premiums	3,13	<u>(33,604)</u>	<u>(31,122)</u>
Net premiums written		4,692	3,699
Change in the gross provisions for unearned premiums	3,13	(2,566)	(2,622)
Change in the provision for unearned premiums, reinsurers' share	3,13	<u>2,256</u>	<u>2,684</u>
Change in the net provision for unearned premiums		<u>(310)</u>	<u>62</u>
Earned premiums, net of reinsurance		<u>4,382</u>	<u>3,761</u>
<b>Allocated investment return transferred to the technical account</b>		330	200
<b>Total technical income</b>		<u>4,712</u>	<u>3,961</u>
<b>Claims incurred, net of reinsurance</b>			
Claims paid			
- Gross amount	3,13	(2,359)	(2,734)
- Reinsurers' share	3,13	<u>767</u>	<u>3,212</u>
Net claims paid		<u>(1,592)</u>	<u>478</u>
Change in provision for claims			
- Gross amount	3,13	(176,242)	(2,332)
- Reinsurers' share	3,13	<u>164,332</u>	<u>1,582</u>
Change in net provision for claims		<u>(11,910)</u>	<u>(750)</u>
Claims incurred, net of reinsurance		(13,502)	(272)
<b>Net operating expenses</b>	4	<u>(433)</u>	<u>(358)</u>
<b>Balance on the technical account for non-life insurance business</b>		<u>(9,223)</u>	<u>3,331</u>

All the above amounts derive from continuing activities.

The accompanying notes form part of these financial statements.

**ACADIA INTERNATIONAL INSURANCE DAC**

<b>PROFIT &amp; LOSS ACCOUNT: NON-TECHNICAL ACCOUNT YEAR ENDED 30 JUNE 2025</b>	Notes	<b>2025 US\$'000</b>	<b>2024 US\$'000</b>
Balance on the technical account for non-life insurance business		(9,223)	3,331
Investment income	5	1,458	1,339
Realised foreign exchange gains/(losses)		129	(51)
Unrealised gains on investments		487	521
Allocated investment return transferred to the technical account		(330)	(200)
<b>(Loss)/Profit on ordinary activities before tax</b>	7	<u>(7,479)</u>	<u>4,940</u>
Tax on ordinary activities	8	<u>935</u>	<u>(618)</u>
<b>(Loss)/Profit for the financial year</b>		<u><u>(6,544)</u></u>	<u><u>4,322</u></u>

There are no recognised gains or losses other than those shown in the profit and loss account above.

All operations are continuing for the financial year.

The accompanying notes form part of these financial statements.

**ACADIA INTERNATIONAL INSURANCE DAC****BALANCE SHEET  
AS AT 30 JUNE 2025**

	Notes	2025 US\$'000	2024 US\$'000
<b>ASSETS</b>			
<b>Financial assets</b>			
Other investments	10	10,205	9,718
Loan to parent undertaking	9	6,617	6,383
		<u>16,822</u>	<u>16,101</u>
<b>Reinsurers' share of insurance contract liabilities</b>			
Technical provisions	13	177,827	13,495
Provision for unearned premiums	13	22,070	19,814
		<u>199,897</u>	<u>33,309</u>
<b>Debtors</b>			
Debtors arising out of insurance operations	12	9,210	13,161
Other debtors including taxation		1,233	10
		<u>10,443</u>	<u>13,171</u>
<b>Other assets</b>			
Cash and cash equivalents	11	44,350	17,679
		<u>44,350</u>	<u>17,679</u>
<b>Prepayments and accrued income</b>			
Accrued interest		141	79
Prepayments		45	22
		<u>186</u>	<u>101</u>
<b>Total assets</b>		<u>271,698</u>	<u>80,361</u>

The accompanying notes form part of these financial statements.

## ACADIA INTERNATIONAL INSURANCE DAC

### BALANCE SHEET AS AT 30 JUNE 2025

	Notes	2025 US\$'000	2024 US\$'000
<b>EQUITY</b>			
<b>Capital and reserves</b>			
Called up share capital	15	1,000	1,000
Capital Contribution	15	13,500	-
Profit and loss reserve brought forward		32,367	28,045
Profit and loss reserve for the financial year		(6,544)	4,322
<b>Total equity</b>		<u>40,323</u>	<u>33,367</u>
<b>LIABILITIES</b>			
<b>Insurance contract liabilities</b>			
Technical provisions	13	192,614	16,372
Provision for unearned premiums	13	25,332	22,766
		<u>217,946</u>	<u>39,138</u>
<b>Creditors</b>			
Creditors arising out of insurance operations	14	11,447	6,010
Deferred fronting costs		-	4
Other creditors including taxation		34	296
		<u>11,481</u>	<u>6,310</u>
<b>Accrued expenses and deferred income</b>			
Accrued expenses		542	364
Deferred income		1,406	1,182
		<u>1,948</u>	<u>1,546</u>
<b>Total liabilities</b>		<u>231,375</u>	<u>46,994</u>
<b>Total equity and liabilities</b>		<u>271,698</u>	<u>80,361</u>

The accompanying notes form an integral part of these financial statements.

On behalf of the Board

DocuSigned by:  
  
 8AA3E2B5B8C946D...

Jennifer Marie Chester  
Director

Signed by:  
  
 4107B277FCD64C9...

James Meehan  
Director

Date: 29 September 2025

**ACADIA INTERNATIONAL INSURANCE DAC****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2025**

	Notes	<i>Called up share capital</i> US\$'000	<i>Capital Contribution</i> US\$'000	<i>Retained earnings</i> US\$'000	<i>Total</i> US\$'000
<b>At 1 July 2023</b>		1,000	-	28,045	29,045
Profit for the financial year		-	-	4,322	4,322
		-	-	-	-
<b>At 30 June 2024</b>		<u>1,000</u>	<u>-</u>	<u>32,367</u>	<u>33,367</u>
Capital Contribution	15	-	13,500	-	13,500
Loss for the financial year		-	-	(6,544)	(6,544)
<b>At 30 June 2025</b>		<u>1,000</u>	<u>13,500</u>	<u>25,823</u>	<u>40,323</u>

# ACADIA INTERNATIONAL INSURANCE DAC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

### 1 GENERAL INFORMATION AND STATEMENT OF COMPLIANCE

The Company is a designated activity company, incorporated in the Republic of Ireland. The registered office is 15 Georges Quay, Dublin 2, Ireland. The financial statements cover those of the individual entity and are for the year ended 30 June 2025.

The financial statements have been prepared on a going concern basis and in accordance with Financial Reporting Standard 102 (“FRS 102”) “The Financial Reporting Standard applicable in the UK and Republic of Ireland” and Financial Reporting Standard 103 (“FRS 103”) “Insurance Contracts” issued by the Financial Reporting Council being applicable in the UK and Republic of Ireland, amended where necessary in order to comply with the Companies Act, 2014, and the European Union (Insurance Undertakings: Financial Statements) Regulations 2015 (“the Regulations”).

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain financial instruments which are measured at fair value.

The ultimate holding company of the Company is Parker Hannifin Corporation, which is incorporated in the United States of America. The largest and smallest group into which the results of the Company are consolidated is headed by Parker Hannifin Corporation. Copies of the group financial statements of Parker Hannifin Corporation are available from the treasurer, Parker Hannifin Corporation, 6035 Parkland Blvd, Cleveland, Ohio 44124-4141, USA.

The financial statements are prepared in USD which is the presentation and functional currency of the Company and are rounded to the nearest thousand unless otherwise stated.

The disclosure exemptions adopted by the Company in accordance with FRS 102 are as follows:

- The requirements of Section 7 *Statement of Cash Flows*; and
- The requirements of Section 33 *Related Party Disclosures*.

The financial statements for the year ended 30 June 2025 were approved for issue by the Board on 29 September 2025.

The accounting policies set out below, unless otherwise stated, have been applied consistently to all periods presented in these financial statements.

## ACADIA INTERNATIONAL INSURANCE DAC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)

#### 2 ACCOUNTING POLICIES

##### *a) Critical accounting estimates and judgements and key sources of estimation uncertainty*

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

There are no judgements apart from those involving estimates as detailed in the claims provision note 2(d,f) which are considered to have a significant effect on amounts recognised in the financial statements.

The following accounting principles are normally required to be applied:

##### *b) Going concern*

The financial statements have been prepared on the going concern basis as the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

##### *c) Foreign currency translation*

The Company's financial statements are presented in USD, which is also the Company's functional currency. Trading activities denominated in foreign currencies are recorded in US Dollars at actual exchange rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated using the exchange rates prevailing at the balance sheet date.

Profits and losses arising from foreign currency translation and on the settlement of amounts receivable and payable in foreign currencies are dealt with in the profit and loss account.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

##### *d) Insurance contracts*

Insurance contracts are those contracts where the Company (the insurer) has accepted significant insurance risk from another party (the policyholder/direct insurer) by agreeing to compensate the policyholder/direct insurer if a specified uncertain future event (the insured event) adversely affects the policyholder/direct insurer. As a general guideline, the Company determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur.

Reserves for insurance contract liabilities and reinsurance assets are based upon management's best estimate of the ultimate liabilities and are determined with the assistance of an independent actuary. The reserves include estimates for both case reserves and losses incurred but not reported ("IBNR").

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

## ACADIA INTERNATIONAL INSURANCE DAC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)

#### 2 ACCOUNTING POLICIES (CONTINUED)

##### *e) Premium income*

Premium income comprise the premiums on insurance and inward reinsurance contracts inception during the year. Written premiums are accounted for gross of commissions and are exclusive of taxes and duties levied thereon.

##### *Premiums earned*

Premiums are earned on a pro-rata basis over the period to which they relate with the unearned portion being deferred in the balance sheet.

##### *Unearned premiums*

Unearned premiums are calculated on the basis of the percentage of the unexpired period remaining in the underwriting year at the financial year end.

##### *Outward reinsurance premiums*

Outward reinsurance premiums are accounted for in the same accounting period as the premiums for the related direct or inwards reinsurance business.

##### *f) Claims*

Claims incurred comprise claims occurring during the year together with related claims handling expenses and any adjustments to claims outstanding from previous years. Where applicable, deductions are made for salvage and other recoveries.

Full provision is made for the estimated cost of all claims notified but not settled at the year-end using the best information available at that time. Provision is also made for the cost of claims incurred but not reported at the year-end and for the estimated claims handling expenses that will be incurred after the year-end relating to claims outstanding at the year-end.

The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. In estimating the cost of claims notified but not paid, the Company has regard to claims circumstances as reported, any information available from loss adjusters and information on the cost of settling claims with similar characteristics in previous periods. Provisions for claims incurred but not reported are established having regard for the results of a valuation by an independent actuary. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the original liability established.

## ACADIA INTERNATIONAL INSURANCE DAC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)

#### 2 ACCOUNTING POLICIES (CONTINUED)

##### *g) Financial instruments*

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are measured initially at cost, including transaction costs. For financial assets acquired, cost is the fair value of the consideration paid while for financial liabilities, cost is the fair value of the consideration received. Transaction costs included in the initial measurement are those incremental costs arising on the initial purchase of the investments.

A financial asset is derecognised when the Company no longer has control over the contractual rights that comprise that asset. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expired.

##### *Fair value hierarchy*

FRS 102, establishes a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical asset or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are as follows:

Level 1 – Quoted prices for an identical asset in an active market. Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2 – When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If it can be demonstrated that the last transaction price is not a good estimate of fair value (e.g. because it reflects the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distress sale), that price is adjusted.

Level 3 – If the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique. The objective of using a valuation technique is to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations.

All financial assets are classified as level 1. There has been no movement between the different levels of fair value hierarchy during the year (2024: None).

##### *h) Cash and cash equivalents*

Cash and short term deposits in the balance sheet comprise cash at banks and deposit with credit institutions. Carrying amounts approximate fair value due to the short-term nature and high liquidity of the instruments.

The Company participates in a cash pooling programme with JP Morgan as a subsidiary of the Parker-Hannifin group, cash balances are swepted daily and funds are readily available.

##### *i) Deposits with credit institutions*

Deposits with credit institutions comprise short-term fixed deposits with an original maturity of more than three months, the withdrawal of which are subject to time restrictions. Carrying amounts approximate fair value due to the short term nature and high liquidity of the instruments.

## ACADIA INTERNATIONAL INSURANCE DAC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)

#### 2 ACCOUNTING POLICIES (CONTINUED)

##### *j) Investment income*

Income from investments are included in the non-technical account on an accruals basis. A transfer of investment return, including investment income, is made from the non-technical account to the technical account – general business to reflect the return made on those assets directly attributable to the insurance business. The allocation is based on the ratio of net insurance contract liabilities to equity.

##### *k) Taxation*

Corporation tax is provided on taxable profits at current attributable rates. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date. The amount included in the profit and loss account is based on the profit on ordinary activities before taxation and is calculated at current local tax rates, taking into account timing differences and the likelihood of realisation of deferred tax assets and liabilities.

Deferred tax is provided on all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are temporary differences between profits as computed for tax purposes and profits as stated in the financial statements, which arise because certain items of income and expenditure in the financial statements are dealt with in different years for tax purposes.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### *l) Debtors arising out of insurance operations*

Trade and other receivables are recognised and carried at original invoice amount less allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

##### *m) Creditors arising out of insurance operations*

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

##### *n) Intercompany loan*

The Intercompany Loan is recognised at fair value due to the short-term nature and high liquidity of the instrument. This is held with Parker Hannifin EMEA Sarl.

##### *o) Additional Unexpired Risk Reserve (AURR)*

Where the net best estimate of future claims and expenses attributable to the unexpired portion of insurance contracts exceeds the net unearned premium reserve (net of associated acquisition costs), an additional unexpired risk reserve (AURR) is recognised.

The AURR is calculated based on actuarial estimates of expected losses and expenses, aligned with Solvency II Technical Provisions assumptions. The reserve is recognised as a liability in the financial statements, representing the shortfall between the net unearned premium reserve and the expected future outflows. The recognition of AURR is subject to materiality assessment and is agreed with the Head of Actuarial Function prior to inclusion in statutory accounts.

ACADIA INTERNATIONAL INSURANCE DAC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)

3 SEGMENTAL INFORMATION

a) Analysis of gross premium written

	2025 US\$'000	2024 US\$'000
Gross premiums written:		
<b>Risks located in EU:</b>		
Fire and other damage to property	3,570	2,777
General liability	-	-
	<u>3,570</u>	<u>2,777</u>
<b>Risks located in Non-EU:</b>		
Fire and other damage to property	18,971	15,862
General liability	15,755	16,182
	<u>34,726</u>	<u>32,044</u>
<b>Grand Total</b>	<u><u>38,296</u></u>	<u><u>34,821</u></u>

b) Analysis of gross premiums earned, gross claims incurred, net operating expenses and the reinsurance balance

	Fire & Other Damage to Property US\$'000	General Liability US\$'000	Total US\$'000
<b>2025</b>			
Gross premiums earned	19,864	15,867	35,731
Investment income transferred from the non-technical account	183	147	330
Gross claims incurred	(176,341)	(2,260)	(178,601)
Net operating expenses	(241)	(192)	(433)
<b>Gross Result</b>	<u>(156,535)</u>	<u>13,561</u>	<u>(142,973)</u>
<b>Outward Reinsurance</b>			
Premiums earned	(16,607)	(14,740)	(31,347)
Claims incurred	162,942	2,155	165,097
	<u>146,335</u>	<u>(12,585)</u>	<u>133,750</u>
<b>Net Result</b>	<u><u>(10,200)</u></u>	<u><u>976</u></u>	<u><u>(9,223)</u></u>
<b>2024</b>			
Gross premiums earned	16,825	15,374	32,199
Investment income transferred from the non-technical account	105	95	200
Gross claims incurred	(370)	(4,696)	(5,066)
Net operating expenses	(187)	(171)	(358)
<b>Gross Result</b>	<u>16,373</u>	<u>10,602</u>	<u>26,975</u>
<b>Outward Reinsurance</b>			
Premiums Earned	(14,158)	(14,280)	(28,438)
Claims Incurred	111	4,683	4,794
	<u>(14,047)</u>	<u>(9,597)</u>	<u>(23,644)</u>
<b>Net Result</b>	<u><u>2,326</u></u>	<u><u>1,005</u></u>	<u><u>3,331</u></u>

## ACADIA INTERNATIONAL INSURANCE DAC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)

#### 4 NET OPERATING EXPENSES

	2025	2024
	US\$'000	US\$'000
Administrative expenses	2,138	1,789
Reinsurance commission	(1,656)	(1,375)
Fronting income	(49)	(56)
	<u>433</u>	<u>358</u>

#### 5 INVESTMENT INCOME

	2025	2024
	US\$'000	US\$'000
Income from intercompany loan	307	336
Income from bank deposits	1,151	1,003
	<u>1,458</u>	<u>1,339</u>

#### 6 EMPLOYEES

The Company has no employees. Aon Insurance Managers (Dublin) Limited directly employs staff members who provide management services to the Company.

#### 7 (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAX

	2025	2024
	US\$'000	US\$'000
(Loss)/Profit on ordinary activities before taxation is stated after charging:		
Directors' fees	<u>13</u>	<u>13</u>
Auditors' remuneration for work carried out for the Company in respect of the financial year is as follows:		
Audit of company financial statements (excluding VAT)	31	21
Other assurance services - Solvency II fee (excluding VAT)	-	10
	<u>31</u>	<u>31</u>

#### 8 TAX ON ORDINARY ACTIVITIES

##### Factors that have affected the tax charge

The standard rate of corporation tax in the Republic of Ireland is 12.5% (2024: 12.5%).

##### (a) Tax charged in the profit and loss account

	2025	2024
	US\$'000	US\$'000
<b>Current income tax:</b>		
Current income tax (recovery)/charge	(935)	618
	<u>(935)</u>	<u>618</u>

##### (b) Reconciliation of the effective tax charge

	2025	2024
	US\$'000	US\$'000
(Loss)/ Profit on ordinary activities before taxation	<u>(7,479)</u>	<u>4,940</u>
Tax on profit on ordinary activities at the standard rate of Irish corporation tax of 12.5%	935	(618)
Current tax recovery/(charge) for the year	<u>935</u>	<u>(618)</u>

In December 2021, the Organization for Economic Cooperation and Development ("OECD") published a framework, known as Pillar Two, defining a global minimum tax of 15 percent on large corporations and their subsidiaries. The OECD has since issued administrative guidance providing transition and safe harbor rules around the implementation of the Pillar Two global minimum tax. Several countries, including Ireland, have proposed or enacted legislation to implement core elements of the Pillar Two proposal effective for years beginning after December 31, 2023. Pillar Two does not currently have a significant impact on our financial statements. However, future legislation and guidance may result in a change to our assessment.

**ACADIA INTERNATIONAL INSURANCE DAC**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)**

**9 LOAN TO PARENT UNDERTAKING**

	<b>2025</b>	<b>2024</b>
	US\$'000	US\$'000
Loan to parent undertaking	<u><b>6,617</b></u>	<u><b>6,383</b></u>

On 30 June 2025, the Company (Lender) renewed the loan to Parker Hannifin EMEA Sàrl (Borrower) subject to an interest rate of 4.40% (2024: 5.44%), and is due to be repaid on 30 September 2025.

Subject to the provision of one working days' notice by the Lender to the Borrower, the loan is repayable on demand, in particular, but not limited to, where the technical reserves or solvency margin position of the Lender is breached or on the direction of the Central Bank of Ireland.

**10 FINANCIAL ASSETS**

	<b>2025</b>	<b>2024</b>
	US\$'000	US\$'000
<b>Financial assets measured:</b>		
<b>At fair value through profit and loss</b>		
Other investments	10,205	9,718
<b>At undiscounted amount receivable</b>		
Loan to parent undertaking (see note 9)	<u>6,617</u>	<u>6,383</u>
<b>Total financial assets</b>	<u><b>16,822</b></u>	<u><b>16,101</b></u>

**Other Investments**

The company has an investment in a dedicated fund managed by Blackrock, which is held as part of an investment portfolio, and measured at fair value through profit or loss.

The carrying amount of the financial assets approximate their fair value.

**11 Cash and Cash Equivalents**

	<b>2025</b>	<b>2024</b>
	US\$'000	US\$'000
Cash and cash equivalents	<u><b>44,350</b></u>	<u><b>17,679</b></u>

The Company participates in a cash pooling programme with JP Morgan as a subsidiary of the Parker-Hannifin group. At 30 June 2025, the Company had a balance of \$ 44.35m (2024: \$17.68m) in its USD account as this structure will allow a payment go through where there are insufficient funds in a single account. The balances are swept daily and the Company's balance was updated in first quarter of the financial year 2025.

**ACADIA INTERNATIONAL INSURANCE DAC**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)**

<b>12 DEBTORS ARISING OUT OF INSURANCE OPERATIONS</b>	<b>2025</b>	<b>2024</b>
	US\$'000	US\$'000
Premium receivable	7,458	11,971
IPT receivable	710	563
Commission receivable	1,042	627
	<u><b>9,210</b></u>	<u><b>13,161</b></u>

All of these amounts are due within one financial year

<b>13 INSURANCE CONTRACT LIABILITIES</b>	<b>2025</b>	<b>2024</b>
	US\$'000	US\$'000
Outstanding Loss Reserve (OSLR)	171,281	1,006
Incurred but not reported (IBNR)	19,516	15,366
Additional Unexpired Risk Reserve	1,817	-
<b>Gross Technical Provisions</b>	<u><b>192,614</b></u>	<u><b>16,372</b></u>

Outstanding Loss Reserve (OSLR)	8,863	102
Incurred but not reported (IBNR)	4,107	2,775
Additional Unexpired Risk Reserve	1,817	-
<b>Net Technical Provisions</b>	<u><b>14,787</b></u>	<u><b>2,877</b></u>

	Gross US\$'000	Reinsurance US\$'000	Net US\$'000
<b>Technical Provisions</b>			
Balance at 1 July 2023	14,040	(11,913)	2,127
Claims paid in the year	(2,734)	3,212	478
Claims incurred in the year	5,066	(4,794)	272
Balance at 30 June 2024	<u>16,372</u>	<u>(13,495)</u>	<u>2,877</u>
Claims paid in the year	(2,359)	767	(1,592)
Claims incurred in the year	178,601	(165,099)	13,502
Balance at 30 June 2025	<u><b>192,614</b></u>	<u><b>(177,827)</b></u>	<u><b>14,787</b></u>

	Gross US\$'000	Reinsurance US\$'000	Net US\$'000
<b>Provisions for unearned premiums</b>			
Balance at 1 July 2023	20,144	(17,130)	3,014
Premium written in the year	34,821	(31,122)	3,699
Premium earned in the year	(32,199)	28,438	(3,761)
Balance at 30 June 2024	<u>22,766</u>	<u>(19,814)</u>	<u>2,952</u>
Premium written in the year	38,296	(33,604)	4,692
Premium earned in the year	(35,730)	31,348	(4,382)
Balance at 30 June 2025	<u><b>25,332</b></u>	<u><b>(22,070)</b></u>	<u><b>3,262</b></u>

During the year, an additional provision amounting to \$1.8m in the form of an unexpired risk reserve was made for any deficiencies arising when unearned premiums, net of associated acquisition costs are insufficient to meet expected claims and expenses attributable to the unexpired portion of insurance contracts.

<b>14 CREDITORS ARISING OUT OF INSURANCE OPERATIONS</b>	<b>2025</b>	<b>2024</b>
	US\$'000	US\$'000
IPT payable	690	569
Reinsurance premium payable	10,757	5,441
Total payables	<u><b>11,447</b></u>	<u><b>6,010</b></u>

All of these amounts are due within one financial year

<b>15 CALLED UP SHARE CAPITAL</b>	<b>2025</b>	<b>2024</b>
<b>Authorised</b>	US\$'000	US\$'000
20,000,000 ordinary shares of US\$1 each	<u>20,000</u>	<u>20,000</u>
<b>Issued</b>		
1,000,000 ordinary shares of US\$1 each	<u>1,000</u>	<u>1,000</u>
<b>Called up and fully paid</b>		
1,000,000 ordinary shares of US\$1 each	<u>1,000</u>	<u>1,000</u>

During the year, the Company received a capital contribution of \$13.5 million from its parent undertaking.

## ACADIA INTERNATIONAL INSURANCE DAC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)

#### 16 RISK MANAGEMENT

The Company is exposed to risks from several areas including insurance risk, credit risk, market risk, liquidity and operational risk. This section summarises these risks and the way the Company manages them.

##### **Corporate governance**

The directors give high priority to risk management and control. Procedures are in place within the Company to ensure that risks are being measured, monitored and reported adequately and effectively.

##### **Capital management**

The Company monitors the risks to which the business is exposed and identifies its impact on capital. The directors are confident that the Company will continue to meet its capital requirements in the future.

##### **Regulatory**

The Company is regulated by the Central Bank of Ireland under Irish insurance legislation. Appropriate personell have been appointed to ensure compliance with relevant requirements.

##### **Risk exposures**

The Company is exposed to financial risks through the inherent uncertainty in undertaking insurance business affecting its financial assets and liabilities. The most important components of this risk are insurance, credit, market (including interest rate and currency), liquidity and operational risks.

##### ***a) Insurance risk***

The Company underwrites contracts that transfer insurance risk. The risk under any insurance contract is the possibility that the insured event occurs and the uncertainty that the Company will have sufficient assets to satisfy the amounts payable under the contract. This risk is mitigated by collecting the estimated premium sufficient to meet estimated losses and expenses.

As the theory of probability is applied to both the pricing (when premiums are written) and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims experience shall exceed the amount of the insurance liabilities that have been accrued at the balance sheet date. This could occur if the frequency and/or severity of the claims are greater than estimated. Insurance events are random and the actual number and amount of claims will vary from year to year from the estimate established using statistical techniques.

The frequency and severity of future claims, which are insured by the Company, can be affected by several factors including interest rates, economic performance and other legal, political and social trends, among others. Additionally, if an underwriting year has long tail business, there is a greater degree of uncertainty in estimating its outcome.

## ACADIA INTERNATIONAL INSURANCE DAC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)

#### 16 RISK MANAGEMENT (continued)

##### *a) Insurance risk (continued)*

The cost of outstanding claims is determined using standard actuarial techniques to project the ultimate claims that the Company shall be liable for. These include estimated loss ratios, exposure based methods, claims development methods, bornhuetter-ferguson methods and benchmarking against other external data.

The Company manages these risks through its underwriting and reserving strategy and arranging for an external actuary to review the valuation of the reserves of the Company on an annual basis. Additionally, these risks are managed by having adequate reinsurance arrangements in place. The Company also monitors emerging issues.

The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. This includes geographical concentration of the Company's risks, which is spread throughout the world.

The Company cedes insurance risk to reinsurers to limit exposure to underwriting losses. The primary focus of the Company's reinsurance strategy is on the security and financial stability of reinsurers. However, the Company remains liable to its policyholders with respect to ceded reinsurance if any reinsurer fails to meet the obligations it assumes.

The Company is a captive insurance company, all business written by the Company is group business with Parker Hannifin Corporation group entities.

##### *(i) Concentration of insurance risk – claims reserve*

The table below sets out the concentration of insurance risk by class of insurance:

<b>2025</b>	<b>Gross</b>	<b>Reinsurers share</b>	<b>Net</b>
<b>Technical Provisions</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Fire and other damage to property	175,277	163,072	12,205
General liability	15,520	14,755	765
<b>Total</b>	<b>190,797</b>	<b>177,827</b>	<b>12,970</b>
<b>2024</b>	<b>Gross</b>	<b>Reinsurers share</b>	<b>Net</b>
<b>Technical Provisions</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Fire and other damage to property	2,896	724	2,172
General liability	13,476	12,771	705
<b>Total</b>	<b>16,372</b>	<b>13,495</b>	<b>2,877</b>

The figures above are not inclusive of the AURR.

ACADIA INTERNATIONAL INSURANCE DAC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)

16 RISK MANAGEMENT (Continued)

Claims Development

Claims development information is disclosed in order to illustrate the insurance risk inherent in the Company. The tables below illustrates the claims provisions established over a period of time on a gross and net basis, together with cumulative payments to date. The Company began writing premium in 1994. The table below is an analysis of claims development since that time.

Analysis of Claim development - Gross

General Liability

Gross Ultimate	Pre 2016	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total	
83,000,124	2013	83,000,124										83,000,124	
86,110,574	2014	86,110,574										86,110,574	
82,974,965	2015	83,372,965										83,372,965	
78,042,765	2016	82,345,765	481,000									82,826,765	
74,446,366	2017	77,341,998	3,835,712	430,443								81,608,152	
72,968,059	2018	74,925,965	2,627,295	3,773,890	378,635							81,705,785	
72,745,208	2019	73,782,829	2,398,398	2,068,369	2,305,947	385,497						80,941,040	
71,891,167	2020	72,527,426	1,782,256	1,435,049	2,066,857	2,358,950	477,666					80,648,205	
71,730,685	2021	72,060,519	1,169,872	643,343	1,645,714	1,668,051	2,987,308	533,959				80,708,766	
71,701,361	2022	71,701,361	865,453	418,313	535,782	1,166,941	2,220,789	3,977,276	599,092			81,485,008	
71,667,035	2023	71,667,035	750,000	149,474	296,633	636,582	1,500,452	3,135,218	4,131,489	659,040		82,925,924	
72,589,692	2024	72,982,507	937,727	326,659	195,865	444,305	1,502,328	3,080,448	2,895,786	4,540,892	715,617	-	87,622,133
	2025	72,967,399	937,727	237,631	224,129	312,218	1,184,559	3,158,089	2,322,673	3,214,327	4,552,340	726,657	89,837,748
72,589,692	Estimate of Cumulative claims	72,967,399	937,727	237,631	224,129	312,218	1,184,559	3,158,089	2,322,673	3,214,327	4,552,340	726,657	89,837,748
72,589,692	Cumulative Paid	72,967,399	937,727	205,772	48,348	33,522	95,952	13,763	6,205	4,924	4,680	-	74,318,292
	Claim Reserves	-	-	31,860	175,781	278,696	1,088,607	3,144,325	2,316,467	3,209,403	4,547,660	726,657	15,519,457

Fire & other damage to property

Gross Ultimate	Pre 2016	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total	
32,563,029	2013	32,563,029										32,563,029	
32,981,379	2014	32,981,379										32,981,379	
28,701,290	2015	29,141,790										29,141,790	
30,976,337	2016	31,712,924	92,250									31,805,174	
30,957,531	2017	31,155,364	581,790	378,806								32,115,961	
30,957,532	2018	31,030,208	120,245	556,788	295,405							32,002,646	
30,957,532	2019	31,030,207	2,426	123,883	10,259,152	392,514						41,808,182	
30,957,532	2020	31,030,207	2,374	13,281	19,124,284	410,604	939,363					51,520,112	
30,957,532	2021	31,030,208	2,374	13,281	21,164,392	410,604	495,668	1,035,949				54,152,476	
30,957,532	2022	31,030,207	2,372	13,308	21,462,586	-	495,668	424,987	1,043,415			54,472,544	
30,957,532	2023	31,030,207	2,372	12,181	24,688,464	-	-	647,183	2,884,158			59,264,565	
30,957,532	2024	31,030,207	2,372	12,181	24,653,918	-	-	931	155,219	1,856,340	1,928,771	59,639,940	
	2025	31,951,047	2,372	12,181	24,653,918	-	-	42,592	96,916	1,112,181	174,084,942	3,213,522	235,169,670
30,957,532	Estimate of Cumulative claims	31,951,047	2,372	12,181	24,653,918	-	-	42,592	96,916	1,112,181	174,084,942	3,213,522	235,169,670
30,957,532	Cumulative Paid	31,951,047	2,372	12,181	24,653,918	-	-	42,592	96,504	949,430	2,184,663	-	59,892,706
	Claim Reserves	-	-	-	-	-	-	-	412	162,751	171,900,279	3,213,522	175,276,964

Marine & Transport

Gross Ultimate	Pre 2016	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total	
49,073	2013	49,073										49,073	
144,625	2014	144,625										144,625	
219,625	2015	219,625										219,625	
218,625	2016	295,339										295,339	
218,625	2017	238,339	54,044									292,383	
218,625	2018	238,339	54,044	77,000								369,383	
218,625	2019	238,339	54,044	-	66,051							358,434	
218,625	2020	238,339	54,044	-	22,955							315,338	
218,625	2021	238,339	54,044	-	22,955							315,338	
218,625	2022	238,339	54,044	-	22,955							315,338	
218,625	2023	238,339	54,044	-	22,955							315,338	
218,625	2024	238,339	54,044	-	22,955							315,338	
	2025	238,339	54,044	-	22,955							315,338	
218,625	Estimate of Cumulative claims	238,339	54,044	-	22,955	-	-	-	-	-	-	-	315,338
218,625	Cumulative Paid	238,339	54,044	-	22,955	-	-	-	-	-	-	-	315,338
	Claim Reserves	-	-	-	-	-	-	-	-	-	-	-	-
	Gross Reserves	-	-	31,860	175,781	278,696	1,088,607	3,144,325	2,316,879	3,372,154	176,447,939	3,940,179	190,796,421

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)

## RISK MANAGEMENT (Continued)

16

## Analysis of Claim development - Net

## General Liability

Net Ultimate	Pre 2016	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total	
	2013	6,742,809										6,742,809	
6,742,809	2014	6,734,476										6,734,476	
6,734,476	2015	7,067,976										7,067,976	
6,555,976	2016	6,446,976	266,000									6,712,976	
6,264,976	2017	6,277,760	182,837	200,208								6,660,805	
6,170,229	2018	6,564,957	121,229	938,396	204,788							7,829,370	
6,493,797	2019	6,537,813	823,340	112,903	499,011	197,608						8,170,674	
6,496,872	2020	6,497,527	790,734	68,419	108,055	185,779	207,209					7,857,723	
6,492,028	2021	6,491,713	753,863	35,354	67,372	107,666	207,823	207,624				7,871,415	
6,488,571	2022	6,488,571	752,816	4,368	35,799	74,257	124,483	214,111	206,705			7,901,110	
6,488,571	2023	6,488,571	750,000	3,646	3,751	42,978	85,707	123,457	203,648	229,180		7,930,938	
6,488,571	2024	6,488,571	750,000	-	3,500	5,139	47,426	82,266	115,423	214,971	236,174	7,943,470	
6,488,571	2025	6,488,571	750,000	-	4,228	6,727	13,592	66,719	91,715	132,056	227,059	221,981	8,002,648
<b>Estimate of Cumulative claims</b>		6,488,571	750,000	-	4,228	6,727	13,592	66,719	91,715	132,056	227,059	221,981	8,002,648
6,488,571		6,488,571	750,000	-	-	-	-	-	-	-	-	-	7,238,571
6,488,571													
<b>Claim Reserves</b>		-	-	-	4,228	6,727	13,592	66,719	91,715	132,056	227,059	221,981	764,077

## Fire &amp; other damage to property

Net Ultimate	Pre 2016	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total	
	2013	6,008,481										6,008,481	
6,008,481	2014	6,345,082										6,345,082	
6,345,082	2015	4,877,345										4,877,345	
4,738,345	2016	6,011,377	76,250									6,087,627	
5,274,789	2017	5,499,088	581,790	319,326								6,400,205	
5,301,255	2018	5,373,932	120,245	556,788	265,800							6,316,765	
5,301,256	2019	5,373,931	2,426	123,883	2,288,302	285,497						8,074,039	
5,301,255	2020	5,373,931	2,374	13,281	2,265,900	410,604	529,074					8,595,164	
5,301,255	2021	5,373,932	2,374	13,281	2,330,137	410,604	495,668	658,051				9,284,047	
5,301,256	2022	5,373,932	2,372	13,308	2,314,757	-	495,668	424,987	661,912			9,286,936	
5,301,256	2023	5,373,932	2,372	12,181	2,373,364	-	-	647,183	2,270,671			10,679,702	
5,301,256	2024	5,373,931	2,372	12,181	2,330,773	-	-	931	155,219	1,856,340	1,204,467	10,936,214	
5,301,255	2025	5,373,931	2,372	12,181	2,330,773	-	-	-	96,916	1,112,181	11,750,980	1,880,964	22,560,297
<b>Estimate of Cumulative claims</b>		5,373,931	2,372	12,181	2,330,773	-	-	-	96,916	1,112,181	11,750,980	1,880,964	22,560,297
5,281,536		5,373,931	2,372	12,181	2,330,773	-	-	-	96,504	949,430	1,589,841	-	10,355,033
5,281,536													
<b>Claim Reserves</b>		-	-	-	-	-	-	-	412	162,751	10,161,138	1,880,964	12,205,265

## Marine &amp; Transport

Net Ultimate	Pre 2016	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total	
	2013	49,073										49,073	
49,073	2014	144,625										144,625	
144,625	2015	219,625										219,625	
219,625	2016	295,339	-									295,339	
218,625	2017	238,339	75,000	-								313,339	
218,625	2018	238,339	54,044	77,000	-							369,383	
218,625	2019	238,339	54,044	-	66,051	-						358,434	
218,625	2020	238,339	54,044	-	22,955	-	-					315,338	
218,625	2021	238,339	54,044	-	22,955	-	-	-				315,338	
218,625	2022	238,339	54,044	-	22,955	-	-	-	-			315,338	
218,625	2023	238,339	54,044	-	22,955	-	-	-	-	-		315,338	
218,625	2024	238,339	54,044	-	22,955	-	-	-	-	-		315,338	
218,625	2025	238,339	54,044	-	22,955	-	-	-	-	-	-	315,338	
<b>Estimate of Cumulative claims</b>		238,339	54,044	-	22,955	-	-	-	-	-	-	-	315,338
143,625		238,339	54,044	-	22,955	-	-	-	-	-	-	-	315,338
143,625													
<b>Claims Reserves</b>		-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Reserves</b>		-	-	-	4,228	6,727	13,592	66,719	92,127	294,807	10,388,197	2,102,945	12,969,341

The figures noted in the claims development tables are not inclusive of the AURR.

**ACADIA INTERNATIONAL INSURANCE DAC**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)**

**16 RISK MANAGEMENT (Continued)**

*ii) Risk management objectives and policies*

The principal assumptions underlying the Company's estimation of liabilities is that the Company's future claims development will follow a similar pattern to past claims development experience. Additional qualitative judgements are used to assess the extent to which past trends may not apply in the future, for example, isolated large claim occurrences, economic conditions, internal factors such as portfolio mix, policy conditions and claims handling procedures. Judgement is further used to assess the extent to which external factors, such as judicial decisions and government legislation affect the estimates. Claims reserves have been subject to independent review by an external actuary.

The sensitivity analysis below is performed for conservative movements in the ultimate loss ratios ("ULRs") used in the estimation of the claims reserve with all other assumptions held constant, showing the impact on gross and net claims reserve and Profit Before Tax ("PBT") for the year.

	Adjusted gross claims reserve US\$'000	Adjusted net claims reserve US\$'000	Adjusted PBT for the year US\$'000	Adjusted Equity US\$'000
<b>2025</b>				
<b>Increase in ULR's by 10%</b>	211,875	16,266	(6,000)	(5,250)
<b>Decrease in ULR's by 10%</b>	173,353	13,308	(8,958)	(7,838)
<b>2024</b>				
<b>Increase in ULR's by 10%</b>	18,009	3,165	5,228	4,574
<b>Decrease in ULR's by 10%</b>	14,735	2,589	4,652	4,071

*b) Credit risk*

Credit risk is the risk that one party to a financial instrument or financial arrangement will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company has identified credit risks associated with the cash and deposits it has placed with third party banking institutions. All investments undertaken are in line with the Company's investment policy, which is regularly reviewed by the Board. The requirements of the Company's investment policy were met at all times during the financial year. The Company has a parental guarantee in place on its intercompany loan and intercompany cash pooling arrangements.

The Company also recognises the credit risks associated with its reinsurance arrangements. The Company manages its reinsurance risks by establishing a reinsurance strategy and this strategy sets out the required security ratings of its reinsurers and the procedures to follow if category A- rating is not met. The Company monitors the reinsurers' ratings on a regular basis to ensure compliance with its reinsurance strategy.

The assets that are exposed to credit risk are:

- Cash and cash equivalents;
- Loan to parent undertaking;
- Other investments;
- Debtors arising out of insurance operations; and
- Accrued interest

The Company utilises custodians deemed to be of high credit quality to hold its cash and cash equivalents, and additionally has limits in place in relation to the amount of cash which can be held by any one financial institution.

	<i>Bank Credit Rating</i>		
	<i>A+/-1</i> US\$'000	<i>BBB+/-</i> US\$'000	<i>Total</i> US\$'000
<b>2025</b>			
Cash and cash equivalents	44,350	-	44,350
Loan to parent undertaking	-	6,617	6,617
Other investments	10,205	-	10,205
Debtors arising out of insurance operations	3,069	6,141	9,210
Accrued interest	-	141	141
	<b>57,624</b>	<b>12,899</b>	<b>70,523</b>
<b>2024</b>			
Cash and cash equivalents	17,679	-	17,679
Loan to parent undertaking	-	6,383	6,383
Other investments	9,718	-	9,718
Debtors arising out of insurance operations	1,968	11,193	13,161
Accrued interest	-	79	79
	<b>29,365</b>	<b>17,655</b>	<b>47,020</b>

ACADIA INTERNATIONAL INSURANCE DAC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)

16 RISK MANAGEMENT (CONTINUED)

*c) Market risk*

The Company's principal transactions are carried out in US Dollars and its exposure to foreign exchange risk, though not considered material, arises primarily with respect to Euro and GBP. The Company's financial assets are primarily denominated in the same currencies as its insurance liabilities, which mitigates the foreign currency exchange rate risk. Thus, the main foreign exchange risk arises from the receipt of premium and Insurance Premium Tax ("IPT") in other currencies.

*i) Currency risk*

Foreign currency risk can be described as the risk that the Company might be affected due to an adverse movement in foreign exchange rates.

*ii) Interest rate risk*

Interest rate risk arises on the Company's investment portfolio. The fair value of the fixed income portfolio is generally inversely correlated to movements in market interest rates. If market interest rates fall, the fair value of the Company's fixed income investments would tend to rise and vice versa. The sensitivity of the price of fixed income securities is also impacted by its duration. The greater a security's duration, the greater its percentage price volatility.

*Sensitivity analysis*

Given the short term cash nature of the assets and the fixed interest on deposits with credit institutions and loan to parent undertaking, the impact of interest rate risk is limited. The exposure is kept under review.

*d) Liquidity risk*

The Company is exposed, if proceeds from financial assets are not sufficient to fund obligations arising from its insurance contracts. The Company can be exposed to daily calls on its available investment assets, principally from insurance claims. Liquidity risk is the risk that cash may not be available to pay obligations when they are due without incurring an unreasonable cost. Liquidity risk is managed by investing primarily in highly rated deposits which the Company deems to be very liquid.

The Company has determined that liquidity risk does not represent a significant exposure to its business. This assessment is based on the fact that the Company has all of its investments held in bank deposits, intercompany loan or within a liquidity fund managed by Blackrock Asset Management. This liquidity fund invests primarily in commercial paper, floating rate notes, certificates of deposit, fixed rate bonds and cash deposits. Investments in the fund are in compliance with the Company's investment guidelines.

The table below shows the maturity of the Company's financial assets, financial liabilities and outstanding claims based on the remaining period at the balance sheet date to the contractual maturity date.

2025	Carrying amount	Less than 1 year	1-3 years	3-5 years
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Financial Assets</b>				
Loan to parent undertaking	6,617	6,617	-	-
Cash and Cash Equivalents	44,350	44,350	-	-
Other investments	10,205	10,205	-	-
Debtors arising out of insurance operations	9,210	9,210	-	-
Reinsurers' share of insurance contract liabilities	177,827	40,274	106,724	30,829
Other debtors including taxation	1,233	1,233	-	-
Accrued interest	141	141	-	-
<b>Total</b>	<b>249,583</b>	<b>112,030</b>	<b>106,724</b>	<b>30,829</b>
<b>Financial Liabilities</b>				
Creditors arising out of insurance operations	11,447	11,447	-	-
Other creditors	34	34	-	-
Technical provisions	192,614	46,958	113,215	32,441
<b>Total</b>	<b>204,095</b>	<b>58,439</b>	<b>113,215</b>	<b>32,441</b>
<b>2024</b>	<b>Carrying amount</b>	<b>Less than 1 year</b>	<b>1-3 years</b>	<b>3-5 years</b>
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Financial Assets</b>				
Loan to parent undertaking	6,383	6,383	-	-
Cash and Cash Equivalents	17,679	17,679	-	-
Other investments	9,718	9,718	-	-
Debtors arising out of insurance operations	13,161	13,161	-	-
Reinsurers' share of insurance contract liabilities	13,495	2,154	6,108	5,233
Accrued interest	79	79	-	-
<b>Total</b>	<b>60,515</b>	<b>49,174</b>	<b>6,108</b>	<b>5,233</b>
<b>Financial Liabilities</b>				
Creditors arising out of insurance operations	6,010	6,010	-	-
Other creditors including taxation	296	296	-	-
Technical provisions	16,372	3,268	7,503	5,601
<b>Total</b>	<b>22,678</b>	<b>9,574</b>	<b>7,503</b>	<b>5,601</b>

## ACADIA INTERNATIONAL INSURANCE DAC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025 (CONTINUED)

#### *e) Operational risk*

Operational risk is the risk of loss arising from system failure, human error, fraud, or external events. When controls fail to perform, operational risk can cause damage to reputation, have legal or regulatory implications, or can lead to financial loss. The Company cannot expect to eliminate all operational risk, but by initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage this risk. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education, and assessment processes.

#### **17 ULTIMATE GROUP UNDERTAKING**

The directors regard Parker Hannifin Corporation, which is incorporated in the United States of America, as the Company's ultimate holding company. The largest and smallest group into which the results of the Company are consolidated is headed by Parker Hannifin Corporation. Copies of the group financial statements of Parker Hannifin Corporation are available from The Treasurer, Parker Hannifin Corporation, 6035 Parkland Blvd, Cleveland, Ohio 44124-4141, USA.

#### **18 RELATED PARTY TRANSACTIONS**

The Company is wholly owned within the Parker Hannifin Corporation. Transactions with Parker Hannifin Corporation and subsidiaries are not disclosed as the Company has taken advantage of the exemption available under section 33.1 A of FRS 102 from disclosing such transactions.

#### **19 STATEMENT OF CASH FLOW**

The Company has not prepared a statement of cash flow as it has taken advantage of the exemption available under FRS 102 1.12 on the basis that the consolidated financial statements of Parker Hannifin Corporation include a consolidated cash flow statement that is publicly available, as referred to in note 1.

#### **20 COMMITMENTS AND CONTINGENCIES**

The Company had no commitments or contingencies as at 30 June 2025 (2024: none).

#### **21 EVENTS SINCE THE YEAR END**

There have been no subsequent events since 30 June 2025 that resulted in the amendment of the financial statements.

#### **22 APPROVAL OF THE FINANCIAL STATEMENTS**

The Board approved the financial statements on 29 September 2025.