

Quilter Business Services Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 December 2025

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COMPANY INFORMATION

Directors S M M Houlston
M O Satchel
R Wiseman (appointed 10 February 2025)

Secretary Quilter CoSec Services Limited

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Website: www.quilter.com

Registered in England and Wales
No. 01579311

STRATEGIC REPORT

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

REVIEW OF THE BUSINESS AND PRINCIPAL ACTIVITIES

The principal activity of Quilter Business Services Limited (the “Company”) during the year was the provision of management and administrative services to the Quilter plc Group (hereafter “Quilter” or the “Group”). The principal activity of the Company is expected to continue, with no plans for these activities to change.

The Company is part of the Group, consisting of Quilter plc and its direct and indirect subsidiaries. Quilter plc's Ordinary Shares are listed on the London and Johannesburg Stock Exchanges. Quilter plc provides the Company with strategic and governance oversight.

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 in 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.

Quilter Business Services Limited is the management services company for the majority of entities within the Group. The Company pays for a significant portion of the expenses for the Group, and then recharges them on to the applicable operating entities by way of a management fee. Management fees are charged at a mark-up except to fellow subsidiary undertaking Quilter Life & Pensions Limited, which due to being a life assurance entity, is recharged fees at cost.

KEY PERFORMANCE INDICATORS (“KPIs”)

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

An important KPI for the Company is the control and management of administrative expenses. In 2025, the Company incurred administrative expenses amounting to £362,672,000 (2024: £325,214,000). The increase in administrative expenses and corresponding management fee income was primarily due to the annualisation and centralisation of staff and third-party costs (Technology and Property primarily) into the Company from other entities within the Group. This increase was also influenced by continued inflationary pressures and investment in strategic project delivery, and the Brand and Sponsorship of the Quilter Nation Series, partially offset by savings from further business simplification initiatives, which concluded in 2025.

Management fee income for the year was £355,897,000 (2024: £316,449,000). The profit for the year, before taxation, amounted to £18,483,000 (2024: £17,199,000).

Key performance indicators table	2025	2024
	£'000	£'000
Management fee income	355,897	316,449
Administrative expenses	362,672	325,214
Profit for the financial year before taxation	18,483	17,199
Total equity	143,110	139,053
Cash and cash equivalents	109,232	67,778
Average number of employees	2,265	2,022

PRINCIPAL RISKS AND UNCERTAINTIES

The Company utilises the 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:

Business Operation

The provision of services to customers is dependent upon effective operational systems, processes and third-party suppliers, competent staff resources and complete and accurate data. Any failure to maintain these elements could adversely affect customer outcomes. Inadequate or poorly managed data could impair the Company's ability to deliver effective customer services and limit the organisation's ability to fully leverage AI opportunities. As the management services company for the majority of the Group, the Company has a key role in the provision of operational support services to the trading subsidiaries within the Group.

STRATEGIC REPORT (continued)

Technology and Security

Disruption to the stability and availability of the Company's technology, or that of third-party service providers, could result in damaging service outages. The risk of an information security incident is a constant and evolving risk which has the potential to impact the Company's reputation, regulatory standing, and the services it provides to customers.

People

The Company relies on its talent to deliver service to customers and to progress strategic initiatives. The Company's talent pool is key to the ongoing progress of the Company by having a diverse range of staff and views that will provide the senior management of the future. We seek to proactively identify talent gaps to support the future capabilities required to implement the Company's strategy and have updated the related risk appetite to help drive a high-performance culture.

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.

Emerging Technologies

Rapid advances in AI and digital technologies are transforming financial services, offering significant opportunities for efficiency, personalisation and enhanced customer experience, whilst also introducing new risks around data privacy, bias, and operational resilience. Increasing dependence on cloud infrastructure to support these technologies adds concentration risk, as providers face challenges scaling data centre capacity to meet growing demand. This dependency underscores the importance of strong third-party oversight and resilience planning. The Company must continue to invest in innovation, governance, and regulatory readiness to harness the benefits of emerging technologies while mitigating systemic and operational risks.

Cyber Threat

Cyber risk continues to escalate as adversaries exploit technological advancements to increase the scale and sophistication of attacks. The widespread availability of advanced tools continues to lower the barriers to entry for criminal cyber activity. The ongoing rapid evolution of AI is amplifying the complexity and speed of attacks, including deepfakes and automated exploitation. Further progress in quantum computing poses a long-term challenge to current encryption standards. The Company must continue to monitor developments and evolve controls to protect systems and customer data.

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 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



M O Satchel

Director

02 March 2026

DIRECTORS' REPORT

The Directors present their report and audited 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:

S M M Houlston
M O Satchel
R Wiseman (appointed 10 February 2025)

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

DIVIDENDS

During the year dividends of £19,000,000 (2024: £17,000,000) were paid.

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.

POLITICAL DONATIONS

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

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.

Our Third-Party Risk Management policy sets out requirements with respect to our procurement, outsourcing and supplier management activities. Our Supplier Code of Conduct applies to all suppliers and their sub-contractors that provide goods and services to Quilter. It sets out the minimum standards we expect our suppliers to adhere to when doing business with Quilter in addition to the contractual terms agreed. The Code covers legal compliance, ethical standards, conflicts of interest, anti-bribery and corruption, brands, trademarks and intellectual property, information and data protection, operational resilience, labour standards, living wage, discrimination, modern slavery, diversity and inclusion, health and safety, and environmental management. We also expect our suppliers to promote these standards in their own supply chain where practical.

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.

EMPLOYEES

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, qualifications, experience and potential.

DIRECTORS' REPORT (continued)

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.

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 will be published alongside the 2025 TCFD report.

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.

CORPORATE GOVERNANCE STATEMENT

Quilter plc is subject to the requirements of the 2024 UK Corporate Governance Code (the "Code") and sets out its compliance with the Code's provisions during the year in the Quilter plc Annual Report 2025. The Company has chosen not to apply a governance code during the year. As a wholly owned subsidiary of Quilter plc, the Company has instead complied with the Quilter plc Group Governance Manual which sets out certain minimum standards and guidance for the governance framework of Quilter plc's subsidiaries. The Board's composition is comprised of Executive Directors and is consistent with the Quilter plc Group Governance Manual's requirements. The Group Governance Manual is updated on a regular basis, ensuring that it takes into account all relevant statutory, regulatory and governance matters affecting Quilter.

DISCLOSURE OF INFORMATION TO AUDITORS

Each Director at the date of approval of this report confirms that:

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

This confirmation is given in accordance with the provisions of the Companies Act 2006.

DIRECTORS' REPORT (continued)

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, which require disclosure.

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. As part of the going concern assessment, the Company took into consideration the current position of the UK economy including the impact of inflation and increases in the cost of living. The Group also took into consideration risks related to climate change. Based on the assessment, the Directors believe that the Company 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 Company financial statements.

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP has been appointed by the Company to hold office in accordance with Section 485 of the Companies Act 2006 for the 2025 financial year and have indicated their willingness to continue in office.

On behalf of the Board



M O Satchel
Director
02 March 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.

Independent auditors' report to the members of Quilter Business Services Limited

Report on the audit of the financial statements

Opinion

In our opinion, Quilter Business Services Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise:

- the Statement of financial position as at 31 December 2025;
- the Statement of changes in equity for the year then ended;
- the Statement of comprehensive income for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

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

Independence

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

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the company in the period under audit.

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

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

- Discussions with the Board, management, internal audit, senior management involved in the Quilter Group's Risk and Compliance function and the Quilter Group's legal function, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Assessment of matters reported on the Quilter Group's whistleblowing register that relate to the company, including the quality and results of management's investigation of such matters;
- Reviewing any key correspondence between the Company and HMRC in relation to compliance with laws and regulations;
- Reviewing relevant meeting minutes, including those of the Board of Directors, for matters of relevance to the audit;

- Identifying and testing journal entries, with unusual account combinations, such as unusual credits to expense items;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- Reviewing the disclosures in the Annual Report and financial statements against the specific legal requirements, for example within the Directors' Report.

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Sarah Chandler (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

02 March 2026

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2025

		2025	Restated ¹
	Note	£'000	2024 £'000
Revenue			
Management fees		355,897	316,449
Third-party income	3	19,718	19,670
Investment return ¹	4	8,063	8,750
Total revenue		<u>383,678</u>	<u>344,869</u>
Expenses			
Administrative expenses ¹	5	(362,672)	(325,214)
Financing costs	8	(2,523)	(2,456)
Total expenses		<u>(365,195)</u>	<u>(327,670)</u>
Profit before tax		18,483	17,199
Income tax charge	10	(5,098)	(3,709)
Profit for the year after tax		<u>13,385</u>	<u>13,490</u>
Total comprehensive income for the financial year		<u>13,385</u>	<u>13,490</u>

¹See note 5 for details of the changes in comparative amounts.

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	Capital contribution related to share-based payment schemes £'000	Retained earnings £'000	Total shareholder equity £'000
Balance at 1 January 2025		700	20,639	117,714	139,053
Profit and total comprehensive income		-	-	13,385	13,385
Share-based payments		-	2,616	7,056	9,672
Dividends paid	9	-	-	(19,000)	(19,000)
Balance at 31 December 2025		700	23,255	119,155	143,110

	Note	Ordinary Share capital £'000	Capital contribution related to share-based payment schemes £'000	Retained earnings £'000	Total shareholder equity £'000
Balance at 1 January 2024		700	16,487	114,107	131,294
Profit and total comprehensive income		-	-	13,490	13,490
Share-based payments		-	4,152	7,117	11,269
Dividends paid	9	-	-	(17,000)	(17,000)
Balance at 31 December 2024		700	20,639	117,714	139,053

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			
Property, plant and equipment	11	82,130	86,434
Investment property	12	7,916	8,821
Deferred tax assets	13	19,320	20,471
Loans and advances	14	80,000	80,000
Total non-current assets		<u>189,366</u>	<u>195,726</u>
Current assets			
Trade and other receivables	15	30,396	47,937
Cash and cash equivalents	16	109,232	67,778
Total current assets		<u>139,628</u>	<u>115,715</u>
Current liabilities			
Provisions due within one year	18	1,437	2,036
Lease liabilities due within one year	19	5,385	4,864
Current tax liabilities		4,156	4,623
Trade and other payables	20	106,485	87,991
Total current liabilities		<u>117,463</u>	<u>99,514</u>
Net current assets		<u>22,165</u>	<u>16,201</u>
Non-current liabilities			
Provisions due in more than one year	18	5,298	5,055
Lease liabilities due in more than one year	19	63,123	67,819
Total non-current liabilities		<u>68,421</u>	<u>72,874</u>
Net assets		<u>143,110</u>	<u>139,053</u>
Equity			
Ordinary Share capital	17	700	700
Capital contribution related to share-based payment schemes		23,255	20,639
Retained earnings		119,155	117,714
Total equity		<u>143,110</u>	<u>139,053</u>

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

The financial statements on pages 11 to 31 were approved by the Board of Directors on 02 March 2026 and signed on its behalf by:



M O Satchel
Director

Company registered number: 01579311

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

1 GENERAL INFORMATION

Quilter Business Services Limited (the "Company") is a private limited company, that is 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 pages 2 to 3.

The address of its registered office is disclosed in the Company information section on page 1.

2 MATERIAL ACCOUNTING POLICIES

Basis of preparation

The financial statements of Quilter Business Services Limited 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, as modified by the revaluation of certain financial instruments which have been recognised at fair value through profit or loss (FVTPL), 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, contracts with customers, fair value measurement, financial instruments, impairments, related party transactions, share-based payments, 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 plc and it is included in the consolidated financial statements, 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's registered office can be found in note 25.

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. As part of the going concern assessment, the Company took into consideration the current position of the UK economy including the impact of inflation and increases in the cost of living. The Group also took into consideration the risks related to climate change. Based on the assessment, the Directors believe that the Company 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 Company 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

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.

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. Management reviews these areas of judgement and estimates and the appropriateness of material accounting policies adopted in the preparation of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

2 MATERIAL ACCOUNTING POLICIES (continued)

Critical accounting judgements

The Company's 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

The Company's 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.

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 financial investments, trade and other receivables and cash and cash equivalents and trade and 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 which financial assets should be measured at 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.

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 of 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

2 MATERIAL ACCOUNTING POLICIES (continued)

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.

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.

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.

Trade payables and receivables

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

2 MATERIAL ACCOUNTING POLICIES (continued)

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 three main types of financial asset that are measured at amortised cost:

- Trade and other receivables, to which the simplified approach prescribed by IFRS 9 is applied. This approach requires the recognition of a Lifetime ECL allowance on day one and thereafter.
- Intercompany receivables (including loans and advances) 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.

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.

Employee benefits

The Company operates a defined contribution pension scheme. Contributions to defined contribution pension plans are charged to profit and loss as they become payable in accordance with the rules of the scheme. The assets of the plans are held separately from those of the Company and are independently administered.

Employee share-based payments

The Company operates a number of share incentive plans for its employees. These involve an award of shares or options in the Company's ultimate Parent Company, Quilter plc (equity-settled share-based payments). The Company has not granted awards under cash-settled plans in the current or prior year.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

2 MATERIAL ACCOUNTING POLICIES (continued)

The Company's incentive plans have conditions attached before the employee becomes entitled to the award. These can be performance and/or service conditions (vesting conditions) or conditions that are often wholly within the control of the employee, for example where the employee has to provide funding during the vesting period, which is then used to exercise share options (non-vesting condition).

Performance conditions may be market-based or non-market based. Market-based performance conditions are those related to an entity's equity, such as achieving a specified share price or target based on a comparison of the entity's share price with an index of share prices. Non-market performance conditions are those related to an entity's profit or revenue targets, an example of which would be Earnings per Share ("EPS"). Market-based performance conditions and non-vesting conditions are taken into account when estimating the fair value of the share or option awards at the measurement date. The fair value of the share awards or options is not adjusted to take into account non-market performance features. These are taken into consideration by adjusting the number of equity instruments in the share-based payment measurement and this adjustment is made each period until the equity instruments vest.

The fair value of share-based payment awards granted is recognised as an expense over the vesting period which accords with the period for which related services are provided by the employee. A corresponding increase in equity is recognised for equity-settled plans.

For equity-settled plans, the fair value is determined at grant date and not subsequently re-measured.

At each period end the Company reassesses the number of equity instruments expected to vest and recognises any difference between the revised and original estimate in profit or loss with a corresponding adjustment to capital contribution related to share-based payment schemes in equity.

At the time the equity instruments vest, the amount recognised in capital contribution related to share-based payment schemes in respect of those equity instruments is transferred to retained earnings.

Property, plant and equipment

Aside from right-of-use assets, property, plant and equipment consist principally of computer equipment and fixtures and fittings. Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment losses. Cost includes the original purchase price of the asset and the costs of bringing the asset to its working condition for its intended use. Depreciation is charged to profit and loss on a straight-line basis to write down the cost of the asset to its residual value over its estimated useful life. The following maximum useful lives are applied:

- Right-of-use-assets length of the lease
- Plant and equipment 5 to 10 years

Leased plant and equipment is never depreciated over a period longer than the term of the lease. Assets under construction are not depreciated.

Management determines useful lives and residual values for assets when they are acquired, based on experience of similar assets and taking into account other relevant factors such as any expected changes in technology. The Company assesses and, where appropriate, adjusts the useful life, residual value and depreciation method for property, plant and equipment on an annual basis.

Items of property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Where the carrying amount of an asset is greater than its estimated recoverable amount, which represents the higher of the asset's fair value less costs of disposal and value in use, it is written down immediately to its recoverable amount and an impairment loss is recognised in the profit and loss. Impaired non-financial assets are reviewed for possible reversal of the impairment at each reporting date. On derecognition of an item of equipment, any gain or loss on disposal, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is included in profit and loss in the period of the derecognition. Items of property and equipment that are not owned by the Company but are held under lease arrangements are accounted for in accordance with the accounting policy on leases.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset. This gain or loss is recognised in profit and loss.

Depreciation on property, plant and equipment features as part of administrative expenses.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

2 MATERIAL ACCOUNTING POLICIES (continued)

Investment property

Investment properties are valued under the cost model. Depreciation is recognised as an expense on a straight-line basis to write down the cost of the right-of-use asset to its residual value over its estimated useful life which is dependent on the length of the lease. Lease income from operating leases where the Company is a lessor, is recognised in income on a straight-line basis over the sublease term.

Leases

Under IFRS 16, the Company assesses whether a contract is or contains a lease at inception of the contract. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess where a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset which may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset.

For lessee contracts, the right-of-use asset is initially measured at cost, which comprises the initial amount of lease liability, adjusted for any lease payments made at or before the commencement date, and any initial direct costs incurred. Adjustments are also made, where appropriate, to recognise provisions for property restoration costs and lease incentives received such as rent-free periods. The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the asset-specific incremental borrowing rates.

Subsequent to lease commencement, the Company measures the right-of-use asset using a cost model, whereby the asset is held at cost less accumulated depreciation and any accumulated impairment. Depreciation is charged to profit and loss on a straight-line basis to write down the cost of the right-of-use asset to its residual value over its estimated useful life which is dependent on the length of the lease. In addition, the carrying amount of the right-of-use asset may be adjusted for certain remeasurements of the lease liability. The lease liability is subsequently measured at amortised cost using the effective interest method and also reflects any lease modifications or reassessments.

The Company presents its right-of-use assets within "Property, plant and equipment" and lease liabilities within "Borrowings and lease liabilities" in the statement of financial position.

The Company currently has material lease commitments of varying durations for the rental of a number of office buildings. The Company's future lease cash outflows are not materially exposed to variable lease payments, low value or short-term leases, residual value guarantees, or restrictions imposed by a lease contract or sale and leaseback transactions.

Subleases

Where the Company sublets a leased asset to a third party, it accounts for its interest in the sublease separately from the head lease. In determining whether a sublease is a finance or operating lease, the Company assesses whether the sublease has transferred substantially all the risk and rewards of the right-of-use asset arising from the head lease to the sublessee.

Where the sublease does transfer substantially all the risk and rewards of the right-of-use asset to the sublessee, the Company derecognises the right-of-use asset and a net investment in finance leases is recognised, calculated as the present value of the future lease payments receivable under the sublease. Any difference between the initial value of the net investment in finance leases and the right-of-use asset derecognised is recognised immediately in profit and loss. Interest is calculated on the net investment in finance lease using the discount rate and is recognised as finance income.

Where the sublease does not transfer substantially all the risk and rewards of the right-of-use asset to the sublessee, the Company continues to recognise the right-of-use asset. The sublease is accounted for as an operating lease with the lease payments received recognised as other income. Lease incentives granted are recognised as part of the rental income and are spread over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

2 MATERIAL ACCOUNTING POLICIES (continued)

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more probable than not that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the reporting date. Where the effect of the time value of money is material, provisions are discounted and represent the present value of the expected expenditure. Provisions are not recognised for future operating costs or losses.

Other payables

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

Revenue recognition

Revenue comprises the fair value for services, net of value-added tax. Revenue is recognised as follows:

Management fee income

Management fee income represents management fees from group undertakings for the provision of management and administrative services. Management fees are charged including a mark-up on certain costs, except to fellow subsidiary undertaking Quilter Life & Pensions Limited, which due to being a life assurance entity, is recharged fees at cost. Management fee income is recognised in the same period the expenditure is incurred.

Third-party income

Third-party income mainly comprises amounts recharged to a strategic partner under an agreement which commenced in 2024. Third-party income is recognised in the period the expenditure is incurred.

Investment income

Investment income relates predominantly to interest income and investment property lease 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. Lease income is recognised on a straight-line basis over the sublease term.

Expense recognition

All expenses are recognised as a cost when incurred.

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 and 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 Company and 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 client cash flow, 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

2 MATERIAL ACCOUNTING POLICIES (continued)

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 13 includes further detail of circumstances in which the Company does not recognise temporary differences.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate in effect at the date of the transaction. Foreign currency monetary assets and liabilities are translated to sterling at the year-end closing rate. Non-monetary assets denominated in a foreign currency that are measured in terms of historical cost are translated using the exchange rate in effect at the date of the transaction and non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate in effect at the date when the fair value was determined. Foreign exchange rate differences that arise are reported net in profit and loss as foreign exchange gains/losses.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

3 THIRD-PARTY INCOME

Third-party income is £19,718,000 (2024: £19,670,000) and predominantly relates to a strategic partnering agreement with a third-party which commenced in 2024.

4 INVESTMENT RETURN

	2025 £'000	Restated ¹ 2024 £'000
Investment and similar income		
Interest receivable from Group undertakings	3,845	3,493
Interest on short-term bank deposits (amortised cost)	3,233	4,249
	<u>7,078</u>	<u>7,742</u>
 (Loss)/gain on financial instruments at FVTPL	 (35)	 8
Investment property income	1,020	1,000
	<u>8,063</u>	<u>8,750</u>

¹See note 5 for details of the changes in comparative amounts.

There has been no interest income earned on impaired financial assets.

5 ADMINISTRATIVE EXPENSES

	2025 £'000	Restated ¹ 2024 £'000
Staff costs	213,016	182,367
Depreciation charge on plant and equipment	4,546	4,134
Depreciation charge for right-of-use assets	4,906	4,682
Depreciation charge for sub-let property	905	904
Loss on sale of tangible assets ¹	832	396
Auditors' remuneration: audit services paid	55	63
Other expenses	138,412	132,668
Administrative expenses	<u>362,672</u>	<u>325,214</u>

¹ Loss on sale of tangible assets of £396,000 was included within Investment return as presented in the prior year accounts, and has been restated as part of Administrative expenses presented above for comparability.

Auditors' remuneration for audit services consists of fees in respect of the statutory audit. There are no non-audit fees (2024: £nil).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

6 EMPLOYEE BENEFITS

	2025 £'000	2024 £'000
Salaries and bonus remuneration	164,155	138,399
Share-based payments	6,822	8,558
Social security costs	24,198	17,802
Pension costs	12,915	11,211
	<u>208,090</u>	<u>175,970</u>

The average number of persons employed by the Company was:	2025	2024
High Net Worth	171	160
Affluent	1,886	1,740
Head Office	21	19
Strategy and transformation projects	187	103
Total average number of employees during the year	<u>2,265</u>	<u>2,022</u>

The monthly average number of persons employed by the Company is based on permanent employees and fixed-term contractors. All staff are employed to support activities of Quilter plc entities.

Included within the wages and salaries costs for the current year are termination benefits of £2,384,000 (2024: £2,390,000).

The above costs are included within the staff costs line in administrative expenses. The benefits quoted above differ to the total in the staff costs within administrative expenses, which include training and recruiting, other personnel expenses and car expenses.

All employees were involved in the administration of the Group's activities in the current and prior year. The pension costs shown above are the Company's contributions into defined contribution pension plans. The additional cost of providing death in service benefits in the year was £486,000 (2024: £400,000).

7 REMUNERATION OF KEY MANAGEMENT PERSONNEL

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.

The remuneration of the Directors is recharged to other companies in the Group. The Directors' services to this Company are of a non-executive nature and remuneration is deemed to be wholly attributable to services to the other companies within the Group.

8 FINANCING COSTS

	2025 £'000	2024 £'000
Interest charge on lease liabilities (see note 19)	<u>2,523</u>	<u>2,456</u>
Total financing costs	<u>2,523</u>	<u>2,456</u>

9 DIVIDENDS PAID

	2025 £'000	2024 £'000
Dividends paid		
Dividends paid to Quilter plc 2,714.29p per share (2024: 2,428.57p per share)	<u>19,000</u>	<u>17,000</u>
Dividends paid to immediate parent	<u>19,000</u>	<u>17,000</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

10 TAXATION

	2025 £'000	2024 £'000
Tax charged to profit and loss		
Current tax		
United Kingdom	3,461	3,325
Adjustments to current tax in respect of prior periods	(1,422)	(3,396)
Total current tax charge/(credit)	<u>2,039</u>	<u>(71)</u>
Deferred tax		
Origination and reversal of temporary differences	1,206	(85)
Adjustments to deferred tax in respect of prior periods	1,853	3,865
Total deferred tax charge	<u>3,059</u>	<u>3,780</u>
Total tax charged to profit	<u>5,098</u>	<u>3,709</u>

Reconciliation of total income tax expense

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:

	2025 £'000	2024 £'000
Profit before tax	18,483	17,199
Corporation Tax charge at 25% (2024: 25%)	4,621	4,300
Effect of:		
Expenses not deductible for tax purposes	46	2
Non-deductible share-based payment (reversal)	-	(1,062)
Adjustments to current tax in respect of prior years	(1,422)	(3,396)
Adjustments to deferred tax in respect of prior years	1,853	3,865
Total tax charged to profit or loss	<u>5,098</u>	<u>3,709</u>

The Company has recognised deferred tax assets as disclosed in note 13. 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

11 PROPERTY, PLANT AND EQUIPMENT

	Right-of-use asset £'000	Plant and equipment £'000	Assets under the course of construction ¹ £'000	Total £'000
Cost or valuation				
At 1 January 2025	89,128	48,963	3,849	141,940
Disposals	-	(2,723)	-	(2,723)
Additions	1,993	3,985	-	5,978
Transfers ¹	-	3,604	(3,604)	-
At 31 December 2025	<u>91,121</u>	<u>53,829</u>	<u>245</u>	<u>145,195</u>
Accumulated depreciation and impairment				
At 1 January 2025	40,654	14,852	-	55,506
Disposals	-	(1,893)	-	(1,893)
Depreciation charge for the year	4,906	4,546	-	9,452
At 31 December 2025	<u>45,560</u>	<u>17,505</u>	<u>-</u>	<u>63,065</u>
Carrying amount				
At 31 December 2024	<u>48,474</u>	<u>34,111</u>	<u>3,849</u>	<u>86,434</u>
At 31 December 2025	<u>45,561</u>	<u>36,324</u>	<u>245</u>	<u>82,130</u>

¹The Company recognised £245,000 of assets that were under construction at 31 December 2025 (31 December 2024: £3,849,000). These assets, relate to improvements to leased office property, and during the year £3,604,000 of assets under the course of construction were completed and brought into use (31 December 2024: £nil).

12 INVESTMENT PROPERTY

	2025 £'000	2024 £'000
Opening balance at 1 January	8,821	9,725
Depreciation	<u>(905)</u>	<u>(904)</u>
Total investment property	<u>7,916</u>	<u>8,821</u>

In June 2023, the Company entered into a contract to sublet a property to one tenant under an operating lease with rentals payable monthly. The sublet relates to one floor of a leased property which has a useful economic life of eleven years. There is a break clause in the sublease agreement after five years and the Company cannot reasonably expect the tenant to continue to lease beyond 2028.

The fair value of the sublet floor can only be reliably measured with the use of a surveyor. The Company believes the cost of measuring the fair value would be uneconomical when compared to the value of the sublet and therefore the investment property is valued under the cost model. This is consistent with the valuation of all of the Group's leased properties. Given the short nature of the sublease and arm's length nature of the sublease agreement the Directors consider that the carrying amount of the investment property is likely to approximate to the fair value.

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the sublease term. Lease income for 2025 is £1,020,000 (2024: £1,000,000). Expenses relating to the property are immaterial to the Company.

Undiscounted cash flows under the sublease are £1,392,000 per annum for each of the five years to the end of 2028.

There are no contractual obligations to purchase, construct, develop or dispose of investment property. Standard terms and conditions of leasing are included in the sublease arrangements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

13 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.

	Accelerated depreciation £'000	Share-based payments £'000	Other temporary differences £'000	Closing deferred tax asset £'000
Assets at 1 January 2024	18,194	2,880	702	21,776
Tax (charged)/credited to profit or loss	(5,891)	2,081	30	(3,780)
Equity credit	-	2,475	-	2,475
Assets at 31 December 2024	12,303	7,436	732	20,471
Tax (charged)/credited to profit or loss	(3,135)	(171)	247	(3,059)
Equity credit	-	1,908	-	1,908
Assets at 31 December 2025	9,168	9,173	979	19,320

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 is 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.

Sensitivity analysis demonstrates headroom in the recoverable amount of the deferred tax asset over the taxable profits contained within the business plan period. The impacts of a 20% decrease in profitability have been assessed and do not give rise to concerns over recoverability.

Unrecognised deferred tax assets

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

	31 December 2025		31 December 2024	
	Gross amount £'000	Tax £'000	Gross amount £'000	Tax £'000
Pre-April 2017 UK tax losses	113	28	113	28
Total unrecognised deferred tax assets	113	28	113	28

A deferred tax asset has not been recognised in respect of ringfenced pre-1 April 2017 losses as there is sufficient uncertainty 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

14 LOANS AND ADVANCES

	2025 £'000	2024 £'000
Lending to subsidiary undertaking at BoE base rate + 0.5%	80,000	80,000
	<u>80,000</u>	<u>80,000</u>

All loans are recognised at amortised cost, with their carrying amount approximating to fair value. The Bank of England (BoE) base rate was 3.75% (2024: 4.75%) at the accounting date.

All loans are repayable on demand. There have been no non-performing loans, loans subject to renegotiations or material impairments on loans and advances in either period assessed.

15 TRADE AND OTHER RECEIVABLES

	2025 £'000	2024 £'000
Due from fellow subsidiary undertakings	1,055	4,366
Prepayments and accrued income	21,530	24,121
Other receivables	<u>7,811</u>	<u>19,450</u>
Total trade and other receivables	<u>30,396</u>	<u>47,937</u>

Amounts due from group undertakings are unsecured, current and interest free. All other receivables are unsecured, current and interest free. All amounts are classified as either at amortised cost or non-financial assets.

16 CASH AND CASH EQUIVALENTS

	2025 £'000	2024 £'000
Bank balances	7,632	7,578
Money market funds	<u>101,600</u>	<u>60,200</u>
Cash and cash equivalents	<u>109,232</u>	<u>67,778</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.

17 ORDINARY SHARE CAPITAL

	2025 £'000	2024 £'000
Allotted, called up and fully paid		
700,000 (2024: 700,000) Ordinary Shares of £1 each	<u>700</u>	<u>700</u>

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

18 PROVISIONS

	Sale of Quilter International £'000	Legal £'000	Technology provisions £'000	Provision for onerous contracts £'000	Property provisions £'000	Total £'000
Balance at 1 January 2024	2,141	-	1,795	2,220	5,935	12,091
Additions in the year	-	57	380	84	459	980
Release of unused provisions	(281)	-	(1,140)	(519)	(239)	(2,179)
Utilisation	(1,860)	-	(59)	(1,785)	(97)	(3,801)
Balance at 31 December 2024	-	57	976	-	6,058	7,091
Additions in the year	-	303	1,250	-	245	1,798
Release of unused provisions	-	(28)	(957)	-	(898)	(1,883)
Utilisation	-	(145)	(19)	-	(107)	(271)
Balance at 31 December 2025	-	187	1,250	-	5,298	6,735

Technology provisions of £1,250,000 (2024: £976,000)

The 2025 balance of £1,250,000 is a new provision relating to the FNZ API gateway. The balance is estimated to be payable within one year. The 2024 provision related to providing for underpayments upon IT licences and this balance is now zero.

Property provisions of £5,298,000 (2024: £6,058,000)

Property provisions represent the discounted value of expected future costs of reinstating leased property to its original condition at the end of the lease term, and any onerous commitments which may arise in cases where a leased property is no longer fully used by the Group. The estimate is based upon property location, size of property and an estimate of the cost per square foot. Property provisions are used or released when the reinstatement obligations are satisfied. The associated asset for the property provisions relating to the cost of reinstating property is included within Property, plant and equipment.

Of the £6,735,000 provision outstanding, £5,298,000 (2024: £5,055,000) is estimated to be payable after one year. The majority of the balance relates to leased properties which have a lease term maturity of more than five years.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

19 LEASE LIABILITIES

	2025 £'000	2024 £'000
Opening balance at 1 January	72,683	75,613
Additions	771	3,488
Disposals	-	-
Finance interest charge for the year	2,523	2,456
Lease liability payments for the year	(7,469)	(8,874)
Closing balance at 31 December	<u>68,508</u>	<u>72,683</u>
Lease liability to be settled within 12 months	5,385	4,864
Lease liability to be settled after 12 months	<u>63,123</u>	<u>67,819</u>
Total discounted lease liability at 31 December	<u>68,508</u>	<u>72,683</u>
Maturity analysis - contractual undiscounted cash flows		
Less than one year	9,304	8,556
One to five years	36,597	35,588
More than five years	<u>36,142</u>	<u>43,975</u>
Total undiscounted lease liability at 31 December	<u>82,043</u>	<u>88,119</u>

Termination options are included in a number of the Company's property leases. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations.

The lease term is reassessed if an option is actually exercised, if the option can no longer be exercised or if the Company becomes obliged to exercise the option.

The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

20 TRADE AND OTHER PAYABLES

	2025 £'000	2024 £'000
Due to fellow group undertakings	43,135	31,925
Other taxes and social security costs	8,996	6,591
Trade creditors and accruals	<u>54,354</u>	<u>49,475</u>
Total trade and other payables	<u>106,485</u>	<u>87,991</u>

Amounts due to Group companies are current, unsecured and interest free. All other amounts within trade and other payables are also current, unsecured and interest free. All amounts are recognised as either at amortised cost or non-financial assets.

Trade creditors and accruals include accruals covering the incentive bonus scheme which fluctuates year-on-year in line with set performance targets.

21 FINANCIAL AND CAPITAL COMMITMENTS

At 31 December 2024, £2,193,000 of capital expenditure was contracted for property refurbishments at the end of the reporting period, but had not been recognised within liabilities. No capital expenditure is contracted at 31 December 2025.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

22 SHARE-BASED PAYMENTS

During the year ended 31 December 2025, the Company participated in a number of share-based payment arrangements. This note describes the nature of the plans and how the share options and awards are valued.

Description of share-based payment arrangements

The Company operates the following share-based payment schemes with awards over Quilter plc shares:

Scheme	Description of award				Dividend Entitlement ¹	Contractual Life (years)	Vesting conditions	
	Restricted shares	Conditional shares	Options	Other			Typical Service (years)	Performance (measure)
Quilter plc Performance Share Plan - Share Options (Nil cost options)	-	-	✓	-	✓	Up to 10	3	AP EPS CAGR ² and Relative Total Shareholder Return
Quilter plc Performance Share Plan - Conditional Shares	-	✓	-	-	✓	Not less than 3	3	Conduct, Risk and Compliance Underpins
Quilter plc Share Reward Plan - Conditional Shares	-	✓	-	-	✓	Typically 3	3	-
Quilter plc Sharesave Plan ³	-	-	✓	✓	-	3 ^{1/2} - 5 ^{1/2}	3 & 5	-

¹Participants are entitled to dividend equivalents.

²Adjusted profit compound annual growth rate ('CAGR').

³The Quilter plc Sharesave Plan is linked to a savings plan.

Options and awards

The weighted average share price at the dates of exercise for options exercised during the year was £1.59. 26,032,953 options outstanding at 31 December 2025 (2024: 23,546,502) have an exercise price of £nil for the Quilter plc Performance Share Plan, and between £0.69 and £1.31 for the Quilter plc Sharesave Plan, with a weighted average remaining contractual life of 1.3 years. At 31 December 2024, the exercise price was £nil for the Quilter plc Performance Share Plan, and between £0.69 and £1.31 for the Quilter plc Sharesave Plan, with a weighted average remaining contractual life of 1.7 years.

The weighted average share price at the dates of exercise for share awards exercised during the year was £1.53. At 31 December 2025, 12,221,733 (2024: 14,495,649) conditional share awards were outstanding. The average remaining contractual life of awards outstanding is 1.0 years (2024: 0.9 years).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2025

23 CONTINGENT LIABILITIES

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

24 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.

25 ULTIMATE PARENT COMPANY

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

The Company's financial statements are only consolidated within the financial statements of Quilter plc. The financial statements are available from:

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