Annual report and financial statements

CYB Intermediaries Limited

For the year ended 31 March 2026

Company number: 04056283

CYB Intermediaries Limited

Annual report and financial statements
For the year ended 31 March 2026

Contents

CYB Intermediaries Limited

Officers and auditor
For the year ended 31 March 2026

Directors	Henry Jordan (appointed 1 September 2025) Muir Mathieson (appointed 1 September 2025) Gavin Smyth (appointed 2 April 2026) Christopher Rhodes (resigned 2 April 2026) Gergely Zaborszky (resigned 1 September 2025)
Secretary	NBS CoSec Limited (appointed 31 July 2025) Graeme Duncan (resigned 31 July 2025)
Registered office	Jubilee House Gosforth Newcastle upon Tyne NE3 4PL
Independent auditor	Ernst & Young LLP 12 Wellington Place Leeds LS1 4AP

CYB Intermediaries Limited

Strategic report

The Directors of CYB Intermediaries Limited (the Company) present their Strategic report for the year ended 31 March 2026.

Business structure

The Company is a private limited company incorporated in the United Kingdom (UK) under the Companies Act 2006 and registered in England and Wales. The Company is authorised and regulated by the Financial Conduct Authority.

For the year ended 31 March 2026, the Company was a wholly owned subsidiary of Clydesdale Bank PLC (CB), a company registered in Scotland. CB is a wholly owned subsidiary of Virgin Money UK PLC (Virgin Money), a company registered in England and Wales.

On 2 April 2026, the ownership of the Company was transferred from CB to Nationwide Building Society (Nationwide) as part of a banking business transfer scheme under Part VII of the Financial Services and Markets Act 2000 (FSMA) (Part VII). Nationwide is the Company's ultimate parent and controlling party and is a building society incorporated and registered in England and Wales. Nationwide and its subsidiary undertakings comprise the Nationwide Building Society Group (the Group).

Principal activities

The Company distributes a range of insurance products primarily in:

- home and landlord insurance;
- life insurance; and
- travel insurance.

The Company's business strategy is based on a partnership model, seeking to collaborate with businesses that share its commitment to straightforward and transparent products. The Company's overall strategic objective is aligned to that of the Group, which aims to be strong and customer-centric, to proactively respond to changes in its customers' needs and to build long-standing customer relationships. The Group is committed to delivering a strong banking proposition in the UK, ensuring customers are placed at the centre of how this is achieved.

Home insurance was previously arranged and administered by Royal & Sun Alliance (RSA) until February 2024, when the RSA platform was decommissioned. A new business proposition for both home and landlord insurance, arranged and administered by Uinsure, was subsequently launched in September 2024.

Life insurance products are arranged and administered in partnership with Family Assurance Friendly Society Limited. The Company also had an arrangement with Legal and General during the period which ended in September 2025 following the Company's decision to align arrangements with those of Nationwide as part of the Group's broader integration strategy.

Travel insurance is arranged and administered by Hood Group.

Strategic report (continued)

Financial analysis

The statement of comprehensive income summarised below is set out in further detail on page 12. Following the acquisition of Virgin Money by Nationwide on 1 October 2024, the Company's accounting reference date was changed from 30 September to 31 March in order to align to Nationwide's accounting reference date. Accordingly, the comparative period financial statements are prepared for the 18-month period ended 31 March 2025 and are therefore not entirely comparable to the current 12-month period.

	12 months to 31 March 2026	18 months to 31 March 2025
Financial results	**£'000**	£'000
Home insurance commission	**1,979**	6,297
Other insurance income	**1,911**	2,879
Total revenue	**3,890**	9,176
Profit on ordinary activities before tax	**3,237**	8,948
Sales volumes	**Number**	Number
Home insurance	**27,827**	71,204
Other insurance	**179,095**	458,177
Total sales volumes	**206,922**	529,381

Home insurance income for the 12-month period to 31 March 2026 was £2.0m compared to £6.3m for the 18 months to 31 March 2025. Taking into account the longer prior financial period, this represents a decrease of 53% which is due to customer attrition following migration of policies over from RSA to Uinsure as well as lower commission and policy premiums, resulting in better customer outcomes. In addition, new business sales were minimal in the lead up to the decommissioning of the RSA platform in February 2024 and were completely off sale until the new business proposition with Uinsure was launched in September 2024.

Other insurance income for the 12-month period to 31 March 2026 was £1.9m compared to £2.9m for the 18 months to 31 March 2025, which is relatively flat period on period when considering the longer prior period. Within this, life insurance commission from One Family increased by 37% due to higher sales, particularly through aggregator channels. This was offset by a decrease in Legal and General life insurance following withdrawal of the product from the market in September 2025, and lower travel commission due to lower sales, particularly in the aggregator channel.

Administrative expenses for the 12-month period ended 31 March 2026 were £1.1m, compared with £1.4m for the 18-month period ended 31 March 2025. The reduction was primarily due to the shorter accounting period in the current year.

Finance income for the 12-month period ended 31 March 2026 was £0.4m, compared with £1.2m for the 18-month period ended 31 March 2025. The decrease reflects the shorter current reporting period, together with lower average cash balances and lower average bank base rates during the year.

The Company's balance sheet is set out on page 13. Total assets increased by £3.1m (7.2%) as at 31 March 2026 when compared to 31 March 2025, driven by an increase in cash at bank following the profitable year. Total liabilities increased by £0.7m (25%) compared with 31 March 2025, primarily driven by an increase in amounts due to related parties in respect of group relief, partly offset by reductions in current tax liabilities and trade payables during the period.

Key performance indicators

The Directors do not rely on key performance indicators at the individual subsidiary level. The results of the Company are included within the Group's Annual Report and Accounts. The business is managed within the Group and the results are consistent with the Company's status as a fully integrated and wholly owned subsidiary of the Group. For this reason, the Company's Directors believe that providing further performance indicators for the Company itself would not enhance an understanding of the development, performance or position of the Company.

Strategic report (continued)

Future developments

In home insurance, focus remains on the new Insurance Monitoring Tool and broadening distribution through aggregator channels and the branch network. The Company also continues to assess intermediary opportunities.

In travel insurance, a change in underwriter will deliver an enhanced proposition, resulting in more competitive pricing and a broader underwriting footprint. This is expected to drive increased revenue and market share through the aggregator channel.

For life insurance, changes to the aggregator channel customer journey, with new sophisticated underwriting technology, is expected to result in higher sales and revenue.

The recent reopening of branch based product sales provides a significant growth opportunity for the Company to expand distribution by supporting a more proactive sales approach across the network.

Section 172 (1) statement

In accordance with the Companies Act 2006 (the Act) (as amended by the Companies (Miscellaneous Reporting) Regulations 2018), the Directors provide this statement describing how they have had regard to the matters set out in section 172(1) of the Act when performing their duty to promote the success of the Company.

In accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended by the Companies (Miscellaneous Reporting) Regulations 2018), this statement also provides details of how the Directors have engaged with and had regard to the interests of key stakeholders.

In accordance with section 426B of the Act, this statement is also presented in the Group's Annual Report and Accounts. As a building society, Nationwide is not required to follow the Act; however, the Group aims to apply its requirements where appropriate.

As a subsidiary of Nationwide, the Company follows many of the processes and practices of the Group. Further details of these can be found in the Group's Annual Report and Accounts, a copy of which may be obtained from the registered office at Nationwide House, Pipers Way, Swindon, Wiltshire, England, SN38 1NW or at nationwide.co.uk.

The Company has no employees. Management of customers, government and regulators, and society and environmental stakeholders is overseen by the Group's Board.

Engagement with stakeholders

The Group's Board is responsible for leading stakeholder engagement, ensuring that the Group fulfils its obligations to those impacted by the business. Any decisions made by the Group's Board are considered for their impact on stakeholders and on the Group's success in the long term. Building and maintaining strong relationships with our stakeholders is central and is embedded in the Group's responsibilities and decision making. The Group is mindful of its duty to act in good faith and to promote the success of the Group with regard to the interests of all of its stakeholders including customers, colleagues, investors, the society we operate in and serve, government and regulators, and partners and suppliers.

Strategic report (continued)

Principal risks

The Company is exposed to a variety of risks through its normal operations. The most significant risks are described below.

Credit risk: the risk of loss as a result of a customer or counterparty failing to meet their financial obligations.

Liquidity and funding risk: the risk that the Company is unable to meet its current and future financial obligations as they fall due at acceptable cost. These obligations include the repayment of borrowings as they mature, the payment of operating expenses and tax, and the payment of dividends.

Interest rate risk: the risk from sensitivity of the Company's current and future net interest income and economic value to movements in market interest rates. Interest rate risk is managed at the Nationwide level.

Operational and conduct risk: the risk of impacts resulting from inadequate or failed internal processes, conduct and compliance management, people and systems, or from external events. This includes, but is not limited to, technology risk, security risk (including cyber), data risk, economic crime risk and regulatory risk.

Business risk: the risk that volumes decline, margins shrink, or losses increase, affecting the sustainability of the business and the ability to deliver the strategy due to external (macroeconomic, geopolitical, industry, regulatory, technological, or other external events) or internal factors (including the development and execution of the strategy).

Outsourcing risk: the risk that the Company fails in its responsibility to oversee and control third parties on which it is reliant for the performance of critical operational functions, including regulated activities. Failure to meet required standards may place the Company at risk of regulatory sanction and could result in loss of income or reputational damage. The Company manages this risk by performing due diligence on all third-party providers and, following appointment, by performing regular monitoring of third parties against agreed service levels.

Outlook

Over the next twelve months the Company will continue to support the Group in delivering against its targets and executing its strategy.

The Strategic report was approved by the Board of Directors on 16 July 2026 and was signed on its behalf by:

M Mathieson
Director
16 July 2026

Directors' report

The Directors present their Annual report and audited financial statements for the Company for the year ended 31 March 2026.

As set out in note 1 to the financial statements, the Company has adopted a new financial reporting framework in the year. The Annual report and financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards (UK GAAP), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

Corporate governance

The Directors are committed to high standards of corporate governance and during the year the Company followed the corporate governance framework applied by the Company's parent company Clydesdale Bank PLC, having regard to those provisions the Board considered applicable. Clydesdale Bank PLC's corporate governance framework is set out in the Clydesdale Bank PLC Annual Report and Accounts.

Profits and appropriations

The profit attributable to the shareholders for the year ended 31 March 2026 amounted to £2.4m (18 months to 31 March 2025: £6.7m).

No dividends were recommended by the Directors in respect of the previous financial period or paid during the year (18 months to 31 March 2025: £9.0m). No interim dividends were recommended by the Directors or paid during the year (18 months to 31 March 2025: £10m). The Directors do not recommend the payment of a final dividend in respect of this financial year.

Future developments and financial risk management objectives and policies

Information regarding future developments and financial risk management policies of the Company, in relation to the use of financial instruments that would otherwise be required to be disclosed in the Directors' report, has been included in the Strategic report and is discussed in further detail in note 14 to the financial statements.

Directors and Directors' interests

The list of current Directors, together with changes to the composition of the Board, can be found on page 1. Under the terms of the Articles of Association of the Company, no Directors are required to retire by rotation.

Directors' interests

No Director had any interest in the shares of the Company at any time during the year.

Directors' insurance

During the year, Nationwide maintained insurance protecting the Directors and Officers of Nationwide, its subsidiaries and controlled entities against personal liabilities which may arise in the course of the performance of their duties.

Directors' remuneration

During the year the Directors of the Company were remunerated as employees of other Group companies, and did not receive incremental remuneration in respect of their duties as Directors of the Company. The Directors believe it would be appropriate to apportion part of their remuneration as being in respect of their duties to the Company. The aggregate emoluments of the Directors of the Company in respect of the current year were £6k (18 months to 31 March 2025: £7k); this is recharged to the Company by CB.

Engagement with stakeholders

Details on engagement with stakeholders are included within the Strategic report on page 4.

Employees

The Company does not have any employees.

Political donations

No political donations were made in the current or prior period.

Directors' report (continued)

Related parties

Details of related party transactions are set out in note 12 to the financial statements.

Share capital

Information about share capital is shown in note 10 to the financial statements.

Going concern

As stated in note 1 to the financial statements, the Directors consider that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Events after the balance sheet date

Note 15 to the financial statements contains details of events after the balance sheet date.

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial period. Under that law, the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK GAAP), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

In addition, 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, in accordance with International Accounting Standard 8: Accounting Policies, Changes in Accounting Estimates and Errors, and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in applicable UK GAAP Standards, including FRS 101, is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the financial position and financial performance;
- state whether applicable UK GAAP Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable; and
- make an assessment of the Company's ability to continue as a going concern.

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

The Directors confirm, to the best of their knowledge:

- that the financial statements, prepared in accordance with applicable law and UK GAAP, including FRS 101, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- that the Annual report and financial statements, including the Strategic report, includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that they face.

CYB Intermediaries Limited

Directors' report (continued)

Auditors

The auditor, Ernst & Young LLP, has expressed its willingness to continue in office.

The Directors who were members of the Board at the time of signing the report are listed on page 1. Having made enquiries of fellow Directors and of the Company's auditor, each of these Directors confirms that:

(i) to the best of each Director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditor is unaware; and

(ii) each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditor is aware of that information.

The Directors' report was approved by the Board of Directors on 16 July 2026 and was signed on its behalf by:

M Mathieson
Director
16 July 2026

Independent Auditor's Report to the Members of CYB Intermediaries Limited

Opinion

We have audited the financial statements of CYB Intermediaries Limited (the Company) for the year ended 31 March 2026 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, and the related notes 1 to 15 including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 March 2026 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- We obtained management's going concern assessment for the Company, and evaluated the reasonableness of the assumptions and conclusions included in management's assessment taking into consideration the nature of the entity and its operations, its financial performance and position.
- We evaluated the impact of the transfer of ownership of the Company to Nationwide Building Society under Part VII of the Financial Services and Markets Act 2000 (FSMA) (Part VII). We considered how this might impact on the Company's ability to continue as a going concern. We obtained and evaluated representations from management that there is no intention to terminate the business of the Company in the going concern period.
- We reviewed board meeting minutes to identify events or conditions that may impact the Company's ability to continue as a going concern.
- We read and evaluated the adequacy of the disclosures in the Annual Report and Accounts in relation to going concern and considered whether there were other events subsequent to the balance sheet date which could have a bearing on the going concern conclusion.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Independent Auditor's Report to the Members of CYB Intermediaries Limited (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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.

Responsibilities of directors

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

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

Independent Auditor's Report to the Members of CYB Intermediaries Limited (continued)

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (United Kingdom Accounting Standards including FRS 101 Reduced Disclosure Framework and the Companies Act 2006); regulations, licence conditions and supervisory requirements of the Financial Conduct Authority (FCA); and relevant tax compliance regulations.
- We understood how the Company is complying with those frameworks by performing a combination of inquiries of senior management and those charged with governance as required by auditing standards, review of board meeting minutes, gaining an understanding of the Company's approach to governance.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the controls that the Company has established to address risks identified by the entity, or that otherwise seek to prevent, deter or detect fraud. Our procedures to address the risks identified also included incorporation of unpredictability into the nature, timing and/or extent of our testing, challenging significant assumptions and judgements made by management, and journal entry testing.
- Based on this understanding, we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved inquiries of the Company's management, and performing a review of board meeting minutes.

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

Use of our report

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.

Signed by:
Gemma Campbell
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Gemma Campbell (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Leeds
16 July 2026

CYB Intermediaries Limited

Statement of comprehensive income

For the period	Note	**12 months to 31 March 2026**	18 months to 31 March 2025
		£'000	£'000
Revenue	3	**3,890**	9,176
Administrative expenses		**(1,090)**	(1,430)
Operating profit		**2,800**	7,746
Finance income		**437**	1,202
Profit on ordinary activities before tax		**3,237**	8,948
Tax expense	4	**(804)**	(2,237)
Profit attributable to equity holders		**2,433**	6,711
Total comprehensive profit for the period attributable to equity holders		**2,433**	6,711

The Company has no recognised gains or losses other than those disclosed above.

All material items dealt with in arriving at the profit before tax for the above financial periods relate to continuing activities.

The notes on pages 15 to 22 form an integral part of these financial statements.

CYB Intermediaries Limited

Balance sheet

As at 31 March	Note	2026	2025
		£'000	£'000
Assets			
Cash at bank	5	**12,352**	9,219
Trade and other receivables	6	**552**	541
Due from related entities		**-**	55
Deferred tax asset		**-**	1
Goodwill	7	**33,228**	33,228
Total assets		**46,132**	43,044
Liabilities			
Trade and other payables	8	**2**	262
Provisions for liabilities and charges	9	**357**	361
Due to related entities		**2,598**	1,415
Current taxes		**307**	571
Total liabilities		**3,264**	2,609
Equity			
Capital contribution	11	**33,228**	33,228
Retained earnings		**9,640**	7,207
Total shareholders' equity		**42,868**	40,435
Total liabilities and equity		**46,132**	43,044

The notes on pages 15 to 22 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 16 July 2026 and were signed on its behalf by:

M Mathieson
Director
16 July 2026
Company number: 04056283

CYB Intermediaries Limited

Statement of changes in equity

	Capital contribution £'000	Retained earnings £'000	Total £'000
As at 1 October 2023	33,228	19,496	52,724
Total comprehensive income for the period	-	6,711	6,711
Dividends paid	-	(19,000)	(19,000)
As at 31 March 2025	33,228	7,207	40,435
Total comprehensive income for the year	**-**	**2,433**	**2,433**
As at 31 March 2026	**33,228**	**9,640**	**42,868**

The Company has no recognised gains or losses other than those disclosed above.

The notes on pages 15 to 22 form an integral part of these financial statements.

Notes to the financial statements

1. Basis of preparation

Reporting entity

The Company is incorporated in the UK and registered in England and Wales.

For the year ended 31 March 2026, the Company was a wholly owned subsidiary of Clydesdale Bank PLC (CB), a company registered in Scotland. The financial statements of CB may be obtained from CB's registered office at 177 Bothwell Street, Glasgow, G2 7ER. CB is a wholly owned subsidiary of Virgin Money UK PLC (Virgin Money), a company registered in England and Wales.

Following the acquisition of Virgin Money by Nationwide on 1 October 2024, the Company's accounting reference date was changed from 30 September to 31 March in order to align to Nationwide's accounting reference date. Accordingly, the comparative period financial statements are prepared for the 18-month period ended 31 March 2025 and are therefore not entirely comparable to the current 12-month period.

On 2 April 2026, the ownership of the Company was transferred from CB to Nationwide as part of a banking business transfer scheme under Part VII of the Financial Services and Markets Act 2000. Nationwide is the Company's ultimate parent and controlling party and is a building society incorporated and registered in England and Wales. Nationwide and its subsidiary undertakings comprise the Nationwide Building Society Group (the Group).

The results of the Company are included in the consolidated financial statements of Nationwide Building Society, which is the parent undertaking of the smallest and largest group to consolidate these results.

Nationwide Building Society is registered at Nationwide House, Pipers Way, Swindon, SN38 1NW. Nationwide's consolidated Annual Report and Accounts can be obtained from this address or at nationwide.co.uk.

Statement of compliance

As detailed in note 2, the Company has adopted a new financial reporting framework in the year. The financial statements, which should be read in conjunction with the Strategic report and the Directors' report, have been prepared in accordance with applicable law and UK GAAP, including FRS 101, except with regards to the amortisation of goodwill, explained in note 2. This is a change from previous financial statements, which were prepared under UK adopted International Accounting Standards (IAS). The application of FRS 101, instead of IAS, does not result in any material differences in accounting policies or in the figures reported in the financial statements.

Basis of measurement

The financial information has been prepared under the historical cost convention. A summary of the key accounting policies is set out in note 2.

Going concern

The Company's business activities, together with the factors likely to affect its future development, financial position and its exposure to risk, are described in the Strategic report. In addition, note 14 to the financial statements includes the Company's risk and capital management policies and objectives.

In assessing the Company's going concern position, the Directors have considered a number of factors, including the current balance sheet position and the Company's ongoing income and expenditure, taking account of possible changes in trading performance. As a consequence, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and for at least 12 months from the approval of the financial statements, and therefore believe that the Company is well placed to manage its business risks successfully in line with its business model and strategic aims. Accordingly, the Directors adopt the going concern basis in preparing the Annual report and financial statements.

Notes to the financial statements (continued)

1. Basis of preparation (continued)

Climate change

The potential impact of climate-related risks on the Company's financial position and performance has been considered in preparing the financial statements.

This involved undertaking an assessment at a Group level over the assets (both financial and non-financial) and evaluating whether the observable effects of physical and transition risk of climate change would have a material impact on the financial position and performance in the current year. While the effects of climate change represent a source of uncertainty, the Group does not consider there to be a material impact on its judgements and estimates from physical and transition risks of climate change in the short to medium term.

2. Accounting policies

Accounting standards, amendments and interpretations

There were no significant mandatory International Accounting Standards Board (IASB) pronouncements adopted by the Company in the current financial year.

Change in Accounting Framework

During the year, the Company adopted Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). FRS 101 allows exemptions from specific disclosures in the financial statements of qualifying entities that would otherwise apply UK adopted International Accounting Standards (IAS). The disclosure exemptions adopted by the Company are the requirements to:

- prepare a cash flow statement (FRS 101.8 (h));
- disclose related party transactions within a group (FRS 101.8 (k)); and
- disclose future relevant accounting standards that are not yet effective (FRS 101.8 (i)).

The Company has recognised goodwill of £33,228k (2025: £33,228k) which, in accordance with IFRS 3 Business Combinations, is not amortised but instead subject to annual impairment testing. The non-amortisation of goodwill is a departure from the Companies Act 2006 which requires goodwill to be amortised over its useful economic life. However, the Directors consider that the goodwill has an indefinite useful life and to amortise it would not enable the financial statements to give a true and fair view. Goodwill is stated at the reporting date at original cost less any accumulated impairment losses.

The Company is not able to reliably estimate the impact on the financial statements of applying this true and fair override, on the basis that the useful life of goodwill cannot be predicted with a satisfactory level of reliability, nor can the pattern in which goodwill diminishes be known.

Applying the requirements of FRS 101 has no impact on transactions or balances reported by the Company and only provides exemptions from specific disclosures as described.

The following material accounting policies have been applied in preparing these financial statements.

Revenue recognition

Home insurance commission income

The Company receives commissions on the basis of either new or renewed home insurance policies. Commission is accounted for as the performance obligation is satisfied which is on the placement of the policies.

Notes to the financial statements (continued)

2. Accounting policies (continued)

Revenue recognition (continued)

Other insurance commission income

This represents commissions receivable from partners from the sale of travel and life insurance policies. The Company does not bear any underwriting risk relating to policies sold, nor is the Company entitled to receipt of premium income from the policyholder. The Company therefore is an agent in respect of the related insurance policies.

The Company's performance obligations under the contracts are to maintain sales channels to facilitate introduction of prospective policyholders to partners. The Company is also obliged to work jointly with those partners to agree pricing on new policies and, where relevant, pricing for renewal of existing policies.

The Company has determined that these performance obligations are satisfied at the point in time of successful placement of new or renewed policies. This is also the point at which commission becomes payable to the Company under its contracts with those partners.

Provisions are maintained to meet potential commission clawbacks for policies that could cancel in the future.

Interest receivable

Interest receivable is recognised on an accruals basis.

Profit share

The Company receives profit share from some third-party insurance providers dependent on the profit earned by the insurer on policies placed by customers with that insurer. The Company has no additional performance obligations to fulfil under the profit share arrangements and no right to receive profit share should the outcome of that insurance line be unfavourable. The profit share is variable consideration and due to the inherent uncertainty of the outcome, the Company recognises profit share only once it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur in future periods. This is typically the earlier of the Company having been informed of the value of the profit share that will be received and the related cash receipt.

Financial instruments

Recognition and derecognition

Financial instruments are recognised when the Company becomes party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual cash flows from the asset expire, or it transfers the right to receive contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership are transferred. Financial liabilities are derecognised when the Company has discharged its obligation to the contract, or the contract is cancelled or expires.

Classification and measurement

The Company measures a financial asset or liability on initial recognition at its fair value, plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or the financial liability (with the exception of financial assets or liabilities at fair value through profit or loss, where transaction costs are recognised directly in the income statement as they are incurred).

Financial assets

Subsequent accounting for a financial asset is determined by the classification of the asset depending on the underlying business model and contractual cash flow characteristics. This results in classification within one of the following categories: i) amortised cost; ii) fair value through other comprehensive income; or iii) fair value through profit or loss. The Company does not hold any financial assets classified at fair value. Amortised cost financial assets are assessed for expected credit losses (ECLs) and these are recognised and disclosed where material.

A financial asset is measured at amortised cost when (i) the asset is held within a business model whose objective is achieved by collecting contractual cash flows; and (ii) the contractual terms give rise to cash flows on specified dates which are solely payments of principal and interest on the principal amount outstanding.

Notes to the financial statements (continued)

2. Accounting policies (continued)

Financial instruments (continued)

Financial liabilities

All financial liabilities are measured at amortised cost.

Offsetting

Offsetting can only occur, and the net amount be presented on the balance sheet, when the Company has a current legally enforceable 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.

Cash and cash equivalents

Cash and cash equivalents include cash at bank carried at amortised cost.

Critical accounting estimates and judgements

The preparation of financial statements in conformity with applicable UK GAAP Standards, including FRS 101, requires the Directors to make judgements, estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, revenues and expenses reported in these financial statements. Assumptions made at each balance sheet date are based on best estimates at that date and are reviewed by the Directors at each reporting date. Although the Company has internal control systems in place to ensure that estimates can be reliably measured, actual amounts may differ from those estimates. There have been no critical accounting estimates or judgements applied in the preparation of the financial statements.

3. Revenue

	12 months to 31 March 2026 £'000	18 months to 31 March 2025 £'000
Home insurance commission	**1,979**	6,297
Other insurance income	**1,911**	2,879
	3,890	9,176

The table above provides further information regarding the nature, amount and timing of revenue. IFRS 15 requires that revenue is recognised by the Company in a way that depicts the transfer of goods or services to customers. Commissions received are recognised at a point in time.

4. Taxation

	12 months to 31 March 2026 £'000	18 months to 31 March 2025 £'000
Current tax		
UK corporation tax		
Current period	**810**	2,237
Adjustments in respect of prior periods	**(6)**	-
Tax expense for the period	**804**	2,237

Notes to the financial statements (continued)

4. Taxation (continued)

The tax assessed for the year differs from that arising from applying the standard rate of corporation tax in the UK of 25% (2025: 25%). A reconciliation from the expense implied by applying the standard rate to the actual tax expense is as follows:

	12 months to 31 March 2026	18 months to 31 March 2025
	£'000	£'000
Profit on ordinary activities before tax	**3,237**	8,948
Tax expense based on the standard rate of corporation tax in the UK of 25% (31 March 2025: 25%)	**810**	2,237
Effects of:		
Adjustments in respect of prior periods	**(6)**	-
Tax expense for the period	**804**	2,237

5. Cash and cash equivalents

Cash and cash equivalents comprises the following balances, held with the Company's parent, CB, due within three months at inception:

	2026	2025
	£'000	£'000
Cash at bank	**12,352**	9,219

6. Trade and other receivables

	2026	2025
	£'000	£'000
Trade debtors	**552**	453
Prepayments and accrued income	**-**	88
	552	541

No material ECL provisions are held for trade debtors (2025: Nil).

Notes to the financial statements (continued)

7. Goodwill

	2026 £'000	2025 £'000
Balance as at 1 April 2025 and 31 March 2026	**33,228**	33,228

There were no acquisitions in the year ended 31 March 2026 (18 months to 31 March 2025: none).

Goodwill has arisen through business combinations in previous periods. The recoverable amount has been derived from a value in use calculation using discounted cash flow techniques, based on future sales volumes that management believe are consistent with the revised levels of commission sharing arrangements and expense levels.

As highlighted in note 2, the Company does not amortise goodwill which is a departure from the Companies Act 2006.

Goodwill is subject to annual testing for impairment. There was no impairment identified for the year ended 31 March 2026 (18 months to 31 March 2025: £Nil). Accumulated impairment losses recognised against goodwill amounted to £48,892k (2025: £48,892k).

Key assumptions used in impairment testing:

Growth in cash flows from operations: This is based on detailed business plans and product volume growth projections and includes estimates of future expenses to be incurred in the ordinary course of business. The terminal growth rate used was 2% based on future forecast information (2025: 2%).

Discount rates: The impairment model is based on pre-tax cash flows and utilises a pre-tax discount rate of 12.0% (2025: 13.3%). The discount rate is based on the Company's estimated cost of capital.

An increase of 10 basis points in the pre-tax discount rate or a 10 basis point decrease in the projected terminal growth rate, if adjusted independently of all other variables, would reduce the recoverable amount by £456k and £201k respectively. Under both scenarios the recoverable amount would still be in excess of the carrying value resulting in no impairment. Conversely, a decrease of 10 basis points in the pre-tax discount rate or a 10 basis point increase in the projected terminal growth rate would increase the recoverable amount by £465k and £205k respectively.

The valuation is based upon forecasts up to March 2030.

8. Trade and other payables

	2026 £'000	2025 £'000
Accruals and deferred income	**2**	262

9. Provisions for liabilities and charges

	12 months to 31 March 2026 £'000	18 months to 31 March 2025 £'000
Opening balance	**361**	371
Utilised	**(408)**	(705)
Charge to the statement of comprehensive income	**404**	695
Closing balance	**357**	361

The Company is liable to repay an element of commission to its life insurance partner, One Family, on policies cancelled within four years of the policy start date. Associated aggregator expenses incurred on sales generated via the aggregator channels may also be refunded on policy cancellations within this period.

Notes to the financial statements (continued)

10. Issued capital

	2026		2025	
Share capital	**Number of shares**	**£'000**	Number of shares	£'000
Allotted, called up and fully paid ordinary shares of £1 each	1	-	1	-

Dividends paid

	12 months to 31 March 2026	18 months to 31 March 2025
	£'000	£'000
Dividends paid	-	19,000

No dividends have been paid in the year (18 months to 31 March 2025: £19.0m). The Directors do not recommend a final dividend in respect of this financial year.

11. Capital contribution

The capital contribution reserve represents dividends waived by the Company's immediate parent undertaking.

12. Related party transactions

Outstanding balances with related parties are unsecured and no guarantees have been provided or received for the balances as at 31 March 2026 (2025: None).

Audit fees

Included within administrative expenses are audit fees recharged through CB of £26k (18 months to 31 March 2025: £35k).

Transactions with Directors, key management or their close family members

There were no amounts outstanding at 31 March 2026 (2025: £Nil) for transactions with or arrangements between the Company and its Directors, key management and their close family members.

Compensation of key management personnel

All compensation received by key management personnel relates to their duties on behalf of other Group companies and is borne by other Group companies. Thus, no disclosure is presented in these financial statements.

Directors' remuneration

The Directors are employed as executives of other Group companies and do not receive incremental remuneration or pension scheme benefits in respect of their duties as Directors of the Company. The Directors believe it would be appropriate to apportion £6k (18 months to 31 March 2025: £7k) of their remuneration as being in respect of their duties to the Company during the year. These costs were recharged to the Company from CB.

Notes to the financial statements (continued)

13. Fair value of financial instruments

Fair value of financial instruments held at amortised cost

The carrying amounts of financial assets and liabilities measured at amortised cost, as reported on the balance sheet, are approximately equal to their fair values.

14. Management of risk and capital

Management of risk

The Company's operations expose it to credit risk, liquidity and funding risk, and interest rate risk. Responsibility for the control of overall risk lies with the Directors, operating within a management framework that aligns to that of the Group.

Credit risk

Credit risk is the potential that a counterparty will be unable to pay amounts in full when due. The Company relies on the Group's credit risk policies, procedures and mitigation strategies to manage credit risk. These are regularly reviewed and updated where necessary.

No significant transactions occur outside of the UK and the carrying value of financial assets as shown on the balance sheet represents the Company's maximum exposure to credit risk. The Company has no undrawn exposures or commitments and has no material credit concentration risk exposure.

The Company's financial assets held at amortised cost are assessed regularly for recoverability, and an ECL allowance calculated and provided for where material.

Liquidity and funding risk

Liquidity risk relates to the risk of the Company being unable to meet its current and future financial obligations as they fall due, at acceptable cost. These obligations include the repayment of deposits on demand or at their contractual maturity dates, the repayment of borrowings and loan capital as they mature, the payment of operating expenses and tax, and the payment of dividends.

The Company's funding requirement is monitored by both Group Treasury and Company management and, when required, additional funding is provided to meet the Company's lending volumes and financial obligations.

The Directors do not believe there is a significant exposure to liquidity or funding risk due to the related party nature of funding and liability exposures with fellow Group companies.

Interest rate risk

Interest rate risk comprises the sensitivity of the Company's current and future net interest income and economic value to movements in market interest rates. Interest rate risk is managed at the Group level.

Management of capital

Capital comprises retained earnings, share capital and the capital contribution reserve. Capital is managed on a Group basis. Further details about the Group's capital position can be found in the Capital risk section of the Risk report in the Group's Annual Report and Accounts.

15. Post balance sheet events

On 2 April 2026, the ownership of the Company was transferred from CB to Nationwide as part of a banking business transfer scheme under Part VII of the Financial Services and Markets Act 2000.

The Company was notified of £1.3m profit share revenue in May 2026. Due to the inherent uncertainties within the profit share calculation, and the fact that profit share payments are not guaranteed, it was not possible for the Company to determine a reliable estimate of an amount for which it would be highly probable that a significant reversal of cumulative revenue would not occur until it was advised of the value. In accordance with the Company's accounting policy, note 2, revenue recognised in respect of this profit share was constrained to nil at 31 March 2026 and has been recognised in the subsequent accounting period, when the estimation uncertainties were resolved.

There were no other events after the balance sheet date that require disclosure.