Pershing Securities Limited

Strategic report, Directors' report and financial statements

Registered number 02474912

31 December 2025

Pershing Securities Limited

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Pershing Securities Limited

Board of Directors and other information

Directors
C D Clifford
E Gilvarry (Chair)
C E Neate
A J Roberts
G R Thorpe
D A Wallestad

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Pershing Securities Limited

Strategic report

In accordance with Section 414A(1) of the Companies Act 2006, we have prepared the Strategic report which includes a review of Pershing Securities Limited's ("the Company") business and future developments, a description of the principal risks and uncertainties facing the Company and key performance indicators. We also report against miscellaneous reporting requirements set out in Section 172 of the Companies Act 2006.

Business review

The Company continues to invest in its digital platform and service infrastructure to capture growth opportunities across the wealth and institutional markets. For the year, the Company reported a loss before tax of £(5,199,000) (2024: £2,407,000 profit before tax).

The results for the period include an exceptional restructuring charge of £6,960,000, which is included within administrative expenses. The Company's underlying result for the year, excluding this non-recurring restructuring charge, was broadly profitable.

There were no significant changes to the Company's core service offerings during the year. In 2025, the Company experienced continued growth across both the UK and Asia Pacific markets, contributing to a significant increase in revenue in the year (£114,703,000) compared with 2024 (£100,763,000). The Company continues to execute its investment strategy with a focus on securing new opportunities with key prospects and maintaining strong engagement and high-quality service delivery for its foundation clients. The restructuring undertaken during the year is expected to further strengthen the operational platform and support the continued delivery of high-quality services to clients.

Financial key performance indicators

The Company's key financial and other performance indicators during the year were as follows:

	2025 £000	2024 £000	Change £000	Change %
Revenue	114,703	100,763	13,940	14%
Administrative expenses	120,520	102,834	17,686	17%
Profit/(loss) before taxation	(5,199)	2,407	(7,606)	(316)%
Net assets	125,230	128,484	(3,254)	(3)%

Revenue increased by £13,940,000 (14%) during the year mainly due to increased transactional volumes and improved Client free money returns.

Administrative expenses increased by £17,686,000 (17%) during the year due to an increase in intercompany charges for business processing in line with business growth and the exceptional restructuring charge.

Net assets decreased by £3,254,000 (3%) during the year, resulting from the loss after tax for the year.

Risk management

Governance and policies

Suitable policies and procedures have been adopted by the Company to ensure an appropriate level of risk management is directed at the relevant element of the business.

Governance of the Company is ultimately the responsibility of the Board of Directors. The Board is responsible for the ongoing success and development of the Company's business as well as setting the risk appetite for the Company as part of the risk framework.

The Company's risk management policy and framework is aligned for all entities operating under Pershing Holdings (UK) Limited (“the “Pershing Group”). The Pershing Group adopts a proactive approach to the identification and management of risk and has implemented a risk management framework that seeks to employ industry best practice, while meeting all of its regulatory and legal obligations.

In addition, the Pershing Group has key committees in place to oversee compliance and risk management of the Company’s business and to ensure risk management practices and controls are effective.

Key committees include:

- Executive Committee
- Pershing Risk Committee
- Asset and Liability Committee
- Business Acceptance Committee

Risk management process

To facilitate the effective management of risks corresponding to the execution of the business strategy, the Company has largely adopted the BNY Group (“BNY” or “Group”) risk management framework to ensure that:

- Material risks are consistently and appropriately identified, assessed, quantified, and monitored;
- Risk limits are in place to govern risk-taking activities across the business;
- All strategic decision making takes place within defined governance structures and is evaluated against the stated risk appetite;
- Regular monitoring and reporting of key risk metrics to senior management and the Board occurs; and
- The capital and liquidity planning process takes account of all of the inherent risks as well as an additional stress testing component.

The Risk Identification (“Risk ID”) process and the Risk and Control Self Assessments (“RCSAs”) form core components of the risk management framework. They provide a holistic overview of the Company’s risk profile and material controls. This output is discussed and challenged within the Pershing Risk Committee (‘PRC’) and Board meetings.

In line with Group policy, the Company adopts the ‘Three Lines of Defence’ model in deploying its risk management framework. The primary responsibility for risk management rests with the first line of defence. The second line of defence risk and compliance functions provide advice to the first line to promote effective management of the risks, whilst ensuring appropriate review and challenge. The third line of defence is Internal Audit, which independently provides assurance that the governance structures, risk management and internal controls in place are effective.

Principal risks and uncertainties

Credit risk

This is the risk of losses arising from a client, underlying investor or counterparty failing to meet its obligations as they fall due. Credit risk predominantly lies with cash placements with third party credit institutions and the failure of clients, underlying investors, or counterparties to deliver stock or cash to meet their obligations when submitting orders for execution by the Company or by using the Company as a clearer.

The primary service offering is the provision of clearing, settlement and custody services. Credit risk can manifest itself as overnight credit exposure if contractual obligations to the Company, either in whole or in part, are not met. The Company reserves the right to sell securities that it has paid for and which have not been paid for by the client, the underlying investor or their counterparty.

Credit risk exposure is predominantly managed through a two-stage process:

- Setting minimum thresholds for the type of client acceptable to the Company, including type of business to be conducted, markets and instruments intention. Any new relationship requires approval from the Business Acceptance Committee.

- Monitoring all exposure on a daily basis against various limits, including trade limits based on a variety of client related metrics, gross exposure limits and negative mark-to-market exposure. Breaches are reported to senior management which may lead to management action such as requesting additional collateral.

Market risk

Market risk is the risk of loss due to adverse changes in the financial markets. Besides the market risk resulting from credit risk (above), market risk arises from foreign exchange exposure in respect of revenue, expenses, borrowings and interest rate exposure on cash balances, investments and borrowings.

To the extent that market risk arises from a credit risk event, mitigation can be provided through the requirement of clients to deposit collateral with the Company in support of their indemnifying the Company against any losses as mentioned above.

The Company's exposure to interest rate risk is not deemed to be material given that it relates predominantly to off balance sheet client money balances.

The Company has limited operational foreign exchange exposures due to small overnight trading limits that apply across all currencies. This is deemed to be an immaterial risk for hedging purposes.

Operational risk

This is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The business model of the Company is to provide clearing & settlement, custody services and trading services to a variety of financial institutions. Operational risk is inherent within the business model and may arise from errors in transaction processing, breaches of compliance requirements, internal or external fraud, business disruption due to system failures, execution, delivery and process management failures or other events. Operational risk can also arise from potential legal or regulatory actions caused by non-compliance with regulatory requirements, prudential ethical standards or contractual obligations.

The inherent risk within its operational processes is managed through an Operational Risk Management Framework ("ORMF") that is embedded into normal business practice. Operational risk is managed within limits aligned to the Company's risk appetite. The RCSA identifies and scores key risks for materiality, along with a measure of the associated control effectiveness, both in terms of design and operation. Risks and associated controls are monitored using an array of key risk indicators and an ongoing analysis of Operational Risk Events by both business functions and ORM. A number of key operational controls are tested through the annual Evidence Based Control Assessment program and internal control testing as well as being independently tested through the ISAE 3402 Service Auditor's Assurance Report conducted by external auditors.

Liquidity risk

Liquidity risk is the risk that a Company, although balance sheet solvent, cannot maintain or generate sufficient cash resources to meet its payment obligations in full as they fall due, or can only do so at materially disadvantageous terms. Liquidity risk can arise from funding mismatches, market constraints from inability to convert assets to cash, inability to raise cash in the markets, low overnight deposits, deposit run-off, or contingent liquidity events. Changes in economic conditions or exposure to credit, market, operational, legal, and reputational risks can also affect the liquidity risk profile and are considered in the liquidity risk management framework.

The Company maintains a strong liquidity profile by actively managing its liquidity positions and ensuring that there is sufficient funding in place to meet timely payment and settlement obligations under both normal and stressed conditions, maintaining liquidity ratios within approved limits and compliance with regulatory rules. The Board requires the Company to identify and conduct such stress tests and run these through event scenario analysis to demonstrate that the liquidity available is accessible and adequate to continue running the business and meet obligations as they fall due, and to ensure that existing and emerging risk scenarios continue to be mitigated and managed. This is guided by an Internal Liquidity Assessment and accompanying Liquidity Policy.

Further, a Contingency Funding Plan has been established by Senior Management which sets out the strategy for managing liquidity in stressed conditions with the aim being to ensure it will continue to support client operational activities and to have sufficient liquidity resources to meet liabilities as they fall due.

Strategic risk

Strategic risk includes risk to a Company arising from changes in its business, including the risk that the Company may not be able to carry out its business plan and its desired strategy.

Strategic risk is managed through the Company's Risk Framework. Key risks are monitored and reported to the Pershing Risk Committee, the Executive Committee and the Board.

Compliance risk

Compliance risk covers the risk relating to earnings or capital from violation, or non-conformance with laws, rules, regulations, prescribed practices or ethical standards which may, in turn, expose the Company and its executives to fines, payment of damages, the voiding of contracts and damaged reputation.

The Company's compliance arrangements are inherently risk-based. The arrangements are supported by regular compliance assessments which identify and measure areas of compliance risk and help drive the Compliance Monitoring plan which focuses on those areas of the business identified as being of higher risk. The compliance arrangements also include a program to identify and support the implementation of regulatory change items of relevance to the Company. In addition, the Company ensures that all staff receive adequate compliance training so that they understand their regulatory responsibilities and the relevance of compliance risk to their roles.

Conduct risk

Conduct risk is defined as the risk that detriment is caused to clients, the market, the Company or its employees because of inappropriate execution of business activities or inappropriate behaviour by the Company or its employees.

The Company is subject to the Group Conduct Risk Policy and Code of Conduct. It sets out clear expectations of the roles of senior management in setting the appropriate tone and includes examples of good and poor conduct. Employees receive periodic training on conduct related matters and are required to complete an annual process to confirm adherence to the Code of Conduct. Conduct-related management information is captured and provided to the Pershing Risk Committee and reviews of conduct related matters can be included in the scope of Compliance Monitoring and/or Internal Audit assurance reviews.

Geopolitical and other macro-environmental risks

The Company is exposed to geopolitical risks including the global trade war, conflicts, terrorism and cyber-attacks.

BNY Group maintains controls, processes and policies that are designed to adhere to relevant sanctions, laws and regulations in countries in which the Group operates. The Group continues to monitor any subsequent developments associated with the conflicts whilst taking necessary actions where prompted.

Companies Act 2006 s.172 miscellaneous reporting

The directors of the Company are required under Section 172 of the Companies Act 2006 to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, the directors must consider certain factors in their decision making and then make a statement about how they have considered those factors. The factors the directors must consider are:

a) The likely consequences of any decision for the long term;

b) The interests of the Company's people;

c) The need to foster the Company's business relationships with suppliers, customers and others;

d) The impact of the Company's operations on the community and the environment;

e) The desirability of the Company maintaining a reputation for high standards of business conduct; and

f) The need to act fairly as between members of the Company.

Taking into account the long-term impact of decisions

- Strategy and Performance: The Board considered the main underpinning pillars of the Company's strategy as being: 1) Be More for Our Clients; 2) Run Our Company Better; and 3) Power Our Culture; these align with, and derive from, BNY and will form part of the 2026 strategy document refresh. Each pillar is supported by goals and metrics, with day to day execution of the strategy monitored and tracked by the Chief Executive Officer ("CEO") and the Pershing Executive Committee ("ExCo"). The Board considers the immediate, mid term and long term risks and opportunities faced by the Company and their likely impact on the community and the environment. Examples of this include monitoring business at risk and other growth areas; sustainability; digitisation and expansion of services; artificial intelligence ("AI"); ensuring a robust operational and technology resilience pathway; employee wellbeing; and maintaining strong regulatory engagement.

- Corporate Governance: Whilst the Company has not formally adopted a recognised corporate governance framework due to its size, the directors conduct the Company and make decisions in a way that promotes long term success.

- Risk: The directors recognise the importance of risk management in the execution of the Company's strategy and the Board has reviewed the levels of risk acceptable to the Company. This is formalised and monitored through a Risk Appetite Statement ("RAS"), approved by the Board. The Company continually reviews established risk types, and horizon scanning for new risks that could cause a material impact on its long term success. The Risk Management Framework is further outlined on page 2.

- Regulatory Change: The Board receives updates from senior management, on the implementation and embedding of regulatory change initiatives and compliance with ongoing regulatory requirements. Additionally, as part of the Company's recovery and resolution planning requirements, the directors periodically review the Company's critical functions those of which disruption or withdrawal could have an adverse material impact on clients and financial stability.

Employee Interests

In 2024, BNY launched five principles (Be Client Obsessed, Spark Progress, Own it, Stay Curious and Thrive Together) in support of the three BNY strategic pillars.

The Board delegates authority to the Pershing Securities Limited Nomination Committee to review the structure, size and composition of the Board (including the skills, knowledge, experience and diversity of Board members) and to make recommendations to the Board with respect to Board appointments. The Nomination Committee also reviews and makes recommendations to the Board regarding the appointment of Senior Management Function holders who are subject to approval by the Financial Conduct Authority. The Nomination Committee continues to focus on succession planning including supporting readiness of candidates.

The Board also receives regular updates from The People Team, addressing the outcomes of the Company's people agenda. The Company also adheres to the principles of Equal Employment Opportunities. This is further supported by the opportunity for all BNY employees to actively participate in Employee / Business Resource Groups with a focus on the core themes relating to multigenerational, diverse abilities, multicultural and ethnic/racial diversity, LGBTQ+, veterans and military families and women/gender.

BNY offers hybrid working arrangements and supportive workplace policies to provide flexibility and attract and retain diverse talent. These are:

- An Extended Remote Working Programme which allows colleagues to work remotely from home or other certain locations for up to eight days annually.

- A New Parent Leave Policy, available globally, provides extended paid time off to all parents, regardless of gender.

- Global caregiver leave which provides 10 paid days for all to help manage planned and unplanned family care circumstances.

BNY evaluates its real estate footprint and operational efficiency to enable scalable growth and enhanced client delivery. In 2025, following a review of the platforms and functions operating in Liverpool, BNY proposed consolidating certain functions to streamline operations. BNY anticipates migrating the majority of roles from Liverpool to Manchester and initiating the closure of the Liverpool office during late 2026 through to 2027. The Liverpool office has served as the principal location for employees of Pershing in the United Kingdom.

The Board considers the long term success of the Company and the potential impacts of decisions on stakeholders, including employees, clients, suppliers, regulators, and the local community. The Chief Executive Officer and Liverpool Site Leader led the communications to Pershing employees to outline the proposal, consultation steps, and available opportunities and support. The Board continues to receive regular updates on stakeholder feedback and the potential impacts throughout the process. The Board will receive updates on measures to safeguard client service continuity, maintain operational resilience, and support employees.

Suppliers, customers, stakeholders and other third parties

The directors fully recognise the importance of balancing the interests of the Company's internal and external stakeholders: clients, industry groups, regulators, shareholder, and vendors. As such, the Board's composition, its standing within The Bank of New York Mellon Corporation, together with the supporting governance structure it has put in place, is designed to ensure that decisions of the Board are taken with consideration to the impact on the Company's stakeholder groups. The Board receives updates on the interests of internal and external stakeholders. The Company is supported by the CEO, who provides regular written reports to the Board on key milestones, client matters and progress under programmes of work and initiatives underpinning delivery of the Company's strategy.

During 2025, there was continued engagement between the Boards of key entities in the Europe, Middle East and Africa ("EMEA") region and BNY. To this end, a number of sessions were held between EMEA independent non-executive directors ("INED") and senior leaders, including an annual call with the BNY CEO in December 2025. The Company has also registered the BNY Corporate Modern Slavery Statement online with the UK Home Office. In addition, the Company is regulated in the UK by the Financial Conduct Authority ("FCA") and the directors have a strong, open, and transparent relationship with the Company's regulators.

Impact on the community and environment

The Company takes a strategic approach to sustainability, led by the Board, with clear accountability, to incorporate analysis, consideration and management of financial risks arising from climate change. The Company recognises that success in addressing financial risks resulting from climate change must take into account the impact on the Company's clients, vendors, and financial position. It must also reflect the Company's status as a subsidiary of BNY. The Company is also aligned with its group affiliates on matters affecting the community and environment.

The Board acknowledges and is fully supportive of the need to proactively support environmental and social awareness and support and invest in community impact programs. BNY funded incentives encourage employee participation to give back and this is supported via a formalised community impact program.

High Standards of Business Conduct

The Company operates within the rules of the FCA and the restrictions defined in its regulatory licence. All Senior Managers and Certification Regime ("SMCR") staff undertake ongoing SMCR training sessions and the UK Certified and Senior Management Function ("SMF") population are provided with focused training on the SMCR and UK Conduct Rules. The Company operates within the BNY Conduct and Culture Framework, which is guided by the BNY Code of Conduct (the "Code"). This Code outlines key guidelines for ethical behaviour in everyday activities, emphasising the importance of doing what is right, regardless of the impact on specific transactions or short-term relationships.

The Board received quarterly updates from the Culture and Conduct Council providing oversight of how the Council operates and monitors key topics, including the employee survey and reviewing data to identify trends, change and opportunities.

The FCA's Consumer Duty (the "Duty") aims to set higher standards of consumer protection across financial services and requires firms to act to deliver good outcomes for retail customers. The Company's Consumer Duty Champion role is held by the Chair of the Board, who is responsible for ensuring that the Duty is discussed at meetings and embedded within the business. During the year, the Consumer Duty Champion regularly met with management to obtain assurance on the actions taken by the Company to ensure that it delivers good outcomes for consumers. The Board received regular reports on the Consumer Duty outcomes and the measures of embedding of the Consumer Duty within the Company and approved its annual Consumer Duty Report in June 2025.

Acting fairly between members of the Company

The Company is a wholly owned subsidiary within BNY and is governed by its Board. It maintains an open and collaborative relationship with BNY, which ensures that the Company remains aligned with the strategic objectives and corporate values of its shareholder.

Taking employee's interests into account

As part of its execution strategy, the Company utilises employees seconded from Pershing Limited to provide services to its clients. The Board promotes a high-performance culture with strategic initiatives focused on Diversity & Inclusion, Talent Management and Culture and acknowledges the significance of a committed workforce.

This is further supported by the opportunity for all employees seconded by Pershing Limited to actively participate in Employee / Business Resource Groups with a focus on the core themes relating to multigenerational, diverse abilities, multicultural and ethnic/racial diversity, LGBTQ+, veterans and military families and women/gender.

BNY is also committed to providing relevant training and development opportunities through "Learn at BNY" (a BNY learning experience platform), to include achievement of professional qualifications, to enable each employee to successfully fulfil their job responsibilities, build future skills, and in addition, meet regulatory requirements. The Company adheres to the principles of Equal Employment Opportunity and is committed to facilitating employment opportunities for people with disabilities.

Business and future developments

Looking ahead, the Company remains focused on navigating an evolving economic environment with resilience and discipline. Management expects continued opportunities for growth across the markets in which the Company operates and is well positioned to meet the changing needs of its clients through a comprehensive suite of services.

The Company remains committed to maintaining a robust capital base and preserving high levels of liquidity, ensuring it retains the financial strength required to support its activities and withstand market fluctuations. Management will also continue to prioritise rigorous risk management and regulatory compliance as the business grows and the operating environment evolves.

A key strategic priority for the year ahead is the continued migration of roles and operational capabilities into Manchester. This transition is intended to strengthen the Company's operating model, enhance efficiency, and further improve the quality and consistency of service delivery for clients.

Management remains confident in the Company's ability to continue delivering for its clients and upholding its position as a trusted and reliable partner within the global financial ecosystem.

Approval

By order of the Board

Amanda Roberts
Amanda Roberts (Apr 21, 2026 16:51:04 GMT+1)

A J Roberts
Director

Date: 21 April 2026

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Registered number: 02474912

Pershing Securities Limited

Directors' report

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

Principal activities

The principal activity of the Company continues to be the provision of a full range of execution, middle office and post-trade services, investment administration, SIPP (Self-Invested Personal Pension) operation services and related services.

The Company is a member of the London Stock Exchange and is authorised and regulated by the Financial Conduct Authority ("FCA"). All the Company's activities during the year were regulated and conducted within the scope of permissions granted to the Company by the FCA. The Company is a general clearing member of LCH Ltd, Euronext and the European Multilateral Clearing Facility N.V.

Results and dividends

The loss for the year after taxation amounted to £3,254,000 (profit after taxation 2024: £2,146,000).

The directors do not recommend a dividend for the year ended 31 December 2025 (2024: £nil).

Future developments

See 'Business and future developments' section in Strategic report for details.

Political donations

The Company made no political donations or incurred any political expenditure during the year (2024: £nil).

Strategic Relocation and Workforce Transition

As part of BNY's broader review of its operating model and UK real estate footprint, the Group assessed how key functions are distributed across its sites to support scalable growth and enhanced client delivery. This review concluded that roles currently undertaken in Liverpool should transition to Manchester, a location that has increasingly become a core operational hub for BNY. The Liverpool office, historically the principal centre for Pershing Group activities, is therefore expected to wind down during 2026 and 2027 as roles migrate accordingly.

The Board is overseeing this transition and has put in place appropriate governance arrangements to ensure that the process is conducted in an orderly and well-controlled manner. Particular emphasis has been placed on maintaining operational resilience and minimising any impact on client service throughout the transition period. Manchester benefits from a strong and diverse talent pool, and the co-location of multiple BNY business units within the city provides opportunities to leverage shared capabilities, enhance collaboration and achieve meaningful economies of scale. The Board considers these developments an important step in strengthening the Company's long-term operating platform and further enhancing the quality and efficiency of services delivered to clients.

IFPR Public Disclosures

The Investment Firms Prudential Regime ('IFPR') public disclosures about the Company (own funds, risk management and remuneration) are included within the Pershing Holdings (UK) Limited combined public disclosure which can be found on the group website (https://www.pershing.com/uk/en/disclosures#panel3).

Country-by-Country Reporting disclosure

Institutions are required to publish details of their income, employment, profits, taxation and any public subsidies on a country by country basis under the Capital Requirements Regulations 2013.

The regulation requires institutions to report the following information:

a) Nature of activities and geographical location (see Principal activities on page 10 and disclosure note 3 on page 39), all based in the United Kingdom;
b) Revenue (see disclosure note 3 on page 39), all generated in the United Kingdom;
c) Number of employees on a full time equivalent basis (none);
d) Profit and loss before taxation (see Statement of profit and loss on page 19), all generated in the United Kingdom;
e) Tax on profit or loss (see disclosure note 9 on page 42), in addition tax paid in 2025: £nil (2024: £nil);
f) Public subsidies received (none).

Business relationships with suppliers, customers and others

The Directors fully recognise the importance of balancing the interests of its internal and external stakeholders: clients, employees, industry groups, regulators, its shareholder and vendors. The Board's composition, and the supporting governance structure it delegates to, have been designed to ensure full consideration is given to meeting the best interests of its stakeholder groups and that it understands the issues escalated.

Employees seconded by Pershing Limited carry out their processes and procedures and when issues occur from their liaison with clients, market practice, regulators or vendors that cannot be easily resolved, these are escalated to their managers or committee members who use their professional judgment whether to raise such issues in the relevant committee. The committees listed on page 3 assess and consider an appropriate response from the quorum of committee members, including subject matter experts, and maintain appropriate minutes to detail discussions and decisions made, noting due consideration of their associated immediate as well as longer term impacts.

The Board receives updates through its regular reports and/or specific escalation from the committee structure. Examples of matters brought to the Board's attention through the aforementioned committees includes:

1. Implementation of changes in regulations, or market practice. Typically, a new regulation or market practice may have an impact on employees needing to make a change in processes or procedures to operate in a different way.

   This may require a technological development either in house or by a vendor. Requests are raised and considered in technology forums and approved by the prioritisation process; or if a new vendor service is required this will follow the Group's procurement process. Clients are updated on our progress with these matters through compliance webcasts and bulletins.

2. New business pipeline covering new business development and key client activity. Typically, the Board will see significant requests from the following areas:

   - New or renewal of client contracts and requests for amended price or service. Requests are discussed with clients and prospects and proposed through the Pershing EMEA Business Acceptance Committee; and

   - Requests received for information of capabilities and pricing from existing and future clients, within our existing service range of institutional or wealth based financial services clients looking for part or all or a future consideration of our product offering, or indeed a service outside of our existing product range. The Company is open for business and actively seeks new proposals to augment its future prospects.

Business relationships with suppliers, customers and others - continued

3. Vendor contracts are typically brought to the Board's attention if there are any significant new requirements, renewals or amendments. The vendor engagement process involves a request being raised by an engagement manager to the Group's procurement team who will follow the risk assessment and selection process to contact an appropriate vendor.

4. The successful realisation of its near-term strategy which set a course for continued increased returns as well as agreement of the continuation of this strategy, informed by the current competitive environment, the needs of our clients and the availability of investment options to support continued growth.

The Company also aligns with its Group to leverage numerous policies and provisions for the benefit of all its stakeholders. In addition to the above, the Board sought and received assurance over the governance and input from Management in preparing a number of regulatory submissions/policies:

- Capital Management Policy;
- Liquidity Policy;
- Quarterly Liquidity Stress Test;
- Internal Capital and Risk Assessment ("ICARA") including:
- Stress Scenarios;
- Own Funds Assessment;
- Internal Liquidity Assessment;
- Recovery Plan; and
- Wind Down Plan.

Streamlined Energy and Carbon Reporting ("SECR")

In accordance with the Companies Regulations 2018, the Company is in scope as a large unquoted entity and therefore required to report its energy use and associated greenhouse gas ('GHG') emissions resulting from energy use and employees' business travel.

However, the Company qualifies as a low energy user as defined by the regulation and accordingly has no requirement to make the detailed disclosures for its energy and carbon information.

Directors

The directors who served during the year and up to the date of the report were as follows:

	Appointed	**Resigned**
C D Clifford	-	-
E Gilvarry	-	-
M A McPhail (Chair)	-	31 August 2025
C E Neate	-	-
A J Roberts	-	-
G R Thorpe	26 June 2025	-
D A Wallestad	-	-

Margaret McPhail resigned as Chair of the Board after nine years of service. Following due and careful consideration, the Board appointed Emer Gilvarry as the new Chair, having already served on the Board for five years.

Directors' indemnity provision

The articles of association of the Company provide that in certain circumstances the directors are entitled to be indemnified out of the assets of the Company against claims from third parties in respect of certain liabilities arising in connection with the performance of their functions, in accordance with the provisions of the Companies Act 2006. Indemnity provisions of this nature have been in place during the year but have not been utilised by the directors (2024: not utilised).

Disclosure of information to Auditor

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditor is unaware; and each director has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Post balance sheet events

There have been no material post balance sheet events impacting the Company.

Independent Auditor

Pursuant to Section 487 of the Companies Act 2006, the Auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board

Amanda Roberts
Amanda Roberts (Apr 21, 2026 16:51:04 GMT+1)

A J Roberts
Director

Date: 21 April 2026

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Pershing Securities Limited

Statement of directors’ responsibilities in respect of the strategic report, the directors’ report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report to the members of Pershing Securities Limited

Opinion

We have audited the financial statements of Pershing Securities Limited ("the Company") for the year ended 31 December 2025 which comprise the Statement of profit and loss, Statement of other comprehensive income, Balance sheet, Statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2025 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board meeting minutes.
- Considering remuneration incentive schemes and performance targets.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular:

- the risk that management may be in a position to make inappropriate accounting entries; and
- the risk that custody and stockholding fee income, which are subject to manual calculation, is inappropriately recognised or there are errors in the calculation.

We did not identify any additional fraud risks.

We performed procedures including:

- Assessing the design, implementation and operating effectiveness of the controls in the custody and stockholding fees process.
- Recalculating custody and stockholding fees over the year based on customer contracts and other customer transaction data.
- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior management who typically do not create/ post journal entries during the year and those posted to unusual or seldom used accounts.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with management the policies and procedures regarding compliance with laws and regulations.

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

Independent auditors' report to the members of Pershing Securities Limited - continued

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company’s license to operate.

We identified the following areas as those most likely to have such an effect: data protection laws, anti-money laundering laws, market abuse regulations and financial services regulations including those in relation to Client Assets and specific areas of regulatory capital and liquidity and certain aspects of company legislation and financial services legislation, recognising the financial and regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors’ report

The directors are responsible for the strategic report and the directors’ report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors’ report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors’ report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 14, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

GR Swart
GR Swart (Apr 21, 2026 22:06:20 GMT+1)

Gabriel Ryno Swart (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
London, E14 5GL

April 2026

Pershing Securities Limited

Statement of profit and loss
for the year ended 31 December 2025

	Note	2025 £000	2024 £000
Revenue	3	114,703	100,763
Administrative expenses	4 & 5	(120,520)	(102,834)
Operating loss		(5,817)	(2,071)
Net gain on investments	12	-	1,410
Interest receivable and similar income	7	15,649	22,951
Interest payable and similar charges	8	(15,031)	(19,883)
(Loss)/profit before taxation		(5,199)	2,407
Taxation	9	1,945	(261)
Total (loss)/profit for the financial year		(3,254)	2,146

Notes 1 to 21 are integral to these financial statements.

Pershing Securities Limited

Statement of other comprehensive income
for the year ended 31 December 2025

	Note	2025 £000	2024 £000
Total (loss)/profit for the financial year		(3,254)	2,146
Other comprehensive income			
Items that can be reclassified to profit and loss			
Financial assets:			
Debt securities at FVOCI - net change in fair value		-	184
Deferred tax on change in fair value of investments	15	-	(55)
Other comprehensive (loss)/income for the financial year, net of taxation		-	129
Total comprehensive (loss)/income for the financial year		(3,254)	2,275

Notes 1 to 21 are integral to these financial statements.

All items dealt with in arriving at the Company's results for the financial year and prior year relate to continuing operations.

Pershing Securities Limited

Balance sheet
at 31 December 2025

	Note	2025 £000	2024 £000
Fixed assets			
Fixed asset investments	10	-	-
Other assets		1,162	-
		1,162	-
Current assets			
Debtors	11	154,311	216,285
Cash at bank and in hand	13	405,946	426,222
		560,257	642,507
Creditors: amounts falling due within one year	14	(436,142)	(513,976)
Net current assets		124,115	128,531
Total assets less current liabilities		125,277	128,531
Provisions for liabilities			
Provisions	16	(47)	(47)
Net assets		125,230	128,484
Capital and reserves			
Called up share capital	17	113,390	113,390
Profit and loss account		11,840	15,094
Shareholders' funds		125,230	128,484

Notes 1 to 21 are integral to these financial statements.

These financial statements were approved by the Board of Directors and were signed on its behalf by:

Amanda Roberts
Amanda Roberts (Apr 21, 2026 16:51:04 GMT+1)

A J Roberts
Director

Date: 21 April 2026

Company registered number: 02474912

Pershing Securities Limited

Statement of changes in equity
for the year ended 31 December 2025

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£000	**£000**	**£000**	**£000**
Balance at 1 January 2024	113,390	(129)	12,948	126,209
Profit for the financial year	-	-	2,146	2,146
Other comprehensive income for the financial year	-	129	-	129
Total comprehensive income for the financial year	-	129	2,146	2,275
Balance at 31 December 2024	113,390	-	15,094	128,484
Balance at 1 January 2025	113,390	-	15,094	128,484
Loss for the financial year	-	-	(3,254)	(3,254)
Balance at 31 December 2025	113,390	-	11,840	125,230

Notes 1 to 21 are integral to these financial statements.

1 Accounting policies

1.1 Basis of preparation and statement of compliance with FRS 101

The Company is a private Company limited by shares incorporated and domiciled in the UK and registered in England and Wales. The registered address is given on page 1.

These financial statements were prepared in accordance with FRS 101.

The Company's ultimate parent undertaking, The Bank of New York Mellon Corporation includes the Company and all its subsidiary undertakings in its consolidated financial statements. The consolidated financial statements of The Bank of New York Mellon Corporation are prepared in accordance with U.S. Generally Accepted Accounting Principles, which is considered equivalent to International Financial Reporting Standards (Adopted IFRSs). The Bank of New York Mellon Corporation's consolidated financial statements are available at https://www.bnymellon.com/us/en/investor relations/overview.html. Accordingly, the Company is a *qualifying entity* for the purpose of FRS 101 disclosure exemptions.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards ("UK-adopted IFRS") but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Statement of cash flows and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries of the same group;
- Disclosures in respect of capital management;
- Disclosures in respect of compensation of key management personnel; and
- Disclosures in respect of revenue contracts with customers and significant judgements.
- Disclosures in respect of new but not yet effective IFRSs

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

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 1.19.

1.2 Exemption from preparation of Group financial statements

As noted in section 1.1 above, the Company's ultimate parent Company includes the Company in its consolidated financial statements, which are prepared under a basis equivalent to adopted IFRS. Accordingly, the Company is exempt by virtue of section 401 of the Companies Act 2006 from the requirement to prepare Group financial statements. Therefore, these financial statements present information about the Company as an individual undertaking and not about its Group.

1 Accounting policies - continued

1.3 Change in accounting policy

New and amended accounting standards and interpretations

New standards, interpretations, and amendments effective on or after 1 January 2025

The standard below was effective from 1 January 2025 but does not have a material impact on the Company's financial statements

- Lack of Exchangeability (Amendments to IAS 21) – Effective 1 January 2025

1.4 Measurement convention

These financial statements are prepared on the historical cost basis. For the year ended 31 December 2024, certain assets and liabilities specifically, financial instruments classified as fair value through Other Comprehensive Income were measured at fair value. The Company held no such instruments during 2025.

1.5 Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report on page 2 to 9. In addition, the Strategic report includes the Company's approach to managing the principal business risk that it is faced with as it carries on its business, with the approach to managing risks affecting the subsidiary entities included in their respective financial statements.

The directors perform an annual going concern review that considers, under a stress test scenario, the Company's ability to meet its financial obligations as they fall due, for a period of at least twelve months after the date that the financial statements are signed. Consequently, the directors believe that the Company is well placed to manage its business risks successfully.

The Directors have had regard to management's assessment to determine whether there are any material uncertainties arising that could cast significant doubt on the ability of the Company to continue as a going concern. No significant issues have been noted. In reaching this conclusion, management considered:

- Stress tests on plausible scenarios such as a reduction of income and an increase in expenses over a period of 12 months from the date of signing the financial statements
- Liquidity position based on current and projected cash resources. The Company's current cash/liquidity position and expected projected cash flow is able to sustain its current operational costs for at least a year after the date of signing the financial statements; and
- The Company's operational resilience on existing processes and key stakeholders such as suppliers, employees, customers and its existing IT systems and infrastructure.

Based on the above assessment of the Company's financial position, liquidity and capital, the directors have concluded that the Company has adequate resources to continue in operational existence for a period of at least twelve months after the date that the financial statements are signed. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1 Accounting policies - continued

1.6 Related party transactions

As the Company is a wholly owned indirect subsidiary of the ultimate parent Company, The Bank of New York Mellon Corporation, it has taken advantage of the exemption contained in IAS 24 and has therefore not disclosed transactions with entities which form part of the Group. Balances with other members of the Group are disclosed within notes 2, 7, 8, 10, 11, 13, 14 and 18.

1.7 Foreign currency

The Company's functional and presentational currency is GBP. Transactions in foreign currencies are recorded in the functional currency at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange ruling at the balance sheet date. Any resulting exchange differences are reported net in the Statement of profit and loss within interest receivable or payable as appropriate.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

1.8 Revenue from contracts with customers

Revenue, which is stated net of value added tax, comprises fees and commissions receivable and arises from the provision of execution, middle office and post trade services and is accrued over the period for which these services are provided.

Fees are credited to income when the related service is performed. Commissions are credited to income on a trade date basis on all transactions executed during the year to the balance sheet date.

Where expenses have been passed on to clients without mark-up, the income has been netted against the cost. Where a mark-up has been applied, the income is included within revenue.

Income and expenses are presented on a net basis only when permitted under IAS 1 and/or IFRS 15, or for gains and losses arising from a group of similar transactions.

Revenue is based on terms specified in a contract with a customer, and excludes any amounts collected on behalf of third parties. Revenue is recognised when, or as, a performance obligation is satisfied by transferring control of a good or service to a customer.

A performance obligation may be satisfied over time or at a point in time. Revenue from a performance obligation satisfied over time is recognised by measuring the Company’s progress in satisfying the performance obligation in a manner that reflects the transfer of goods and services to the customer. Revenue from a performance obligation satisfied at a point in time is recognised at the point in time the customer obtains control of the promised good or service.

The amount of revenue recognised reflects the consideration the Company expects to be entitled to in exchange for the promised goods and services. Taxes assessed by a government authority that are both imposed on, and concurrent with, a specific revenue producing transaction, are collected from a customer and are excluded from revenue.

1 Accounting policies - continued

1.9 Interest receivable and interest payable

Interest receivable and payable is recognised in the Statement of profit and loss and other comprehensive income using the effective interest rate method.

Interest receivable and similar income includes interest receivable on funds invested and net foreign exchange gains.

Interest payable and similar charges includes interest payable and net foreign exchange losses that are recognised in the Statement of profit and loss and other comprehensive income (see note 1.7).

1.10 Taxation

Taxation on profit or loss for the year comprises current and deferred tax. Tax is recognised in the Statement of profit and loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case the tax is recognised in the same statement as the related item appears.

Current tax is the expected tax payable or receivable on the taxable profit or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable or receivable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1 Accounting policies - continued

1.11 Non-derivative financial instruments - classification and measurement

i) Classification of non-derivative financial instruments

IFRS 9 Financial Instruments: Recognition and Measurement outlines the requirements for the recognition and measurement of financial assets and liabilities. Financial instruments are initially recognised when an entity becomes a party to the contractual provisions of the instrument and are classified into various categories depending upon the type of instrument, which then determines the subsequent measurement of the instrument. IFRS 9 classification is based on two aspects: the business model within which the asset is held (the business model test) and the contractual cash flows of the asset in relation to the solely payments of principal and interest ('SPPI') test.

IFRS 9 includes three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL"). The Company determines the classification at initial recognition. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as 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 on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Such assets include Debtors and Cash at bank and in hand.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The entity had no such assets during 2025.

All other financial assets are classified as measured at FVTPL. The entity has no such assets.

A financial liability is initially recognised at fair value and in the case of loans and borrowings and trade and other creditors, net of directly attributable transaction costs. After initial recognition, financial liabilities are measured at amortised cost or FVTPL. Loans and borrowings and trade and other creditors are measured at amortised cost using the effective interest rate method.

Business model assessment

Certain financial assets, for example, cash at bank and in hand, always will be held for collection of contractual cash flows as the nature of the asset means that it cannot be sold. For other financial assets, the Company makes an assessment of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. Information that is considered includes:

- the stated policies and objectives for the portfolio;
- how the performance of the portfolio is evaluated and reported to management;
- how managers of the business are compensated; and
- the frequency and volume of historical and expected sales.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

1 Accounting policies - continued

Solely payments of principal and interest (SPPI) criteria

'Principal' for these purposes is defined as the fair value of the financial asset at 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 (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains contractual terms that would change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Company's claim to cash flows from specified assets; and
- features that modify consideration for the time value of money – e.g. periodic reset of interest rates.

Amortised cost

The Company classifies financial assets at amortised cost where the business model is to hold these assets to collect contractual cash flows and the SPPI criteria has been met. Such financial assets include debtors. Loans, borrowings and creditors are measured at amortised cost using the effective interest rate method.

Fair value through profit or loss

A financial asset is mandatorily classified in this category if it is acquired principally for the purpose of selling in the short term, or if it fails the SPPI test. A financial asset can be classified in this category by choice if designated by management at inception. This designation is because the relevant assets and liabilities are managed together, and internal reporting is evaluated on a fair value basis. The Company defines fair value as the price, as at the measurement date, that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The Company does not have any such assets.

Fair value through other comprehensive income

The Company classifies financial instruments at fair value through other comprehensive income where the business model objective is achieved by both selling and holding assets to collect contractual cash flows, and the SPPI criteria has been met. Prior to their maturity in 2024, the Company had UK and US government debt securities held as liquid assets to comply with the FCA liquidity requirements. These were designated at fair value through other comprehensive income in line with the classification criteria above.

ii) Initial recognition of non-derivative financial instruments

All financial assets are initially recognised at fair value plus or minus directly attributable transaction costs on a trade date basis. The Company's financial liabilities are initially recognised at fair value and in the case of loans, borrowings and creditors, net of directly attributable transaction costs. After initial recognition, financial liabilities are measured at amortised cost or FVTPL.

1 Accounting policies - continued

ii) Subsequent valuation of non-derivative financial instruments

Gains and losses arising from changes in the fair value of assets classified as fair value through profit or loss are included in the income statement in the period in which they arise. Gains and losses arising from changes in the fair value of debt instruments classified as fair value through comprehensive income are recognised as other comprehensive income until the financial asset is derecognised or impaired, at which time the cumulative gain or loss previously recognised as other comprehensive income is recognised in the income statement. Any premium or discount paid on the purchase of securities held at amortised cost is amortised through the income statement using the effective interest rate method.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at cost using the effective interest method.

1.12 Classification of financial instruments issued by the Company

Ordinary shares issued by the Company are treated as equity as they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy.

1.13 Derecognition of financial assets and financial liabilities

Financial assets

The Company derecognises a financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) when:

- the contractual rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement where either:
- the Company has transferred substantially all the risks and rewards of the asset; or
- the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

The Company derecognises a financial liability (or, where applicable a part of a financial liability or part of a group of similar financial liabilities) when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of the existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of profit and loss.

1 Accounting policies - continued

1.14 Impairment of financial assets (including trade and other debtors)

Under IFRS 9, the Company generally recognises loss allowances at an amount equal to 12-month expected credit loss ("ECL") (Stage 1, the portion of ECL that results from default events that are possible within 12 months after the reporting date) unless there has been significant increase in credit risk since origination of the instrument, in which case ECLs are recognised on a lifetime loss basis (Stage 2). Exposures that are in default are regarded as credit impaired (Stage 3) and are also measured on a lifetime ECL basis.

Measurement of ECL

ECLs are a probability-weighted estimate of credit losses and are measured as follows:

- Financial assets that are not credit-impaired at the reporting date – the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive);
- Financial assets that are credit-impaired at the reporting date – the difference between the gross carrying amount and the present value of estimated future cash flows;
- Financial guarantee contracts – the expected payments to reimburse the holder less any amounts that the Company expects to recover;
- Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL using the simplified approach by applying a provision matrix as a practical expedient under IFRS 9 to estimate the ECL.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

1.15 Offsetting

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IAS 1 and/or IFRS 15, or for gains and losses arising from a group of similar transactions such as in the Company's trading activity.

1.16 Fixed asset investments

Investments in subsidiaries are carried at cost less impairment.

1.17 Current asset investments

Fair values of the Company's equity investments held in 2024 relied to a greater extent on unobservable inputs and therefore required some degree of estimation to calculate a fair value. Fair values of the unlisted equity investments reflect the price that a knowledgeable willing party would pay in an arm's length transaction.

Any fair value and foreign exchange gains or losses are taken to the statement of profit and loss and other comprehensive income in the year they have arisen.

1 Accounting policies - continued

1.18 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

1.19 Accounting estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions about future conditions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Revenue recognition:

Principal vs Agent Assessment

Management has exercised significant judgement in determining whether PSL acts as a principal or as an agent in relation to intercompany income earned from the provision of services to other entities within the Pershing Group.

In assessing this, management evaluated PSL's role considering the requirements of IFRS 15 "Revenue from Contracts with Customers". Based on this assessment, PSL is deemed to act as a principal in these arrangements, supported by the following key considerations:

• Control: PSL has control over the services prior to its delivery, including responsibility for its execution, and delivery.

• Risk: PSL retains the risk of non-performance in relation to the service, including recognising any operational risk events that may arise as it delivers the service.

• Pricing: PSL has discretion in setting the price for these intercompany transactions, reflecting its role in managing service delivery and associated costs.

As a result, income from these intercompany transactions is recognised on a gross basis, reflecting PSL's role as a principal in the arrangement.

2 Financial risk management

The Company's objectives in respect of risk management are to ensure that, at all times, it satisfies the requirement of maintaining a balance sheet demonstrating the characteristics of high liquidity and high credit quality assets, and to maintain a robust and embedded risk management framework. The Board of Directors ensures adherence with all internally set risk limits and compliance with all regulatory ratios.

Through its normal operations, the Company is exposed to a number of risks, the most significant of which are capital, credit, market, operational, liquidity, strategic, conduct and compliance risk. Management of these risks is central to the Company's activities and the ownership and management of risk is the responsibility of management. The establishment of an independent risk management function provides the necessary challenge and support to management in implementing and managing risk within the risk appetite approved by the Board of Directors.

Oversight of all risk limits and thresholds outlined in the Pershing Group risk appetite statement is undertaken by the Pershing Risk Committee, which reports to the Executive Committee and ultimately to the Board of Directors. Membership of the Pershing Risk Committee includes representatives from senior management in the Pershing Group and Risk Management and meets monthly, or as required. Regular reports relating to the condition of the Group and Company, including all prudential ratios, limits and other thresholds are also reviewed on a monthly basis and are fully discussed, as are any matters of a risk policy or of a compliance nature.

Pershing adheres to the BNY policies for the identification, measurement and monitoring of risks except in any rare instances of local regulatory differences.

Credit risk

This is the risk of losses arising from a client, underlying investor or counterparty failing to meet its obligations as they fall due. Credit risk predominantly lies with cash placements with third party credit institutions and the failure of clients, underlying investors, or counterparties to deliver stock or cash to meet their obligations when submitting orders for execution by the Company or by using the Company as a clearer.

The primary service offering is the provision of clearing, settlement and custody services. Credit risk can manifest itself as overnight credit exposure in the event that contractual obligations to the Company, either in whole or in part, are not met. The Company reserves the right to sell securities that it has paid for and which have not been paid for by the client, the underlying investor or their counterparty.

Credit risk exposure is predominantly managed through a two-stage process:

- Setting minimum thresholds for the type of client acceptable to the Company, including type of business to be conducted, markets and instruments intention. Any new relationship requires approval from the Business Acceptance Committee.

- Monitoring all exposure on a daily basis against various limits, including trade limits based on a variety of client related-metrics, gross exposure limits and negative mark-to-market exposure. Breaches are reported to senior management which may lead to management action such as requesting additional collateral.

2 Financial risk management - continued

Credit risk - continued

(a) Securities settlement amounts receivable

The credit risk policy for securities settlement amounts receivable is to monitor the level of past due receivables on a daily basis and any negative mark to market exposure is measured against each client's collateral and tangible net worth. Provisions are raised where the recovery of a debt is considered to be unlikely. All clients with whom the Company deals are subject to detailed credit analysis and a high-level assessment of market counterparties is carried out prior to allowing clients to trade.

The aging of securities settlement amounts receivable that were not impaired at the balance sheet date was as follows:

	2025	**2024**
	£000	**£000**
Neither past due nor impaired	23,112	60,599
Past due up to one month	44,804	69,017
Past due from one month to three months	13,263	5,136
Past due from three months to one year	651	783
More than one year past due	49	743
	81,879	136,278

The concentration of credit risk for securities settlement amounts receivable at the balance sheet date by geographical region was predominantly European.

The concentration of credit risk for securities settlement amounts receivable at the balance sheet date by type of customer was:

	2025	**2024**
	£000	**£000**
Clients	113,415	70,609
Market counterparties	(31,536)	65,669
Net receivable	81,879	136,278

2 Financial risk management - continued

Credit risk - continued

(b) Cash and balances at bank

The credit risk policy for cash and balances at bank is to maintain bank accounts with banks having a minimum rating of A-/A3 from external rating agencies.

The concentration of credit risk for cash and cash equivalents at the balance sheet date by geographical region was:

	2025	2024
	£000	£000
United Kingdom	106,275	61,473
United States	14,807	12,752
Europe	186,675	229,474
Others	98,189	122,523
	405,946	426,222

(c) Loans to third parties

The credit risk policy for loans to third parties is to lend against a portfolio of fully paid for liquid securities. Conservative loan to value and concentration parameters are monitored daily to ensure that breaches are remediated in a timely manner and there has therefore been no impairment of this loan portfolio. Most loans to underlying investors are covered by an indemnity from the Pershing client introducing the account. All loans to third parties at the balance sheet date were neither past due nor impaired and all are based in Europe. Furthermore, all loans to third parties were to retail customers.

Market risk

Market risk is the risk of loss due to adverse changes in the financial markets. Besides the market risk resulting from credit risk, the main source of market risk arises from foreign exchange exposure in respect of revenue, expenses and interest rate exposure on cash balances, receivables and borrowings.

BNY hedges foreign exchange exposure at the consolidated level and therefore subsidiaries are not required to hedge independently. There is a limited amount of market risk resulting from collateralised lending against investors' portfolios of fully paid for eligible securities which is mitigated by conservative loan to value limits. To the extent that market risk arises from a credit risk event, mitigation is provided through the requirement of clients to deposit collateral with the Company in support of their indemnity as mentioned above.

2 Financial risk management - continued

Market risk - continued

(a) Foreign currency risk

The Company is exposed to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The table below summarises the Company's exposure to foreign currency exchange rate risk at 31 December. The Company takes small amounts of proprietary foreign exchange (FX) trading positions.

The Company's exposure to foreign currency risk is shown below:

	Euro	US Dollar	Other	Total
2025	**£000**	**£000**	**£000**	**£000**
Current assets	106,046	226,971	2,450	335,467
Current liabilities	(105,648)	(228,782)	(2,053)	(336,483)
Total exposure	398	(1,811)	397	(1,016)

	Euro	US Dollar	Other	Total
2024	**£000**	**£000**	**£000**	**£000**
Current assets	134,672	276,715	6,765	418,152
Current liabilities	(135,357)	(284,285)	(5,702)	(425,344)
Total exposure	(685)	(7,570)	1,063	(7,192)

A 5% weakening of the following currencies against the pound sterling at 31 December would have increased/(decreased) equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date. This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant.

A 5% strengthening of the currencies would have an equal but opposite effect, on the basis that all other variables remain constant.

	Equity 2025 £000	Profit or loss 2025 £000	Equity 2024 £000	Profit or loss 2024 £000
Euro	(20)	(20)	34	34
US Dollar	91	91	378	378

2 Financial risk management - continued

Market risk - continued

(b) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

Management have concluded that the impact of interest rate risk on the Company is minimal due to the short-term duration of interest-bearing instruments as evidenced in the tables below.

The profile of the Company's interest-bearing financial instruments is as follows:

	2025	2024
	£000	£000
Variable-rate instruments		
Financial assets	485,750	586,877
Financial liabilities	(332,740)	(433,219)

The interest rate profile of the Company's interest-bearing financial instruments by reference to the earlier of the next contractual interest rate re-pricing date and the maturity date is as follows:

	Carrying amount	Less than 3 months	3-6 months	6-12 months	1-5 years	More than 5 years
2025	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Assets						
Cash and cash equivalents	405,946	405,946	-	-	-	-
Loans to third parties	1,122	1,122	-	-	-	-
Trade receivables	77,082	77,082	-	-	-	-
Amounts due from group undertakings	1,600	1,600	-	-	-	-
	485,750	485,750	-	-	-	-
Liabilities						
Bank loans and overdrafts	(828)	(828)	-	-	-	-
Trade payables	(65,528)	(65,528)	-	-	-	-
Amounts owed to Group undertakings	(266,384)	(266,384)	-	-	-	-
	(332,740)	(332,740)	-	-	-	-

2 Financial risk management - continued

Market risk - continued

(b) Interest rate risk - continued

2024	Carrying amount £000	Less than 3 months £000	3-6 months £000	6-12 months £000	1-5 years £000	More than 5 years £000
Assets						
Cash and cash equivalents	426,222	426,222	-	-	-	-
Loans to third parties	1,902	1,902	-	-	-	-
Trade receivables	133,844	133,844	-	-	-	-
Amounts owed by Group companies	24,909	24,909	-	-	-	-
	586,877	586,877	-	-	-	-
Liabilities						
Bank loans and overdrafts	(2,270)	(2,270)	-	-	-	-
Trade payables	(106,284)	(106,284)	-	-	-	-
Amounts owed to Group undertakings	(324,665)	-	(324,665)	-	-	-
	(433,219)	(108,554)	(324,665)	-	-	-

The Company has performed sensitivity analysis on the above position and determined that a 1% increase in interest rates at the reporting dates would reduce the loss before tax for the Company by £1,530,000 (2024: £1,537,000 increase).

Liquidity risk

Liquidity risk is the risk that a Company, although balance sheet solvent, cannot maintain or generate sufficient cash resources to meet its payment obligations in full as they fall due, or can only do so at materially disadvantageous terms.

The Company is subject to the Group Liquidity Policy. It is the responsibility of all Group companies to maintain liquid resources that are adequate in both amounts and quality. The Company has adopted an internal liquidity policy (based on the Group policy) which has been approved by the Asset and Liability Committee and the Board of Directors and outlines the liquidity framework, annual stress testing programme and liquidity risk tolerance levels. Monthly liquidity analysis is carried out by the Finance function and reported to the Pershing Risk Committee and Asset and Liability Committee.

2 Financial risk management - continued

Liquidity risk - continued

A maturity analysis of financial liabilities and assets, including estimated interest payments and excluding the effect of netting agreements is shown below:

2025	Carrying amount £000	Gross nominal (outflow)/ inflow £000	Less than 3 months £000	3-6 months £000	6-12 months £000	1-5 years £000	More than 5 years £000
Non-derivative liabilities							
Bank loans and overdrafts	(828)	(831)	(831)	-	-	-	-
Securities settlement amounts payable	(80,472)	(80,508)	(80,508)	-	-	-	-
Amounts owed to Group undertakings	(284,062)	(291,309)	(24,544)	-	-	(266,765)	-
Accruals & deferred income	(46,929)	(46,929)	(46,929)	-	-	-	-
Other creditors	(23,853)	(23,853)	(23,846)	(7)	-	-	-
Provisions	(47)	(47)	-	-	-	(47)	-
	(436,191)	(443,477)	(176,658)	(7)	-	(266,812)	-
Non-derivative assets							
Bank, cash and cash equivalents	405,946	407,299	407,299	-	-	-	-
Securities settlement amounts receivable	81,879	81,921	81,921	-	-	-	-
Amounts owed by Group undertakings	3,188	4,008	4,008	-	-	-	-
Other debtors	5,986	5,990	5,990	-	-	-	-
Prepayments and accrued income	13,560	13,560	13,560	-	-	-	-
Other financial assets	49,698	49,698	49,698	-	-	-	-
	560,257	562,476	562,476	-	-	-	-

2024	Carrying amount £000	Gross nominal (outflow)/ inflow £000	Less than 3 months £000	3-6 months £000	6-12 months £000	1-5 years £000	More than 5 years £000
Non-derivative liabilities							
Bank loans and overdrafts	(2,270)	(2,280)	(2,280)	-	-	-	-
Securities settlement amounts payable	(115,671)	(115,740)	(115,740)	-	-	-	-
Amounts owed to Group undertakings	(327,447)	(333,357)	(8,381)	(324,976)	-	-	-
Accruals & deferred income	(47,305)	(47,305)	(47,305)	-	-	-	-
Other creditors	(21,496)	(21,496)	(21,434)	(62)	-	-	-
Deferred tax liability	2	2	-	-	2	-	-
Taxation and social security	211	211	-	-	211	-	-
Provisions	(47)	(47)	-	-	-	(47)	-
	(514,023)	(520,012)	(195,140)	(325,038)	213	(47)	-

2 Financial risk management - continued

Liquidity risk - continued

2024

Non-derivative assets							
Bank, cash and cash equivalents	426,222	427,909	427,909	-	-	-	-
Securities settlement amounts receivable	136,278	136,365	136,365	-	-	-	-
Amounts owed by Group undertakings	25,018	25,928	25,928	-	-	-	-
Other debtors	5,778	5,785	5,785	-	-	-	-
Prepayments and accrued income	12,622	12,622	12,622	-	-	-	-
Other financial assets	36,589	36,589	36,589	-	-	-	-
	642,507	645,198	645,198	-	-	-	-

3 Revenue from contracts with customers

Nature of services and revenue recognition

Fee revenue in Investment Services is primarily variable, based on levels of assets under custody or administration (“AUC/A”) and the level of client driven transactions, as specified in fee schedules.

Investment Services fees are based primarily on the market value of AUC/A, the volume of transactions and fees for other services. Certain fees based on the market value of assets are calculated in arrears on a monthly or quarterly basis.

Most services within the Investment Services business are provided over time. Revenue for these services (non-transactional revenue) is recognised using the time elapsed method, equal to the expected invoice amount, which typically represents the value provided to the customer for our performance completed to date.

Trade execution and clearing services are delivered at a point in time, based on customer actions. Revenue for trade execution and clearing services (transactional revenue) is recognised on trade date, which is consistent with the time that the service was provided. Customers are generally billed for services on a monthly or quarterly basis.

Contract balances

The Company’s customers are billed based on fee schedules that are agreed upon in each customer contract. The receivables from customers were £12,888,000 at 1 January 2025 and £4,602,000 at 31 December 2025. The ECL on accounts receivable is calculated as per accounting policy Note 1.14 and adjustments to the allowance are recorded in administrative expenses in the Statement of profit and loss. Receivables from customers are included in Debtors on the balance sheet.

Contract assets represent accrued revenues that have not yet been billed to the customers due to contingent factors other than the passage of time. The Company had £nil contract assets as at 31 December 2025 (2024: £nil).

Receivables from customers are included in Debtors on the balance sheet.

3 Revenue from contracts with customers - continued

Contract liabilities represent payments received in advance of providing services under certain contracts and were £nil as at 31 December 2025 (2024: £nil).

Contract costs

Contract costs represent either costs which are capitalised relating to incremental costs for obtaining contracts, or costs incurred for fulfilling contract obligations when they relate directly to an existing contract or specific anticipated contract, generate or enhance resources that will be used to fulfil performance obligations and are recoverable. The Company had £nil contract costs as at 31 December 2025 (2024: £nil).

Unsatisfied performance obligations

The Company does not have any unsatisfied performance obligations.

By activity

The Company's business comprises a single segment: the provision of execution, middle office and post trade services, sourced from the United Kingdom to global intermediary and investor clients.

	2025	**2024**
	£000	**£000**
Transactional revenue	37,661	27,217
Non transactional revenue	59,057	53,980
Other income	17,985	19,566
	114,703	100,763

*Included in Other Income is £13.8 million earned from the provision of services to other members of the Pershing Group in the current year (2024: £8.8 million)

4 Administrative expenses and auditor's remuneration

Profit/(loss) before taxation is stated after charging:

Auditor's remuneration:

	2025	**2024**
	£000	**£000**
Amounts receivable by the Company's auditor and its associates in respect of:		
Audit of these financial statements pursuant to legislation	179	181
Other audit related assurance services	549	669
	728	850

5 Staff numbers and costs

The Company had no employees during the year ended 31 December 2025 (2024: nil). All operating functions were performed by Pershing Limited which made recharges to the Company for these services. All Pershing Limited staff are based in the United Kingdom.

6 Directors' emoluments

The aggregate amount of remuneration paid to or receivable by directors in respect of qualifying services is disclosed below. Qualifying services include services as a director of the Company, as a director of any of its subsidiary undertakings or otherwise in connection with the management of the affairs of the Company or any of its subsidiary undertakings. The amounts are disclosed irrespective of which Group Company actually makes the payment to the directors.

	2025	**2024**
	£000	**£000**
Directors' emoluments	1,164	511
Amounts receivable under long-term incentive schemes	383	132
Company contributions to money purchase pension plans	34	21
	1,581	664

The aggregate of emoluments and amounts receivable under long-term incentive schemes of the highest paid director was £626,000 (2024: £369,000) and Company pension contributions made on their behalf were £5,880 (2024: £8,000). During the year, the highest paid director did not exercise any share options but received shares under a long-term incentive scheme.

	2025	**2024**
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	4	4
The number of directors in respect of whose services shares were received or receivable under long-term incentive schemes was	4	4

7 Interest receivable and similar income

	2025	**2024**
	£000	**£000**
Net foreign exchange gain	138	274
Receivable on loans to third parties	106	192
Receivable from external third parties on bank deposits	12,812	16,437
Receivable from Group undertakings	934	1,916
Late settlement interest and similar income	1,659	1,957
Receivable from investments in debt securities	-	2,175
	15,649	22,951

8 Interest payable and similar charges

	2025	2024
	£000	£000
Payables on loans from third parties	642	618
Payable to Group undertakings	14,389	19,265
	15,031	19,883

9 Taxation

Recognised in the statement of profit and loss and other comprehensive income

	2025	2024
	£000	£000
UK corporation tax		
Current tax on profit for the period	-	7,300
Adjustments in respect of prior periods	(1,945)	206
	(1,945)	7,506
Deferred tax (see note 15)		
Current year	-	(6,488)
Effect of changes in tax rates	-	(779)
FX relating Euroclear Tax Liability	-	22
Total deferred tax	-	(7,245)
Total tax (credit)/expense	(1,945)	261

9 Taxation - continued

Factors affecting total tax charge for the current period

	2025	2024
	£000	£000
Total (loss)/profit for the financial year	(3,254)	2,146
Total tax (credit)/expense	(1,945)	261
(Loss)/Profit excluding taxation	(5,199)	2,407
Tax using the UK corporation tax rate of 25.00% (2024: 25.00%)	(1,300)	602
Adjustments in respect of prior years	(1,945)	-
Expenses not deductible	9	175
Euroclear deferred tax FX movement	-	22
Income not taxable	-	(1,042)
Non-recoverable withholding taxes	-	206
Net tax impact on sale of Euroclear shares	-	(484)
Group relief surrendered for nil consideration	1,291	-
Bank surcharges	-	782
Total tax (credit)/expense	(1,945)	261

As a Banking entity, the Company is also subject to the Bank Corporation Tax Surcharge tax rate of 3%. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and are reflected in these financial statements.

The Company is within the scope of the OECD Pillar II rules. The Pillar II legislation was enacted in the UK on 20 June 2023 as part of Finance (No.2) Act 2023 and came into effect on 1 January 2024. The Pillar II legislation was therefore effective for the financial year, but the Company has no related current tax exposure. The UK entities of the Bank of New York Mellon Group have an effective tax rate above 15%, such that the rules do not have any impact on the Company.

10 Fixed asset investments

Subsidiaries

Fixed asset investments of £2 (2024: £2) are carried at cost less any provision for permanent diminution in value and comprise holdings in subsidiaries as disclosed below:

Name of subsidiary	Registered office	Principal activity	Class of shares held	Ownership 2025	Ownership 2024
Pershing Nominees Limited	Royal Liver Building, Pier Head, Liverpool L3 1LL	Nominee Company	£1 ordinary shares	100%	100%

11 Debtors

	2025 £000	2024 £000
Securities settlement amounts receivable		
Third parties	81,879	136,278
Amounts due from Group undertakings	3,188	25,018
Other debtors	5,986	5,778
Prepayments and accrued income	13,560	12,622
Other financial assets	49,698	36,589
	154,311	216,285
Due within one year	154,311	216,285
	154,311	216,285

12 Current asset investments

12.1 Current asset investment and other financial assets

	2025 £000	2024 £000
Current asset investments - debt securities		
At 1 January	-	144,270
Additions	-	417,916
Disposals	-	(564,622)
Unrealised gain & amortisation	-	2,436
Current asset investments - unquoted equity securities		
At 1 January	-	26,400
Disposal proceeds	-	(27,810)
Pre tax gain on sale	-	2,109
Net loss recognised in profit and loss prior to sale	-	(699)

The debt securities are UK and US Government debt securities that were held as liquid asset buffer to comply with the FCA liquidity rules. The debt securities matured in 2024.

The unquoted equity securities comprised a minority shareholding in Euroclear Holding SA/NV.

13 Cash at bank and in hand

	2025	2024
	£000	£000
Cash at bank and in hand	405,946	426,222

At 31 December 2025 the Company held client money of £2,656,778,000 (2024: £2,110,855,000). This amount, together with the corresponding obligation to clients, is not included in the Company's Balance sheet.

Cash at bank and in hand included £3,003,000 (2024: £1,803,000) of funds on deposit with a UK regulated banking entity within the Group.

The Company is exposed to foreign exchange risk between the date of recognition and settlement of foreign currency income and expenses. To mitigate this, the Company maintains foreign currency cash balances to offset the net currency position. This activity can result in foreign currency overdrafts that are intended to mitigate the risk of foreign currency receivables.

14 Creditors: amounts falling due within one year

	2025	2024
	£000	£000
Bank loans and overdrafts	828	2,270
Securities settlement amounts payable		
Third parties	80,472	115,671
Amounts due to Group undertakings	284,062	327,447
Accruals and deferred income	46,929	47,305
Taxation and social security	-	(211)
Other creditors	23,853	21,496
Deferred tax liability	(2)	(2)
	436,142	513,976

Included in amounts due to Group undertakings is £266,384,000 (2024: £324,665,000) of inter-Group borrowings at a variable rate and repayable within 12 months of the balance sheet date.

15 Deferred tax liability

Movement in deferred tax during the year

	2025	2024
	£000	£000
At 1 January	(2)	7,210
Deferred tax debited to profit and loss for the period	-	(7,267)
Deferred tax charge to OCI for the period	-	55
At 31 December	(2)	(2)

15 Deferred tax liability - continued

Movement in deferred tax during the year - continued

The major components of deferred tax are as follows:

Recognised deferred tax liability

Current asset investments	-	(2)

16 Provisions

An analysis of movements in provisions during the year is as follows:

	2025	2024
Client related claims	**£000**	**£000**
At 1 January	47	30
Provided for during the year	-	17
At 31 December	47	47

17 Capital and reserves

Share capital	**2025**	**2024**
	£000	**£000**
Allotted, called up and fully paid		
113,390,000 ordinary shares of £1 each	113,390	113,390

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

Other reserves

Other reserves comprise the fair value reserve for current asset investments measured at FVOCI.

18 Offsetting financial assets and financial liabilities

Group netting

Amounts due to and from certain individual Group companies who have signed a Master Netting Agreement are netted in the balance sheet as settlement is made net.

18 Offsetting financial assets and financial liabilities - continued

End investor netting

Where the Company has the obligation to settle transactions on behalf of a client, the Company records the settlement obligations on its Balance sheet. In cases where an end investor of our client has both a receivable and a payable for trade settlements, the Company's client agreements contain the explicit right to offset such balances. These are therefore settled and recorded on a net basis. and these are settled these on a net basis.

Commission payable offset

In cases where the Company's client earnings are collected and recorded as a payable on the Company's Balance sheet until paid, the Company deducts its fees from these amounts, therefore the payable is recorded net of this receivable. The extent of this netting can be seen below:

	2025			2024		
	Gross amounts	**Amounts offset**	**Net amounts**	**Gross amounts**	**Amounts offset**	**Net amounts**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Amounts owed by Group undertakings	3,364	176	3,188	25,963	945	25,018
Amounts owed to Group undertakings	284,238	176	284,062	328,392	945	327,447
End investor netting	56,959	14,236	42,723	100,112	31,799	68,313
Commission payable	9,393	4,467	4,926	27,518	4,568	22,950
Commission receivable	29,071	4,467	24,604	7,854	4,568	3,286

19 Contingencies

The Company did not have any contingencies at the year end (2024: £nil)

20 Transactions involving directors, officers and others

At 31 December 2025 there were no loans or other transactions made to directors, officers or other related parties of the Company (2024: £nil).

21 Ultimate parent company and parent Company of larger group

The immediate parent undertaking of the Company is Pershing Limited, a Company registered in England and Wales. The registered address of Pershing Limited is Royal Liver Building, Pier Head, Liverpool L3 1LL.

The largest and smallest Group in which the results of the Company are consolidated is that headed by The Bank of New York Mellon Corporation, incorporated in the United States of America.

The ultimate parent Company as at 31 December 2025 was The Bank of New York Mellon Corporation, incorporated in the United States of America. The consolidated accounts of the ultimate parent Company may be obtained from its registered address.

The Secretary
The Bank of New York Mellon Corporation
240 Greenwich Street
New York, NY
10286
USA.