

Quilter UK Holding Limited

UNAUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 December 2025

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COMPANY INFORMATION

Directors	D J L Eardley J Mitchell R Wiseman
Secretary	Quilter CoSec Services Limited
Banker	National Westminster Bank Plc 68 Above Bar Street Southampton SO14 7DS United Kingdom
Registered office	Senator House 85 Queen Victoria Street London EC4V 4AB United Kingdom Telephone: 0808 171 2626 Website: www.quilter.com Registered in England and Wales No. 01752066

STRATEGIC REPORT

The Directors present their Strategic report for the year ended 31 December 2025.

REVIEW OF THE BUSINESS AND PRINCIPAL ACTIVITY

Quilter UK Holding Limited (the “Company”) forms part of the Quilter plc Group (hereafter “Quilter” or the “Group”). Quilter plc’s Ordinary Shares are listed on the London and Johannesburg Stock Exchanges. Quilter plc acts as the parent company and provides the Company with strategic and governance oversight. The Company forms part of the Head Office function of the Group.

The Company is a holding company and as such its principal activities consist of monitoring liquidity and ensuring an adequate level of cash is available to the regulated trading entities as required. Conversely, should surplus cash arise in the trading entities, the Company will ensure this is passed from its subsidiaries to its parent Quilter Holdings Limited. The principal activities of the Company’s direct subsidiaries during the year relate to the provision of financial services within the UK (Quilter Life & Pensions Limited) and risk mitigation services for the Group (Quilter Insurance Company Limited). These activities are expected to continue for the foreseeable future. Its subsidiaries are disclosed in note 9.

The results of the Company for the year are set out in the statement of comprehensive income on page 7.

GROUP STRATEGY

The Group’s 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.

KEY PERFORMANCE INDICATORS (“KPIs”)

The table below shows the KPIs that the Company uses to manage its business performance.

Profit after tax for the year is one of the Company’s key performance indicators. The profit for the year, after taxation, amounted to £129,946,000 (2024: £43,752,000). The profit has arisen due to receipt of dividends of £140,000,000 from its subsidiary Quilter Life & Pensions Limited (2024: £55,000,000) and interest income on cash and cash equivalents and intercompany lending. This was offset by £22,842,000 of costs relating to intercompany borrowing interest and administrative costs (2024: £21,339,000).

Other internal KPIs used by management are net assets, dividends received, investments in subsidiary undertakings and the return on investment (dividends received expressed as a percentage of the closing book value of investments in subsidiary undertakings).

	2025 £'000	2024 £'000
Profit after tax for the year	129,946	43,752
Net assets	32,156	32,210
Dividends received	140,000	55,000
Investments in subsidiary undertakings	217,510	217,510
Return on investment	64.4%	25.3%

FINANCIAL POSITION AT THE END OF THE YEAR

The Company’s total net assets have decreased from £32,210,000 to £32,156,000, with cash and cash equivalents increasing from £85,240,000 to £86,132,000.

During 2025, the Company received dividends totalling £140,000,000 from its subsidiary Quilter Life & Pensions Limited (2024: £55,000,000). The Company paid dividends totalling £130,000,000 to its immediate parent company Quilter Holdings Limited (2024: £45,000,000). The Company repaid £80,000,000 to its subsidiary Quilter Life & Pensions Limited, and the Company also reduced its loan receivable with its immediate parent company by £80,000,000.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company utilises Quilter’s Risk Management framework in managing its risks. The framework is designed to provide a qualitative and quantitative approach to the understanding and management of risks. The framework supports the evaluation and management of business opportunities, uncertainties and threats in a structured and disciplined manner. The Company’s principal risks and uncertainties are summarised below:

STRATEGIC REPORT (continued)

Credit risk

The Company is exposed to the risk of counterparty default by banks or financial institutions in respect of cash deposits in bank accounts and holdings in money market funds. The Company manages counterparty exposures in line with counterparty limits which are set in order to limit the risk of default and concentrations to individual counterparties and by monitoring credit risk exposures using key risk indicators.

Liquidity risk

The Company maintains cash balances in order to provide contingency funding to Quilter's operating entities in line with Quilter's Contingency Funding Plans. The Company is exposed to the risk that assets cannot be liquidated in a short time period. This risk is managed through maintaining cash balances in instantly accessible bank accounts and in money market funds which maintain daily and weekly liquidity levels in line with regulatory requirements.

Emerging Risks

Emerging risks, which are less certain in terms of timescales and impacts, are identified and monitored. The list below sets out the most significant emerging risks to the Company.

Geopolitical Landscape

Geopolitical tensions, including the Russia–Ukraine war, conflict and instability in the Middle East and ongoing strategic competition between the U.S. and China, continue to disrupt global markets and supply chains. These factors could also influence customer circumstances and investment behaviour.

Additionally, the industry's reliance on globalised supply chains may give rise to more idiosyncratic risks, for instance, U.S. based cloud providers, create indirect exposure to U.S. political and economic developments. Regulatory changes, trade restrictions, or policy shifts could also affect service continuity and costs, reinforcing the need for strong contingency planning and diversification.

SECTION 172 (1) STATEMENT

The Company is a wholly owned subsidiary of Quilter plc and therefore operates in line with the strategy set by the Quilter plc Board. This requires adherence to Group policies and procedures, including those relating to standards of business conduct, employees, the environment, the community, and other stakeholders as described in the Quilter plc Annual Report. This statement should be read alongside the Quilter plc Annual Report 2025.

To ensure that Quilter achieves its purpose of brighter financial futures for every generation, it is critical for the Board to balance the needs, interests and expectations of our key stakeholders. At times these competing stakeholder views can be contradictory and in order to achieve long-term success, it is the Board's role to navigate these complexities. The Board, with support from Corporate Secretariat, continues to engage with management to explain the importance of the considerations referred to in section 172 (1) as part of good decision-making, to ensure that proposals coming to the Board contain appropriate information on the potential impact of business decisions on all stakeholders of the Company and other relevant matters. Insights into how Quilter plc has ensured that section 172 (1) considerations remain at the heart of the Group's decision-making at all levels and the outputs of these decisions have been set out in the Quilter plc Annual Report.

The Directors of the Company are fully aware of their responsibilities to promote the success of the Company in accordance with section 172 (1) of the Companies Act 2006 and acknowledge that effective and meaningful engagement with stakeholders is key to promoting the success of the Company. Given the activities of the Company, the key stakeholders are limited to the Company's sole shareholder, other Group entities, employees, suppliers, the community, and the environment. Consideration is given to these stakeholders when deliberating at Board meetings to the extent appropriate. Further details of how the Company has had regard for its stakeholders can be found in the Directors' Report.

On behalf of the Board



J Mitchell
Director
11 May 2026

DIRECTORS' REPORT

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

The review of the business, including future outlook and principal risks and uncertainties, are disclosed within the Strategic report.

DIRECTORS

The names of the current Directors are listed on page 1. The Directors who have held office during the year and up to the date of signing the financial statements are listed below:

D J L Eardley

J Mitchell

R Wiseman (appointed 10 February 2025)

The company secretary during the year was Quilter CoSec Services Limited.

DIRECTORS' THIRD-PARTY INDEMNITIES

Qualifying third-party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force 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 they may incur (or have incurred) 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.

DIVIDENDS

During the year, dividends of £130,000,000 were paid (2024: £45,000,000).

EMPLOYEES

The Company has no employees (2024: nil). Management services are provided by Quilter Business Services Limited, a fellow Group undertaking.

FINANCIAL INSTRUMENTS

The Company's main exposure to risk arising from financial instruments is its exposure to credit risk arising on cash or short-term deposits and receivables. The Company's cash and cash equivalents are managed to ensure this risk is mitigated. The financial risk management objectives and policies of the Company are disclosed in the Strategic report.

POLITICAL DONATIONS

During the year, the Company made no political donations (2024: £nil).

CHARITABLE DONATIONS

During the year, the Company made charitable donations of £59,786 (2024: £60,405).

BUSINESS RELATIONSHIPS STATEMENT

The Company forms part of the 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 report and accounts of the Quilter plc Annual Report for 2025, which does not form part of this report. There are no further considerations which would be relevant for the Company.

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-tcf-d-reports/>. Quilter has set operational carbon emissions targets, and these are part of the 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 have been published alongside the Group 2025 TCFD report.

DIRECTORS' REPORT (continued)

ENERGY AND CARBON REPORTING

The Group is committed to managing its environmental impact and discloses annually against the TCFD Framework, Companies Act Climate Financial Disclosure requirements, and 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. Our PRI score also forms part of the Executive Directors' Long-Term Incentive Plan.

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 UK Holding Limited as at 31 December 2025 and this guarantee will be filed at Companies House prior to this Annual Report being filed.

EVENTS AFTER THE REPORTING DATE

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.

STATEMENT OF GOING CONCERN

The financial statements have been prepared on a going concern basis. The Board has reviewed the Company's projections for the next 12 months and beyond including cash flow forecasts. The Company is in a net current liability position as a result of intragroup funding arrangements. Decisions relating to the repayment of these loans, and any resulting impact on the Company's liquidity, are managed centrally by the Group. As a result, the Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approving these financial statements.

On behalf of the Board



J Mitchell
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:

- select suitable accounting policies and then apply them consistently;
- 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;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The Directors are 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 also 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 £'000	2024 £'000
Income			
Investment return	3	149,303	62,441
Expenses			
Administrative expenses	4	(3,195)	(3,407)
Finance costs	5	<u>(19,647)</u>	<u>(17,932)</u>
Total expenses		<u>(22,842)</u>	<u>(21,339)</u>
Profit before tax		<u>126,461</u>	<u>41,102</u>
Income tax credit	7	3,485	2,650
Profit after tax		<u>129,946</u>	<u>43,752</u>
Total comprehensive income for the financial year		<u>129,946</u>	<u>43,752</u>

All the above amounts in the current and prior year derive from continuing activities.

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2025

	Note	Ordinary Share capital £'000	Retained earnings £'000	Total shareholder equity £'000
Balance at 1 January 2025		-	32,210	32,210
Total comprehensive income		-	129,946	129,946
Dividends paid	8	-	(130,000)	(130,000)
Balance at 31 December 2025	14	-	32,156	32,156

		Ordinary Share capital £'000	Retained earnings £'000	Total shareholder equity £'000
Balance at 1 January 2024		-	33,458	33,458
Total comprehensive income		-	43,752	43,752
Dividends paid	8	-	(45,000)	(45,000)
Balance at 31 December 2024	14	-	32,210	32,210

The above statement of changes in equity should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

at 31 December 2025

	Note	2025 £'000	2024 £'000
Non-current assets			
Investments in subsidiary undertakings	9	217,510	217,510
Deferred tax assets	10	3,681	3,357
Loans and advances	11	-	120,000
Total non-current assets		<u>221,191</u>	<u>340,867</u>
Current assets			
Other receivables	12	493	783
Current tax assets		6,183	5,659
Loans and advances	11	40,000	-
Cash and cash equivalents	13	86,132	85,240
Total current assets		<u>132,808</u>	<u>91,682</u>
Current liabilities			
Interest-bearing liabilities	15	313,120	393,120
Current tax liabilities		8	364
Other payables	18	8,715	6,855
Total current liabilities		<u>321,843</u>	<u>400,339</u>
Net current liabilities		<u>(189,035)</u>	<u>(308,657)</u>
Net assets		<u>32,156</u>	<u>32,210</u>
Equity			
Retained earnings		32,156	32,210
Total equity		<u>32,156</u>	<u>32,210</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

Members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Company was entitled to exemption from the requirement to have an audit under section 479A of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements on pages 7 to 23 were approved by the Board of Directors on 11 May 2026 and signed on its behalf by:



J Mitchell
Director

Company registered number: 01752066

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

1 GENERAL INFORMATION

Quilter UK Holding Limited (the "Company") forms part of the Quilter plc Group (the "Group") and is a private limited company, that is limited by shares, incorporated in England and Wales and domiciled in the United Kingdom ("UK"). The address of its registered office is disclosed in the Company information section on page 1. The principal activities of the Company are disclosed in the Strategic report on pages 2 to 3.

2 MATERIAL ACCOUNTING POLICIES

Basis of preparation

The financial statements of the Company for the year ended 31 December 2025 have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ("FRS 101"), the Companies Act 2006 and applicable regulations.

The accounting policies have been applied consistently for the years presented in these financial statements.

These financial statements have been prepared on the historical cost basis and are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates, and are rounded to the nearest thousand.

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 the critical accounting estimates and judgements section below.

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, fair value measurement, financial instruments, impairments, 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.

The Company is a wholly owned subsidiary of Quilter Holdings Limited and of its ultimate parent, Quilter plc. It is included in the consolidated financial statements of Quilter plc, which are publicly available. Therefore, the Company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements. The address of the ultimate parent company's registered office can be found in note 20.

Going concern

The financial statements have been prepared on a going concern basis. The Board has reviewed the Company's projections for the next 12 months and beyond including cash flow forecasts. The Company is in a net current liability position as a result of intragroup funding arrangements. Decisions relating to the repayment of these loans, and any resulting impact on the Company's liquidity, are managed centrally by the Group. As part of the going concern assessment, the Company took into consideration the current position of the economic environment both domestically and globally. As a result of the assessment, the Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approving these financial statements.

Liquidity analysis of the statement of financial position

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.

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

The amendments to accounting standards in the table below became applicable for the current reporting period, with no material impact on the Company's results, financial position or disclosures.

Adopted by the Company from	Amendments to standards
1 January 2025	Amendments to IAS 21 Lack of Exchangeability

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

2 MATERIAL ACCOUNTING POLICIES (continued)

Critical accounting estimates and judgements

The preparation of financial statements requires management to exercise judgement in applying the Company's material accounting policies and to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Management reviews these areas of judgement and estimates and the appropriateness of material accounting policies adopted in the preparation of these financial statements.

Critical accounting judgements

Critical accounting judgements are those that management makes when applying its material accounting policies and that have the most effect on the net profit and net assets recognised in the Company's financial statements. There are no critical accounting judgements for the Company for the current year or prior year.

Critical accounting estimates

Critical accounting estimates involve the most complex or subjective assessments and assumptions, which have a significant risk of resulting in a material adjustment to the 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. There are no critical accounting estimates for the Company for the current year or prior year, however, set out below are two other accounting estimates which are relevant for the Company.

Area	Other accounting estimates	Note
Investments in subsidiaries – measurement	Investments in subsidiaries are initially held at historical cost and assessed annually for indicators of impairment. Where the values of the subsidiaries are impaired, then investments in subsidiaries are carried at management's estimate of the recoverable value, being the higher of the value-in-use or fair value less costs to sell.	9
Deferred tax – measurement	The estimation of future taxable profits is performed as part of the annual business planning process and is based on estimated levels of assets under management in Group companies, which are subject to a large number of factors including global stock movements, related movements in foreign exchange rates and net inflows, together with estimates of expenses and other charges. The Group Business Plan is used to determine the extent to which deferred tax assets are recognised. In general, the Company assesses the recoverability of assets based on the Group's estimated taxable profits over a three-year planning horizon.	10

Significant changes in the year

There are no significant changes in the current reporting period.

Financial instruments

Financial instruments cover a wide range of financial assets, including loans and advances, cash and cash equivalents and other receivables and financial liabilities, including other payables and borrowings. 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 whether financial assets should be measured at fair value through profit or loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets. Reclassifications are expected to occur infrequently.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

2 MATERIAL ACCOUNTING POLICIES (continued)

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. Two categories are applicable to the Company: FVTPL and amortised cost. This classification determines the subsequent measurement basis. The following accounting policies apply to the subsequent measurement of financial assets.

Measurement basis	Accounting policies
Financial assets at FVTPL	These financial assets are subsequently measured at fair value. Net gains and losses, including interest and dividend income, are recognised in profit or loss.
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 derecognition 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 is not designated at FVTPL:

- 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.

Financial investments

All other financial assets that are not measured at amortised cost are classified as measured at FVTPL. In addition, on initial recognition, the Company may irrevocably designate a financial asset at FVTPL that otherwise meets the requirements to be measured at amortised cost, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or whose performance is evaluated on a fair value basis are measured at FVTPL because this best reflects the way they are managed.

The Company recognises purchases and sales of financial investments on trade date, which is the date that the Company commits to purchase or sell the assets. The costs associated with investment transactions are included within expenses in the statement of comprehensive income.

Loans and advances

Loans and advances are non-derivative financial instruments with fixed or determinable terms of repayment that are not quoted in an active market.

Loans to Group companies are initially recorded at fair value including transaction costs and are recognised on the date the funds are transferred. Subsequently, loans are stated at amortised cost, using the effective interest rate method less any deduction for possible impairment. Loans are valued on an individual basis.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

2 MATERIAL ACCOUNTING POLICIES (continued)

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Other financial liabilities are measured at amortised cost using the effective interest method.

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 loans and advances, cash and cash equivalents (excluding money market collective investment funds which are measured at fair value) and other receivables.

Credit loss allowances are measured on each reporting date according to a three-stage expected credit loss ("ECL") impairment model:

Performing 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 which are measured at amortised cost:

– Loans at amortised cost, other receivables and cash and cash equivalents, 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 would trigger the recognition of a Lifetime ECL allowance.

ECLs are a probability-weighted estimate 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 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.

Intercompany balances are assessed for expected credit loss, but due to the value of cash within the Group, which could be reallocated across the Group, and no historical losses incurred on intercompany balances, no ECL has been recognised on intercompany balances.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

2 MATERIAL ACCOUNTING POLICIES (continued)

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 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.

Other receivables

Other receivables are current and interest free and recognised at amortised cost, with the carrying amount approximating to fair value.

Investments in subsidiaries

Investments in subsidiary undertakings are initially stated at cost. Subsequently, investments in subsidiary undertakings are stated at cost less 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 evidence to suggest that the impairment occurred subsequent to the initial recognition of the asset in the financial statements. All impairments or reversals of impairments are recognised in profit or loss as they occur.

Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at the proceeds received, net of transaction costs incurred. Subsequent to initial recognition, they are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of comprehensive income over the period of the borrowings on an effective interest basis.

Other payables

Other payables are short-term, non-interest-bearing and are stated at amortised cost, which is not materially different to cost and approximates to fair value.

Dividend income

Dividend income from investments is recognised when the shareholder's rights to receive payments have been established.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that financial asset's carrying amount.

Investment gains and losses

Realised investment gains and losses represent the difference between the net sales proceeds and the cost of the investment or value at the start of the year. The movement in unrealised investment gains and losses represents the difference between the carrying value of investments at the reporting date and the value at the start of the year, or the original cost where an investment is acquired during the year. The realised gains and losses and movement in unrealised gains and losses on investments arising in the year are included in profit or loss.

Expense recognition

All expenses are recognised as a cost when incurred.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

2 MATERIAL ACCOUNTING POLICIES (continued)

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. The taxable income for the year is determined in accordance with enacted legislation and taxation authority practice for calculating the amount of tax payable.

Current tax is charged or credited to profit or loss, except when it relates to items recognised directly in equity or in other comprehensive income.

Deferred tax

Deferred tax is 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 year 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. For the Company, the recognition of deferred tax assets is subject to the estimation of future taxable profits, which is based on the flows of the Group, and in particular on estimated levels of assets under management, which are subject to a large number of factors including worldwide stock market movements and related movements in foreign exchange rates, together with estimates of net inflows, expenses and other charges.

Deferred tax is charged or credited to profit or loss, except when it relates to items recognised directly in equity or in other comprehensive income. In certain circumstances, as permitted by accounting standards, 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. Note 10 includes further details of the circumstances in which the Company does not recognise temporary differences

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

3 INVESTMENT RETURN

	2025 £'000	2024 £'000
Dividends from subsidiary, Quilter Life & Pensions Limited	140,000	55,000
Interest on money market funds (FVTPL)	3,364	4,288
Interest on short-term bank deposits (amortised cost)	367	498
Interest on loan to immediate parent	5,559	2,655
Interest on loan to fellow group undertaking	7	-
Interest from HMRC	6	-
	<u>149,303</u>	<u>62,441</u>

4 ADMINISTRATIVE EXPENSES

	2025 £'000	2024 £'000
Management fees paid to group undertaking	<u>3,195</u>	<u>3,407</u>

There are no audit fees as the Directors have elected to take advantage of the exemption from statutory audit. There are no non-audit fees (2024: £nil).

5 FINANCE COSTS

	2025 £'000	2024 £'000
Finance costs for liabilities held at amortised cost		
Interest payable to immediate parent ¹	5,897	6,943
Interest payable to fellow group undertaking ²	7,508	7,529
Interest payable to subsidiary undertakings ³	6,242	3,460
	<u>19,647</u>	<u>17,932</u>

¹Quilter Holdings Limited

²Quilter Perimeter Holdings Limited

³Quilter Life & Pensions Limited and Quilter Insurance Company Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

6 REMUNERATION OF KEY MANAGEMENT PERSONNEL

The Directors' emoluments disclosed below are in respect of the three Directors of the Company in office during the year, who were directly employed by Quilter Business Services Limited, a fellow group undertaking (2024: three Directors).

The disclosure includes the remuneration of those Directors in relation to their services to this Company and its subsidiaries. The remuneration for each Director is apportioned on the basis of time spent across the Company and its subsidiaries but restricted to the period in which they were a Director of this Company.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the entity and as such, only Directors are considered to meet this definition.

	2025 £'000	2024 £'000
Aggregate Directors' emoluments		
Aggregate emoluments excluding pension contributions	161	136
Company pension contribution to money purchase schemes	5	7

Three Directors had money paid to money purchase schemes during the year (2024: three).

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

Shares or share options were in Quilter plc shares.

	2025 £'000	2024 £'000
Emoluments of the highest paid Director		
Aggregate emoluments excluding pension contributions	72	70
Company pension contribution to money purchase schemes	3	3

The highest paid Director received or was due to receive shares or share options under a long-term incentive scheme, but did not exercise share options during the year.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

7 TAXATION

	2025 £'000	2024 £'000
Tax credited to profit or loss		
Current tax		
United Kingdom	(2,995)	(1,785)
Adjustments to current tax in respect of prior periods	(166)	127
Total current tax credit	<u>(3,161)</u>	<u>(1,658)</u>
Deferred tax		
Origination and reversal of temporary differences	(190)	(845)
Adjustments to deferred tax in respect of prior years	(134)	(147)
Total deferred tax credit	<u>(324)</u>	<u>(992)</u>
Total tax credited to profit	<u>(3,485)</u>	<u>(2,650)</u>

Reconciliation of total income tax credit

The income tax credited 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:

	2025 £'000	2024 £'000
Profit before tax	<u>126,461</u>	<u>41,102</u>
Corporation tax charge at 25% (2024: 25%)	31,615	10,276
Effect of:		
Foreign income of controlled foreign companies attributable to local entities	190	844
Dividends received not taxable	(35,000)	(13,750)
Expenses not deductible for tax purposes	10	-
Adjustments to current tax in respect of prior years	(166)	127
Adjustments to deferred tax in respect of prior years	(134)	(147)
Total tax credited to profit	<u>(3,485)</u>	<u>(2,650)</u>

The Company has recognised deferred tax assets as disclosed in note 10. The Company considers that future years' profits will be sufficient to utilise the tax asset carried forward.

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%).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

8 DIVIDENDS PAID

	2025 £'000	2024 £'000
Dividends paid		
Dividends paid to Quilter Holdings Limited 13,000,000,000p per share (2024: 4,500,000,000p per share)	130,000	45,000
Dividends paid to immediate parent	130,000	45,000

9 INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

	2025 £'000	2024 £'000
Investments in subsidiary undertakings	217,510	217,510

Investments in subsidiaries are stated at cost, less impairment in value. All shares held are Ordinary Shares.

The subsidiary undertakings at the year-end, all wholly owned and registered in England and Wales, unless otherwise stated, are:

Company name	Share class	% Held	Registered office address
Quilter Life & Pensions Limited ¹	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Quilter Pension Trustees Limited	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Quilter Insurance Company Limited ¹ (incorporated in the Isle of Man)	Ordinary	100	Third Floor, St Georges Street, Upper Hill Street Douglas, IM1 1EE, Isle of Man

¹Directly owned

Impairment testing

In accordance with accounting standards, the investments in subsidiaries are reviewed annually for indication of impairment. In the course of completing this review for 2025, it was identified that the net assets of each subsidiary exceeded the value of the investments. Accordingly, the Directors consider that there is no indication of impairment and no further testing for impairment required.

In any year where further testing is required, testing for impairment is performed by comparing the carrying value of the underlying investment to the recoverable value, being the higher of the value-in-use or fair value less costs to sell. If applicable, an impairment charge is recognised when the recoverable amount is less than the carrying value.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

10 DEFERRED TAX ASSETS

Recognised deferred tax assets and liabilities

Deferred income taxes are calculated on all temporary differences at the tax rate applicable to the country in which the timing differences arise.

The following are the deferred tax balances recognised by the Company and the movements thereon, during the current and prior reporting period.

	Deferred tax assets relating to tax losses £'000	Total deferred tax asset £'000
Assets at 1 January 2024	2,365	2,365
Tax credited to profit or loss	992	992
Assets at 31 December 2024	3,357	3,357
Tax credited to profit or loss	324	324
Assets at 31 December 2025	3,681	3,681

Deferred tax assets or liabilities are recognised to the extent that temporary differences are expected to reverse in the foreseeable future. The timing of reversals are estimated based on the Company's annual Business Plan. Deferred tax assets are recognised to the extent that they are supported by the Company's Business Plan or where appropriate the Group's Business Plan.

Deferred tax assets are recognised for tax losses carried forward only to the extent that realisation of the related tax benefit is probable, being where, on the basis of all available evidence, it is considered more likely than not that there will be suitable taxable profits against which the reversal of the deferred tax asset can be deducted.

Unrecognised deferred tax assets

The amounts for which no deferred tax asset has been recognised comprise:

	31 December 2025		31 December 2024	
	Gross amount £'000	Tax £'000	Gross amount £'000	Tax £'000
Pre-April 2017 UK tax losses	26,513	6,628	26,513	6,628
Total unrecognised deferred tax assets	26,513	6,628	26,513	6,628

A deferred tax asset has not been recognised in respect of ringfenced pre 1 April 2017 losses as there is sufficient uncertainty as to the extent it is probable there will be future taxable profits to utilise the losses. Unrecognised losses are available to carry forward with no expiry date, subject only to the continuation of the business.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

11 LOANS AND ADVANCES

	2025 £'000	2024 £'000
Loan to immediate parent company at Bank of England ("BoE") base rate + 0.5%	<u>40,000</u>	<u>120,000</u>

The loan is recognised at amortised cost, with the carrying amount approximating to fair value. The BoE base rate was 3.75% at the accounting date (2024: 4.75%).

The loan is unsecured and repayable on demand, with all loan repayment decisions being undertaken at Group level. As at 31 December 2024 there was no intention for the loan to be repaid in 2025 and therefore the loan was classified as non-current. There is the intention to repay the loan within the next 12 months and therefore the loan is now classified as current.

The interest is accrued on the outstanding balances of the loan at the BoE base rate + 0.5% per annum. Interest is payable monthly in arrears. As at the end of 2025 the Company had earned £5,559,000 interest from the loan (2024: £2,655,000).

There have been no non-performing loans, loans subject to renegotiations or material impairments on loans and advances.

12 OTHER RECEIVABLES

	2025 £'000	2024 £'000
Accrued bank interest	285	335
Due from fellow group undertakings	203	431
Due from immediate parent	<u>5</u>	<u>17</u>
	<u>493</u>	<u>783</u>

All amounts due from Group companies are unsecured and are settled quarterly. All amounts are current and interest free and recognised at amortised cost, with the carrying amount approximating to fair value.

There have been no non-performing receivables or material impairments in the financial year that require disclosure. None of the receivables reflected above have been subject to the renegotiation of terms.

13 CASH AND CASH EQUIVALENTS

	2025 £'000	2024 £'000
Bank balances	10,431	11,866
Money market funds	<u>75,701</u>	<u>73,374</u>
Cash and cash equivalents	<u>86,132</u>	<u>85,240</u>

Bank balances are current and recognised at amortised cost. Money market investments are current, recognised mandatorily at FVTPL, and are credit rated AAA. Bank balances are subject to a 12-month ECL, and are credit rated A.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

14 ORDINARY SHARE CAPITAL

	2025 £'000	2024 £'000
Allotted, called up and fully paid		
1 Ordinary Share of £1 each	-	-

The Company has elected under the Companies Act 2006 to remove authorised share capital limits.

15 INTEREST-BEARING LIABILITIES

	2025 £'000	2024 £'000
Loan from immediate parent at BoE base rate + 0.5% ¹	122,704	122,704
Loan from fellow group undertaking at 5.512% ²	136,216	136,216
Loan from subsidiary undertaking at BoE base rate + 0.5% ³	50,000	130,000
Loan from subsidiary undertaking at BoE base rate + 0.5% ⁴	4,200	4,200
	<u>313,120</u>	<u>393,120</u>

¹Quilter Holdings Limited

²Quilter Perimeter Holdings Limited

³Quilter Life & Pensions Limited

⁴Quilter Insurance Company Limited

Amounts borrowed are at amortised cost, unsecured and repayable on demand, with all loan repayment decisions being undertaken at Group level. The carrying amount which approximates to fair value is valued based on the principal amount repayable. The BoE base rate was 3.75% at the accounting date (2024: 4.75%).

16 FINANCIAL AND CAPITAL COMMITMENTS

There are no material financial and capital commitments at 31 December 2025 (2024: £nil).

17 CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 December 2025 (2024: £nil).

18 OTHER PAYABLES

	2025 £'000	2024 £'000
Due to subsidiary undertaking ¹	6	19
Due to immediate parent ²	14	18
Due to fellow group undertakings ³	8,695	6,818
	<u>8,715</u>	<u>6,855</u>

¹Quilter Life & Pensions Limited

²Quilter Holdings Limited

³Quilter Perimeter Holdings Limited

All amounts are due to Group companies, are current and at amortised cost, unsecured, interest free and are settled quarterly.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

19 EVENTS AFTER THE REPORTING DATE

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.

20 ULTIMATE PARENT COMPANY

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

The largest and smallest group in which the results of the Company are consolidated is Quilter plc, the ultimate parent company and controlling party, registered in England and Wales. The financial statements are available from:

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