ANNUAL REPORT
AND
FINANCIAL STATEMENTS

31 December 2025

UNAUDITED

Quilter Cheviot Holdings Limited

Registered in England and Wales No. 08257448

Quilter Cheviot Holdings Limited

CONTENTS

COMPANY INFORMATION

Directors	P P Barnacle J S Goddard (Appointed 20 September 2025) A I McGlone (Resigned 19 September 2025)
Secretary	Quilter CoSec Services Limited
Registered office	Senator House 85 Queen Victoria Street London United Kingdom EC4V 4AB Telephone: +44 (0)20 7150 4000 Website: www.quiltercheviot.com Registered number: 08257448

STRATEGIC REPORT

The Directors present their strategic report for Quilter Cheviot Holdings Limited (the "Company") for the year ended 31 December 2025.

REVIEW OF THE BUSINESS AND PRINCIPAL ACTIVITIES
The principal activity of the Company is to act as an intermediate holding company.

The Company is part of the Quilter plc Group (the "**Group**" or "**Quilter**"). Quilter plc's ordinary shares are listed on the London and Johannesburg Stock Exchanges. Quilter plc provides the Company with strategic and governance oversight. The Company forms part of the High Net Worth segment.

Quilter plc strategy
The Quilter plc Group strategy is focused on growing with its clients and advisers, enhancing the efficiency of processes and increasing digitalisation across the business. This will enable Quilter to increase flows from both its own advisers and independent financial advisers and to manage more of those flows into the Group's investment solutions, delivering top-line growth and operating leverage. Those priorities are underpinned by embodying a diverse and inclusive culture, where colleagues embrace Quilter's four core values (do the right thing, always curious, embrace challenge and stronger together) which aids in achieving Quilter's goals and benefits all of its stakeholders.

There have not been any significant changes in the Company's principal activity in the year under review and no significant change in the Company's principal activity is expected.

Quilter Cheviot Holdings Limited performance

The profit for the year, after tax, was £34,004,000 (2024: £16,009,000).
As at 31 December 2025, the Company had net assets of £301,458,000 (2024: £301,454,000).

PRINCIPAL RISKS AND UNCERTAINTIES
The key risks affecting the Company are given below.

Credit risk
Credit risk refers to the risk of loss arising from borrower or counterparty default when a borrower, counterparty or obligor does not meet its obligations.
The Company manages credit risk exposure by performing due diligence over key counterparties and ensuring compliance with established limits.

Market risk
Market risk is defined as the risk of an adverse change in the level or volatility of market prices of assets, liabilities or financial instruments resulting in loss of earnings or reduced solvency, which the Company is exposed to through its investment in subsidiaries.

Approved by the Board and signed on its behalf by

P Barnacle

P P Barnacle
Director
11 May 2026

DIRECTORS' REPORT

The Directors present their annual report and financial statements for the Company for the year ended 31 December 2025.

The review of the business, including future outlook and principal risks and uncertainties are set out in the strategic report.

FUTURE DEVELOPMENTS

The Directors expect there to be no change in the activity of the Company.

DIRECTORS

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

P P Barnacle
J S Goddard (Appointed 20 September 2025)
A I McGlone (Resigned 19 September 2025)

The Company Secretary during the year was Quilter CoSec Services Limited.

DIRECTORS' THIRD PARTY INDEMNITY PROVISIONS

Qualifying third-party provisions were in force (as defined by section 234 of the Companies Act 2006) during the course of the financial year ended 31 December 2025 for the benefit of the then Directors and, at the date of this report, are in force for the benefit of the Directors in relation to certain losses and liabilities which may occur (or have occurred) in connection with their duties, powers and office. In addition, the Company maintains Directors' and Officers' Liability Insurance which gives appropriate cover for legal action brought against its Directors.

POLITICAL DONATIONS

No political donations were made during the year (2024: £nil).

DIVIDENDS

During the year dividends of £34,000,000 were paid to the holders of the ordinary shares (2024: £16,000,000). The Directors do not propose a final dividend.

STATEMENT OF GOING CONCERN

The Directors have considered the resilience of the Company, its current financial position, the principal risks facing the business and the effectiveness of any mitigating strategies which are or could be applied. This included an assessment of capital and liquidity over a three-year planning period concluding that the Company can withstand a severe but plausible downside scenario for at least the next 12 months after the date of signing the 2025 financial statements.

A wider assessment was carried out at a Quilter Group level and incorporated a number of stress tests covering a broad range of scenarios, including economic and market shocks of up to 40% falls in equity markets, new business growth scenarios and severe business interruption, equivalent to 1-in-50 and 1-in-200 year events.

DIRECTORS' REPORT (continued)

As a result, the Directors believe that the Company is well placed to manage its business risks in the context of the current economic outlook and has sufficient financial resources to continue in business for a period of at least 12 months from the date of approval of these financial statements and continue to adopt the going concern basis in preparing the financial statements.

BUSINESS RELATIONSHIPS STATEMENT

The Company forms part of the Quilter plc Group, with Quilter plc providing strategic and governance oversight to each of its subsidiaries. During the course of their decision-making, the Board of the Company and the Board of Quilter plc have considered their duties to stakeholders, including the need to foster business relationships.

An explanation of how the Directors have had regard to the need to foster the Company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the Company during the financial year, has been set out in the Section 172 (1) Statement in the Quilter plc 2025 Annual Report, which does not form part of this report.

PEOPLE

The Company has no employees (2024: nil) but staff are employed by certain of its subsidiaries.

Our people policies support our aim to create an inclusive culture that embraces diversity and enables our people to thrive. They also reflect relevant employment laws and principles, including the Universal Declaration of Human Rights and the International Labour Organisation Declaration on Fundamental Principles and Rights at Work. All employees and suppliers providing on-site services in the UK are paid no less than the real Living Wage, a voluntary initiative run by the Living Wage Foundation.

We promote equal opportunities and ensure that no job applicant or colleague is subject to discrimination or less favourable treatment on the grounds of age, gender reassignment, marital status, nationality, ethnicity, sex or sexual orientation, responsibilities for dependents, physical or mental disability or religion or belief. We are committed to continuing the employment of, and for arranging training for, employees who have become disabled while employed by Quilter. We select candidates for interview, career development and promotion based on their skills, qualification, experience and potential.

A grievance procedure is in place to provide a clear and secure route for employees to raise a complaint or problem about any issue relating to their work, working environment, pay and benefits, working hours or is concerned about any other issue affecting their employment. In line with our whistleblowing policy, colleagues are required to report knowledge or suspicion of malpractice or actions that endanger Quilter's employees or assets. The whistleblowing policy provides employees who raise concerns in good faith with protection from detriment to their future employment opportunities. Concerns can be reported to line managers, HR, Risk and Compliance or via the independent confidential ethics hotline which is available year-round.

The Company seeks the views of colleagues through the Workday Peakon Employee Voice tool. Through this tool we survey colleagues on a regular basis, which provides senior leaders and managers real-time insights and feedback from colleagues. The Employee Forum represents colleagues across Quilter and meets with senior leaders on a monthly basis to discuss key issues that impact the interests of our people. The views of the Employee Forum, together with views and feedback from the regular surveys, are taken into account and support management decision making.
As part of the Group governance framework, the Company relies upon Group practices and processes to support employees. Further details are described in full in the Quilter plc Annual Report for 2025.

DIRECTORS' REPORT (continued)

CLIMATE CHANGE

Quilter considers the climate-related risks and opportunities for its operations and investments and reports on these annually. The framework is aligned with the Task Force on Climate-related Financial Disclosures ("TCFD") disclosure requirements. Further details can be found online at: https://plc.quilter.com/about-us/reports-and-statements/task-force-on-climate-related-financial-disclosures-tcfd-reports/. Quilter has set operational carbon emissions targets, and these are part of the Group's Executive Directors' Long-Term Incentive Plan. In our role as an investor, we continually work to embed climate considerations in our investment management and stewardship activity and offer clients climate focused investment solutions. Climate Action Plans for our investments were published in 2025, and the Climate Transition Plan for our operations will be published alongside the 2025 TCFD report.

STREAMLINED ENERGY AND CARBON REPORTING

The Group is committed to managing its environmental impact and discloses annually to CDP (formerly known as the Carbon Disclosure Project), a globally recognised initiative for companies to measure, manage, disclose and reduce their environmental impacts. A full explanation of how the Directors regard the impact on the environment is contained within the Quilter plc Annual Report 2025. The Company is exempt from reporting company-specific information as it is a subsidiary of the Group.

INVESTING RESPONSIBLY

Within our investment management businesses, we embed Environmental, Social and Governance factors within our investment process and Quilter is a signatory of the UK Stewardship code and the UN-backed Principles for Responsible Investment ("PRI"). Within our advice and suitability processes we enable our clients to invest in accordance with their responsible investment preference.

AUDIT EXEMPTION

The Directors have elected to take advantage of the exemption from statutory audit granted to subsidiary undertakings by section 479A of the Companies Act 2006 in accordance with section 479C of the Act. The Company's ultimate parent, Quilter plc (incorporated in England and Wales with registered number 06404270), has guaranteed all outstanding liabilities of Quilter Cheviot Holdings Limited as at 31 December 2025 and this guarantee will be filed at Companies House prior to this Annual Report being filed.

Approved by the Board and signed on its behalf by

P Barnacle

P P Barnacle
Director
11 May 2026

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 “Reduced Disclosure Framework”, and applicable law).

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:

a) select suitable accounting policies and then apply them consistently;
b) state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
c) make judgements and accounting estimates that are reasonable and prudent
d) 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 also 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 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 Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's financial statements published on the ultimate parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2025

	Note	2025	2024
		£'000	£'000
Dividend income	6	34,000	16,000
Interest income	6	6	12
PROFIT BEFORE INCOME TAX		**34,006**	**16,012**
Income tax expense	8	(2)	(3)
PROFIT FOR THE FINANCIAL YEAR		**34,004**	**16,009**
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		**34,004**	**16,009**

All operations were continuing in the current and prior year.

The notes on pages 10 to 25 are an integral part of these financial statements.

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

2025	Note	Share Capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2025		205,513	95,941	301,454
Profit for the year		-	34,004	34,004
Total comprehensive income		-	34,004	34,004
Transactions with owners:				
- Dividends to equity holders of the Company	14	-	(34,000)	(34,000)
Balance at 31 December 2025		205,513	95,945	301,458

2024	Note	Share Capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2024		205,513	95,932	301,445
Profit for the year		-	16,009	16,009
Total comprehensive income		-	16,009	16,009
Transactions with owners:				
- Dividends to equity holders of the Company	14	-	(16,000)	(16,000)
Balance at 31 December 2024		205,513	95,941	301,454

The notes on pages 10 to 25 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

ASSETS	**Note**	**2025**	**2024**
		£'000	**£'000**
Non-current assets			
Investments in subsidiaries	9	324,029	301,029
		324,029	301,029
Current assets			
Cash and cash equivalents	10	441	433
		441	433
Current liabilities			
Trade and other payables	11	23,007	1
Current tax liability	8	5	7
		23,012	8
Net current assets		(22,571)	425
NET ASSETS		301,458	301,454
EQUITY			
Called up share capital	13	205,513	205,513
Retained earnings		95,945	95,941
TOTAL EQUITY		301,458	301,454

For the year ending 31 December 2025, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 7 to 9 were authorised and approved by the Board of Directors on 11 May 2026 and signed on its behalf by:

P Barnacle

P P Barnacle
Director

Company registered number: 08257448

The notes on pages 10 to 25 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025

1 GENERAL INFORMATION

Quilter Cheviot Holdings Limited ("the Company") is a private limited company limited by shares incorporated in England and Wales and domiciled in the United Kingdom (“UK”). The principal activities of the Company are disclosed in the strategic report on page 2. The address of its registered office is disclosed in the Company information section on page 1.

2 BASIS OF PREPARATION

The financial statements of the Company for the year ended 31 December 2025 have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law) ("FRS 101"). These financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial instruments, and are presented in thousands and pounds sterling, which is the currency of the primary economic environment in which the Company operates.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

The Company has taken advantage of the disclosure exemptions available under FRS 101 in relation to the presentation of a cash flow statement, disclosures relating to capital management, contracts with customers, related party transactions, share capital and comparative information for certain types of assets. The Company has also taken advantage of the exemption from the requirement to disclose information when the Company has not applied a new accounting standard that has been issued but is not yet effective. Where required, equivalent disclosures are included in the consolidated financial statements of Quilter plc.

2 BASIS OF PREPARATION (continued)

New standards, amendments to standards, and interpretations adopted by the Company

There are no amendments to accounting standards, or International Financial Reporting Interpretations Committee ("IFRIC") interpretations that are effective for the year ended 31 December 2025 that have a material impact on the Company's financial statements.

Going Concern

The Directors have considered the resilience of the Company, its current financial position, the principal risks facing the business and the effectiveness of any mitigating strategies which are or could be applied. This included an assessment of capital and liquidity over a three-year planning period concluding that the Company can withstand a severe but plausible downside scenario for at least the next 12 months after the date of signing the 2025 financial statements.

A wider assessment was carried out at a Group level and incorporated a number of stress tests covering a broad range of scenarios, including economic and market shocks of up to 40% falls in equity markets, mass lapse events, new business growth scenarios and severe business interruption, equivalent to 1-in-50 and 1-in-200 year events.

As a result, the Directors believe that the Company is well placed to manage its business risks in the context of the current economic outlook and has sufficient financial resources to continue in business for a period of at least 12 months from the date of approval of these financial statements and continue to adopt the going concern basis in preparing the financial statements.

Basis of consolidation

The Company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements.

Liquidity analysis of the Statement of financial position

The Company's Statement of financial position is in order of liquidity as is permitted by IAS 1 Presentation of Financial Statements. For each asset and liability line item, those amounts expected to be recovered or settled after more than 12 months after the reporting date are disclosed separately in the Notes to the financial statements.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to exercise judgement in applying the Company's material accounting policies and make estimates and assumptions that affect the reported amounts of net assets and liabilities at the date of the financial statements. The Quilter Cheviot Limited Governance, Audit and Risk Committee reviews these areas of judgement and estimates and the appropriateness of significant accounting policies adopted in the preparation of these financial statements.

Critical accounting estimates

The Company's critical accounting estimates are shown below and involve the most complex or subjective assessments and assumptions, which have a significant risk of resulting in material adjustment to the net carrying amounts of assets and liabilities within the next financial year. Management uses its knowledge of current facts and circumstances and applies estimation and assumption setting techniques that are aligned with relevant accounting standards and guidance to make predictions about future actions and events. Actual results may differ from those estimates.

Impairment to investment in subsidiary

In accordance with the requirements of IAS 36 Impairment of Assets, the investments in subsidiaries are tested annually for impairment by comparing the carrying value of the underlying investments to the recoverable value, being the higher of the value-in-use or fair value less costs of disposal. If applicable, an impairment charge is recognised when the recoverable amount is less than the carrying value.

The Company's assessment of investment in subsidiaries for impairment uses the latest cash flow forecasts from the Company's three-year business plan where possible. These forecasts include estimates relating to equity market levels and growth in Assets under Management ("**AuMA**") in future periods, together with levels of new business growth, net flows, revenue margins, and future expenses and discount rates to help establish a value in use. It also considers the fair value of the investment in subsidiaries less cost of sale, using recent external acquisitions of comparable businesses as a basis of this calculation. The higher of these measures is used as the recoverable amount and compared to the carrying value to determine if an impairment is required.

Further information can be found in note 9.

4 MATERIAL ACCOUNTING POLICIES

The Company's significant accounting policies are described below. Accounting policies have been applied consistently, and there have been no changes to the Company's significant accounting policies as a result of changes in accounting standards during the year.

Functional currency

Items included in the financial statements are measured and presented in pounds sterling, the currency of the primary economic environment in which the Company operates. All currency amounts in the financial statements and strategic report are rounded to the nearest thousand pounds sterling.

Financial instruments

Financial instruments cover a wide range of financial assets, including trade receivables and cash and cash equivalents and certain financial liabilities. Financial assets and financial liabilities are recognised in the Company's Statement of financial position when the Company becomes party to the contractual provisions of the instrument. The Company derecognises a financial asset when the contractual rights to receive cash flows have expired or been forfeited by the Company. A financial liability is derecognised when the liability is extinguished.

The Company assesses the objective of a business model in which an asset is held at a portfolio level because this best represents the way the business is managed and information is reported to management. The assessment considers the stated portfolio policies and objectives. The Company determines its strategy in holding the financial asset, particularly considering whether the Company earns contractual interest revenue, for example to match the duration of financial assets to the duration of liabilities that are funding those assets or to realise cash flows through the sale of the assets. The frequency, volume and timing of sales in prior periods may be reviewed, along with the reasons for such sales and expectations about future sales activity. These factors enable management to determine which financial assets should be measured at fair value through profit or loss ("**FVTPL**").

Initial measurement
A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent measurement
The classification of financial assets depends on (i) the purpose for which they were acquired, (ii) the business model in which a financial asset is managed, and (iii) its contractual cash flow characteristics. The standard has four categories, of which one is applicable within the Company: FVTPL and amortised cost. This classification determines the subsequent measurement basis. The following accounting policy applies to the subsequent measurement of financial assets.

4 MATERIAL ACCOUNTING POLICIES (continued)

Measurement basis	Accounting policy
Amortised cost	These financial assets are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognised in profit or loss.

Amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and unless recognised as FVTPL on initial recognition applying the Fair Value Option (see below):

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

For the purposes of this assessment, principal is defined as the fair value of the financial asset on initial recognition. Interest is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.
All other financial assets that are not measured at amortised cost are classified and measured at FVTPL.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits, money market collective investment funds and other short-term deposits with an original maturity of three months or less.

Cash and cash equivalents held within money market collective investment funds are classified as FVTPL. All other cash and cash equivalents are classified as amortised cost which means they are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method and are subject to the impairment requirements outlined below. The carrying amount of cash and cash equivalents, other than money market collective investment funds which are measured at fair value, approximates to their fair value.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Trade payables and receivables

Trade payables and receivables are classified at amortised cost. Due to their short-term nature, their carrying amount is considered to be the same as their fair value.

Investments in subsidiaries

The Company's investments in subsidiary undertakings are initially stated at cost. Subsequently, investments in subsidiary undertakings are stated at cost less any provision for impairment. An investment in a subsidiary is deemed to be impaired when its carrying amount is greater than its estimated recoverable amount, and there is

4 MATERIAL ACCOUNTING POLICIES (continued)
evidence to suggest that the impairment occurred subsequent to the initial recognition of the asset in the financial statements. All impairments are recognised in the Company's Statement of Comprehensive Income as they occur.

Impairment of financial assets

The expected loss accounting model for credit losses applies to financial assets measured at amortised cost, but not to financial assets at FVTPL. Financial assets at amortised cost include cash and cash equivalents (excluding money market collective investment funds which are measured at fair value), fixed term deposits and loans and advances. Credit loss allowances are measured on each reporting date according to a three-stage expected credit loss ("**ECL**") impairment model:

P**erforming financial assets:**

Stage 1
From initial recognition of a financial asset to the date on which an asset has experienced a significant increase in credit risk relative to its initial recognition, a stage 1 loss allowance is recognised equal to the credit losses expected to result from its default occurring over the earlier of the next 12 months or its maturity date ("**12-month ECL**").

Stage 2
Following a significant increase in credit risk relative to the initial recognition of the financial asset, a stage 2 loss allowance is recognised equal to the credit losses expected from all possible default events over the remaining lifetime of the asset ("**Lifetime ECL**").

The assessment of whether there has been a significant increase in credit risk requires considerable judgement, based on the lifetime probability of default ("**PD**"). Stage 1 and 2 allowances are held against performing loans; the main difference between stage 1 and stage 2 allowances is the time horizon. Stage 1 allowances are estimated using the PD with a maximum period of 12 months, while stage 2 allowances are estimated using the PD over the remaining lifetime of the asset.

Impaired financial assets:

Stage 3
When a financial asset is considered to be credit-impaired, the allowance for credit losses ("**ACL**") continues to represent lifetime expected credit losses. However, interest income is calculated based on the amortised cost of the asset, net of the loss allowance, rather than its gross carrying amount.

Application of the impairment model

The Company applies the ECL model to all financial assets that are measured at amortised cost:
- Loans, cash and cash equivalents, and fixed term deposits at amortised cost, to which the general three-stage model (described above) is applied, whereby a 12-month ECL is recognised initially and the balance is monitored for significant increases in credit risk which triggers the recognition of a Lifetime ECL allowance.

ECLs are probability-weighted estimates of credit losses. ECLs for financial assets that are not credit- impaired at the reporting date are measured as the present value of all cash shortfalls (i.e. the difference between the cash

4 MATERIAL ACCOUNTING POLICIES (continued)

flows due in accordance with the contract and the cash flows that the Company expects to receive). ECLs for financial assets that are credit-impaired at the reporting date are measured as the difference between the gross carrying amount and the present value of estimated future cash flows. ECLs are discounted at the effective interest rate of the financial asset. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The measurement of ECLs considers information about past events and current conditions, as well as supportable information about future events and economic conditions. The Company has implemented its impairment methodology for estimating the ACL, taking into account forward-looking information in determining the appropriate level of allowance. In addition, it has identified indicators and set up procedures for monitoring for significant increases in credit risk.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes events such as significant financial difficulty of the borrower or issuer, a breach of contract such as a default or past due event or the restructuring of a loan or advance by the Company on terms that the Company would not otherwise consider. The assumption that the credit risk for balances over 30 days significantly increases has been rebutted on the basis that some balances will exceed 30 days in the normal course of the settlement cycle, and therefore, there is no increase in the credit risk.

Presentation of impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-offs

Loans and debt securities are written off (either partially or in full) when there is no realistic prospect of the amount being recovered. This is generally the case when the Company concludes that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Fair value hierarchy methodology

This section explains the judgements and estimates made in determining the fair values of financial instruments that are recognised and measured at fair value in the financial statements. Classifying financial instruments into the three levels of fair value hierarchy (see below), prescribed under IFRS, provides an indication about the reliability of inputs used in determining fair value.

4 MATERIAL ACCOUNTING POLICIES (continued)

Fair value hierarchy

Fair values are determined according to the following hierarchy.

Description of hierarchy	Types of instruments classified in the respective levels
Level 1 – quoted market prices: financial assets and liabilities with quoted prices for identical instruments in active markets	Listed equity securities, government securities and other listed debt securities and similar instruments that are actively traded, actively traded pooled investments, certain quoted derivative assets and liabilities, policyholder loans (where they form part of a policyholder's unit-linked policy) and investment contract liabilities directly linked to other Level 1 financial
Level 2 - valuation techniques using observable inputs: financial assets and liabilities with quoted prices for similar instruments in active markets and financial assets and liabilities valued using models where all significant inputs are observable.	Unlisted equity and debt securities where the valuation is based on models involving no significant unobservable data. Over-the-counter ("**OTC**") derivatives, certain privately placed debt instruments which meet the definition of Level 2 financial instruments
Level 3 - valuation techniques using significant unobservable inputs: financial assets and liabilities valued using valuation techniques where one or more significant inputs are unobservable	Unlisted equity and securities with significant unobservable inputs, securities where the market is not considered sufficiently active, including certain inactive pooled investments.

The judgement as to whether a market is active may include, for example, consideration of factors such as the magnitude and frequency of trading activity, the availability of prices and the size of bid/offer spreads. In inactive markets, obtaining assurance that the transaction price provides evidence of fair value or determining the adjustments to transaction prices that are necessary to measure the fair value of the asset or liability requires additional work during the valuation process.

The majority of valuation techniques employ only observable data and so the reliability of the fair value measurement is high. However, certain financial assets and liabilities are valued on the basis of valuation techniques that feature one or more significant inputs that are unobservable and, for them, the derivation of fair value is more judgemental. A financial asset or liability in its entirety is classified as valued using significant unobservable inputs if a significant proportion of that asset or liability's carrying amount is driven by unobservable inputs.

In this context, 'unobservable' means that there is little or no current market data available for which to determine the price at which an arm's length transaction would be likely to occur. It generally does not mean that there is no market data available at all upon which to base a determination of fair value. Furthermore, in some cases the majority of the fair value derived from a valuation technique with significant unobservable data may be attributable to observable inputs. Consequently, the effect of uncertainty in determining unobservable inputs will generally be restricted to uncertainty about the overall fair value of the asset or liability being measured.

4 MATERIAL ACCOUNTING POLICIES (continued)

When allocating investments within consolidated investment funds to the fair value hierarchy, the Group has adopted a simplified approach whereby investments (outside of those identified as Level 3) in listed equities and securities are allocated to fair value Level 1, and investments in unlisted equity and debt securities are allocated to Level 2, to align to the classifications set out in the table above. The Company currently holds no instruments at fair value.

Taxation

Current tax
Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to income tax payable in respect of previous years. Current tax is charged or credited to the Statement of comprehensive income, except when it relates to items recognised directly in equity or in other comprehensive income.

Deferred tax
Deferred taxes are calculated according to the Statement of financial position method, based on temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax is charged or credited to the Statement of comprehensive income, except when it relates to items recognised directly in equity or in other comprehensive income. In certain circumstances, as permitted by accounting guidance, deferred tax balances are not recognised. In particular, where the liability relates to the initial recognition of goodwill, or transactions that are not a business combination and at the time of their occurrence affect neither accounting nor taxable profit.

5 OTHER EXPENSE

The 2025 financial statements are unaudited and therefore no audit fees were incurred by the Company or by any other entity on behalf of the Company in 2025. In 2024, no audit fees were incurred by the Company, however audit fees of £13,000 (to the nearest thousand) were borne by a subsidiary company, Quilter Cheviot Limited. No fees were paid to PricewaterhouseCoopers LLP (the auditor of the 2024 financial statements) or their affiliates for non-audit services in the current or prior year.

The Company employed no staff during the year (2024: none).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025

6 INCOME

Dividend income of £34,000,000 from Quilter Cheviot Limited (2024: £16,000,000) was recognised during the year.

'Interest income' represents total interest income for financial assets. Interest is received on balances on the Company's bank accounts.

7 DIRECTORS' REMUNERATION

The Directors did not receive any remuneration for their services to the Company during the year (2024: £nil). The below is the remuneration the Directors have received for the services they provide to the subsidiary undertakings.

	2025 £'000	2024 £'000
Total emoluments of all directors:		
Aggregate emoluments	1,060	908
Amounts received under long-term incentive schemes	351	363
Company contributions to pension schemes	22	19
Termination payments	240	-
	1,673	**1,290**
Disclosure in respect of the highest paid director		
Aggregate emoluments	459	601
Amounts received under long-term incentive schemes	237	272
Company contributions to pension schemes	7	9
Termination payments	240	-
	943	**882**

Three Directors received or were due to receive shares or share options under a long-term incentive scheme (2024: two).

Two Directors exercised options during the year (2024: two). The highest paid Director did exercise share options during the year.

During the year, there was compensation for loss of office paid to Directors of £240k (2024: £nil); this includes the estimated money value of the following benefits: payment in lieu of notice, loss of participation in the Save As You Earn ("**SAYE**") scheme, pension contributions, bonus and statutory redundancy.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025

8 INCOME TAX EXPENSE

Analysis of tax charge for the period	2025 £'000	2024 £'000
Current tax expense		
United Kingdom	2	3
Total tax charge to profit	**2**	**3**

The income tax charged to profit or loss differs from the amount that would apply if all of the Company's profits had been taxed at the UK standard corporation tax rate. The difference in the effective rate is explained below:

Reconciliation of effective tax rate

	2025 £'000	2024 £'000
IFRS profit before tax	34,006	16,012
Corporation tax charge at 25%	8,502	4,003
Impact on tax of:		
Dividends received-non-taxable	(8,500)	(4,000)
Total tax expense in the Statement of comprehensive income	**2**	**3**

Pillar II Taxes

Pillar II legislation has been substantively enacted in the UK, introducing a Pillar II minimum effective tax rate of 15%, for accounting periods beginning on or after 1 January 2024. The legislation implements a Multinational Top-up Tax ("MTT") and a Domestic Top-up Tax ("DTT") . These rules continued to apply to the Group throughout the year ended 31 December 2025.

The Group has applied the exemption under IAS 12.4A and accordingly will not recognise or disclose information about deferred tax assets and liabilities related to Pillar II income taxes.

The assessment of the exposure to Pillar II income taxes has shown that the Company is not subject to a top up tax as the Group's UK Pillar II effective tax rate is above 15% for 2025 (2024: above 15%).

9 INVESTMENTS IN SUBSIDIARIES

The movement in the Company's investments in its subsidiaries is as follows:

	2025 £'000	2024 £'000
Cost and net book value		
At 1 January 2025	301,029	301,029
Additions	23,000	-
At 31 December 2025	**324,029**	**301,029**

During the year, the Company made a capital contribution of £23,000,000 into Quilter Cheviot Limited ("**QCL**").

Annual impairment test

In accordance with the requirements of IAS 36 Impairment of Assets, an entity shall assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset. The carrying amounts of the Company's investments in subsidiaries are compared with the recoverable value, being the higher of the value-in-use ("VIU") and its fair value ("FV") less costs to sell. If applicable, an impairment charge is recognised in the income statement when the recoverable amount is lower than the carrying value.

Management noted that the fair value less costs of disposal of the investments exceeded their value in use; accordingly, fair value less costs of disposal represented the recoverable amount.

Fair value

In order to assess whether there was any indication that an investment in a subsidiary may be impaired, management reviewed the fair value of each subsidiary, calculated as 2.86% of assets under management for QCL.

An impairment review on the Company's investments in QCL was carried out and found that no impairment was required (2024: nil).

Following the transfer of trade and assets from QPCA to QCL during the year, QPCA is a dormant entity. An impairment assessment has been performed in accordance with IAS 36. As QPCA has no ongoing operations and its net asset value at the reporting date is equal to the carrying value of the investment, no impairment charge is required.

Details of the investments in subsidiaries of the Company at 31 December 2025 are as follows:

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025

9 INVESTMENTS IN SUBSIDIARIES (continued)

Name of company	Registered office	Country of incorporation	Type of shares held	Proportion of shares held	Proportion of voting rights held	Nature of business
Cheviot Capital (Nominees) Limited	Senator House 85 Queen Victoria Street London EC4V 4AB	United Kingdom	Ordinary	100% *	100% *	Nominee
C.I.P.M. Nominees Limited	3rd Floor Windward House La Route de la Liberation St Helier JE1 1QJ	Jersey	Ordinary	100% *	100% *	Nominee
Pembroke Quilter (Ireland) Nominees Limited	Hambleden House 19-26 Lower Pembroke Street Dublin 2 D02 WV96	Ireland	Ordinary	100% *	100% *	Nominee
QGCI Nominees Limited	3rd Floor Windward House La Route de la Liberation St Helier JE1 1QJ	Jersey	Ordinary	100% *	100% *	Nominee
Quilter Cheviot Limited	Senator House 85 Queen Victoria Street London EC4V 4AB	United Kingdom	Ordinary	100%	100%	Financial Services
Quilter Cheviot Europe Limited	Hambleden House 19-26 Lower Pembroke Street Dublin 2 D02 WV96	Ireland	Ordinary	100% *	100% *	Financial Services
Quilter Cheviot International Limited	3rd Floor Windward House La Route de la Liberation St Helier JE1 1QJ	Jersey	Ordinary	100% *	100% *	Financial Services
Quilter Cheviot PCC Limited	1 Royal Plaza Royal Avenue St Peter Port GY1 2HL	Guernsey	Ordinary	100%*	100%*	Protected Cell Company
Quilter Nominees Limited	Senator House 85 Queen Victoria Street London EC4V 4AB	United Kingdom	Ordinary	100% *	100% *	Nominee
Quilpep Nominees Limited	Senator House 85 Queen Victoria Street London EC4V 4AB	United Kingdom	Ordinary	100% *	100% *	Nominee
Quilter Private Client Advisers Limited	Senator House 85 Queen Victoria Street London EC4V 4AB	United Kingdom	Ordinary	100%	100%	Dormant
Violet No. 2 Limited (Dissolved 4 February 2026)	Senator House 85 Queen Victoria Street London EC4V 4AB	United Kingdom	Ordinary	100% *	100% *	Dormant

An * denotes shareholdings attributed to the Company which are held by a subsidiary company and not held directly by the Company.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025

10 CASH AND CASH EQUIVALENTS

	2025 £'000	2024 £'000
Cash at bank	441	433
	441	**433**

Management do not consider that there are any material amounts of cash and cash equivalents which are not available for use in the Company's day-to-day operations.

Cash held at bank and on deposit is held with A rated counterparties and is subject to the 12-month ECL model.

11 OTHER PAYABLES

	2025 £'000	2024 £'000
Amounts due to other Group undertakings	23,007	1
	23,007	**1**

Amounts due to other Group undertakings is in relation to balances held with Quilter Private Client Advisers Limited, following the reorganisation of the Group's activities during the year.

12 CONTINGENT LIABILITIES

There are no material contingent liabilities as at 31 December 2025 (2024: none).

13 CALLED UP SHARE CAPITAL

Called up share capital

	2025 £'000	2024 £'000
Allotted, called up and fully paid		
20,551,268,080 (2024: 20,551,268,080) Ordinary Shares of £0.01 each	205,513	205,513
At 31 December 2025	**205,513**	**205,513**

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

14 DIVIDENDS TO EQUITY HOLDERS OF THE COMPANY

The following amounts represent the interim dividends paid in the current and prior year:

	2025 Per share £	2025 Total £'000	2024 Per share £	2024 Total £'000
Dividends on Ordinary Shares - interim	0.0017	34,000	0.0008	16,000

15 CAPITAL MANAGEMENT

The Company manages its capital with a focus on capital efficiency and effective risk management. The capital objectives are to maintain the Company's ability to continue as a going concern while supporting the optimisation of return relative to the risks. The Company ensures it can meet its expected capital and financing needs at all times having regard to the Company's business plans, forecasts and strategic initiatives and regulatory requirements. The Company's overall capital risk appetite is set with reference to the requirements of the relevant stakeholders and seeks to:

- Maintain sufficient, but not excessive, financial strength to support stakeholder requirements
- Retain financial flexibility by maintaining liquidity through unutilised committed credit lines

The Quilter Group Capital Management Policy sets out the key considerations and restrictions with regard to the amount of capital that is retained.

The primary sources of capital used by the Company are equity shareholders' funds. Risk appetite has been defined for the level of capital and liquidity retained within the Company. The risk appetite includes long term targets, early warning thresholds and risk appetite limits. Monitoring of capital and liquidity against risk appetite thresholds is performed regularly.

The Company manages the following items as capital:

	2025 £'000	2024 £'000
Ordinary Share capital	205,513	205,513
Reserves	95,945	95,941
	301,458	**301,454**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025

16 RELATED PARTY TRANSACTIONS

The Company is a wholly owned indirect subsidiary of Quilter plc and, in accordance with the exemption conferred under FRS 101, transactions with fellow wholly owned Group companies are not disclosed separately in these financial statements.

Key management compensation

Remuneration of key management personnel is disclosed in Note 7.

Key management personnel of the Company and members of their close family have had no other transactions with the Company.

17 ULTIMATE PARENT COMPANY

The Company's immediate parent company is Quilter Holdings Limited, a company registered in England and Wales.

The ultimate parent company, controlling party and the smallest and largest group to consolidate these financial statements is Quilter plc, registered in England and Wales. The consolidated financial statements are available from:

The Company Secretary
Quilter plc
Senator House
85 Queen Victoria Street
London
EC4V 4AB

18 EVENTS AFTER THE REPORTING DATE

On 14 January 2026, Quilter Cheviot Europe Limited, one of the Company's subsidiaries, acquired 100% of the share capital of ILTB Limited for a total consideration of €16 million (equivalent of £14 million). €8 million (equivalent of £7 million) was paid on acquisition, and an estimated further €8 million (equivalent of £7 million) is deferred consideration payable in stages up to the third anniversary date post completion dependent on business performance. The consideration includes payment for control of the net assets of ILTB Limited of €2 million (equivalent of £2 million). ILTB Limited is an Irish investment advisory firm trading as GillenMarkets that provide advice for personal, pension and corporate clients.

Otherwise, there are no events that have occurred, between the reporting date and the date when the financial statements have been authorised for issue, that require disclosure.