Quilter

News release

7 August 2024

Quilter plc interim results for the period ended 30 June 2024

Quilter first half results deliver a 164% uplift in core net inflows to £1.7 billion, a 28% increase in adjusted profit to £97 million, and an operating margin of 29%

Steven Levin, Chief Executive Officer, said:

"We delivered a strong performance in the first half of 2024, combining record adjusted profit, consistently strong Quilter channel flows, significantly increased Platform IFA flows, and good progress on delivering our efficiency initiatives. Our work to transform Quilter is delivering tangible results, but we have more to do to reach the ambitious goals we have set for ourselves."

Highlights:

- Total Assets under Management and Administration ("AuMA") of £113.8 billion at the end of June 2024, an increase of 7% on 31 December 2023 (£106.7 billion) driven by total reported net inflows of £1.5 billion (H1 2023: £0.2 billion) and positive market movements of £5.6 billion.
    - Core gross inflows of £7.4 billion increased by 35% (H1 2023: £5.5 billion), with the second quarter contribution higher than the first.
    - Core net inflows totalled £1.7 billion, an increase of 164% (H1 2023: £0.7 billion). This reflected continued good performance from the Quilter channel in both High Net Worth and Affluent segments and significantly improved IFA channel flows onto the Quilter Platform.
    - Net and gross Platform flows increased meaningfully in both quarters. Notably, second quarter Platform flows were ahead of the first, with significantly increased IFA channel flows contributing to much stronger net flows relative to the first half of 2023.
    - Non-core net outflows of £0.2 billion (H1 2023: £0.5 billion) relate to assets still managed on behalf of businesses sold.
- Adjusted profit before tax increased by 28% to £97 million (H1 2023: £76 million), delivering an operating margin of 29%, an increase of five percentage points (H1 2023: 24%).
    - Total net revenue increased by 5% to £329 million (H1 2023: £312 million) with an increase in revenue generated on corporate cash balances partially offset by planned revenue margin attrition. This was coupled with strong expense discipline which delivered a third consecutive decline in first half costs. These reduced by £4 million to £232 million in the period, despite inflationary pressures.
- Simplification phase II cost savings on track with £26 million of the £50 million target achieved on a run-rate basis at end June 2024.
- Adjusted diluted earnings per share increased 21% to 5.2 pence (H1 2023: 4.3 pence).
- IFRS profit after tax attributable to shareholders of £13 million (H1 2023: £5 million) with the period-on-period variance largely due to market valuation changes in the policyholder tax charge. Basic earnings per share of 1.0 pence (H1 2023: 0.4 pence).
- Ongoing Advice Evidence review underway with Skilled Person appointed in June 2024. Expect to update by early 2025.
- Interim Dividend of 1.7 pence per share, equal to one third of last year's Total Dividend (H1 2023: 1.5 pence per share).
- Solvency II ratio of 268% after payment of the Interim Dividend (31 December 2023: 271%).

Key financial highlights

We assess our financial performance using a variety of measures including alternative performance measures ("APMs"), as explained further on pages 15 to 17. In the headings and tables presented, these measures are indicated with an asterisk: *.

Quilter highlights	**H1 2024**	H1 2023	Change
Assets and flows – core business			
AuMA* (£bn)	**110.6**	98.3	13%
Gross flows* (£bn)	**7.4**	5.5	35%
Net inflows* (£bn)	**1.7**	0.7	164%
Net inflows/opening AuMA* (annualised)	**3%**	1%	2 ppts
Assets and flows – reported			
AuMA* (£bn)	**113.8**	101.7	12%
Gross flows* (£bn)	**7.5**	5.5	34%
Net inflows* (£bn)	**1.5**	0.2	669%
Net inflows/opening AuMA* (annualised)	**3%**	0%	3 ppts
Profit and loss			
IFRS profit before tax attributable to shareholder returns (£m)	**18**	7	157%
IFRS profit after tax (£m)	**13**	5	160%
Adjusted profit before tax* (£m)	**97**	76	28%
Operating margin*	**29%**	24%	5 ppts
Revenue margin* (bps)	**45**	48	(3) bps
Adjusted diluted earnings per share* (pence)	**5.2**	4.3	21%
Interim Dividend per share (pence)	**1.7**	1.5	13%
Basic earnings per share (pence)	**1.0**	0.4	150%

Investor Relations		
John-Paul Crutchley	UK	+44 7741 385251
Keilah Codd	UK	+44 7776 649681
Media		
Tim Skelton-Smith	UK	+44 7824 145076
Camarco		
Geoffrey Pelham-Lane	UK	+44 7733 124226
Ben Woodford	UK	+44 7990 653 341

Steven Levin, CEO, and Mark Satchel, CFO, will give a presentation via webcast at 08:30am (BST) today, 7 August 2024. The presentation will be followed by a Q&A session.

The presentation will be available to view live via the webcast or can be listened to via a conference call facility. Details on how to join online or via conference call can be found on our website: 2024 results and presentations | Quilter plc

Note: Neither the content of the Company's website nor the content of any website accessible from hyperlinks on this announcement (or any other website) is incorporated into, or forms part of, this announcement.

Disclaimer

This announcement may contain forward-looking statements with respect to certain Quilter plc's plans and its current goals and expectations relating to its future financial condition, performance and results.

By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond Quilter plc's control including amongst other things, international and global economic and business conditions, the implications and economic impact of the conflicts in the Ukraine and the Middle East, economic political uncertainty, market related risks such as fluctuations in interest rates and exchange rates, the policies and actions of regulatory authorities, the impact of competition, inflation, deflation, the timing and impact of other uncertainties of future acquisitions or combinations within relevant industries, as well as the impact of tax and other legislation and other regulations in the jurisdictions in which Quilter plc and its affiliates operate. As a result, Quilter plc's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in Quilter plc's forward-looking statements.

Quilter plc undertakes no obligation to update the forward-looking statements contained in this announcement or any other forward-looking statements it may make.

Chief Executive Officer’s statement

Business performance

I am pleased with our first half 2024 performance, which combined:

1. record first half adjusted profit;
2. higher Platform flows with good momentum maintained in the Quilter channel and very significant growth in the IFA channel; and
3. excellent progress on efficiency initiatives.

With UK inflation easing, consumers’ disposable income has improved, leading to early signs of incremental discretionary saving. We expect new business levels across the industry in 2024 to be higher than in 2023. Interest rates also remained supportive in the first half, sustaining the investment return generated on shareholder funds which, together with strong cost management, led to a 28% increase in first half adjusted profit to £97 million (H1 2023: £76 million). While expected lower interest rates in the second half will reduce investment income, we would also expect lower rates to support market levels and increase client focus on long-term saving, both of which are supportive for new business flows and revenue growth.

Since 2021, we have reduced first half costs by £16 million to £232 million (H1 2023: £236 million) through consecutive annual declines, despite an inflationary backdrop. Over the three-year period, this has led to an increase in the operating margin of 11 percentage points to 29% (H1 2023: 24%).

Affluent segment revenues increased 6% to £206 million (H1 2023: £195 million) reflecting higher average AuMA and net inflows, partially offset by planned lower revenue margins from repricing of both the Platform and Cirilium investment range last year. Strong cost management combined with a lower-than-expected FSCS levy which led to a 33% increase in adjusted profit to £72 million for the half year (H1 2023: £54 million).

High Net Worth segment revenues increased 4% to £112 million (H1 2023: £108 million) reflecting higher average AuMA on a slightly lower revenue margin. Operating expenses modestly increased to £87 million (H1 2023: £85 million) reflecting planned business investment. The segment contribution to adjusted profit before tax was 9% higher at £25 million (H1 2023: £23 million).

Adjusted profit before tax of £97 million represents the Group’s IFRS profit, adjusted for specific items that management consider to be outside of normal operations or one-off in nature. The Group’s IFRS profit after tax was £13 million compared to £5 million in H1 2023. Principal differences between adjusted profit and IFRS profit are due to non-cash amortisation of intangible assets, business transformation expenses and the impact of policyholder tax positions on the Group’s results.

In the preliminary results announcement on 6 March 2024, the Group committed to undertake a review of historical data and practices across the Appointed Representative firms (“AR Firms”) in the Quilter Financial Planning network (“QFP network”). The purpose of this review is to determine, based on the available evidence, if the AR Firms in the QFP network have met their ongoing servicing obligations to customers and, if not, remediate customers to the extent appropriate. Following discussion with the FCA, this review is being conducted by a Skilled Person, and the Skilled Person was appointed in June 2024. The Group expects to provide an update on the Skilled Person review by early 2025.

Group adjusted diluted earnings per share were 5.2 pence, an increase of 21% (H1 2023: 4.3 pence). On an IFRS basis, we delivered basic earnings per share of 1.0 pence per share versus 0.4 pence per share for H1 2023.

The Board has set the Interim Dividend at one third of last year’s Total Dividend, equivalent to 1.7 pence per share, and will decide on the appropriate level for the Final Dividend in early 2025. That decision will reflect underlying business performance, the operating environment, the strength of our balance sheet together with any potential costs and remediation activity relating to the Ongoing Advice Evidence review.

Flows and investment performance

- **Quilter channel**: Our High Net Worth segment delivered a 45% increase in gross flows to £386 million (H1 2023: £266 million) and our Affluent segment increased gross flows by 16% to £2.1 billion (H1 2023: £1.8 billion), with this leading to higher net flows in the half. Annualised net flows as a percentage of opening balances in the Quilter channel were 21% and 12% for the High Net Worth and Affluent segments respectively.
- **IFA channel**: New business volumes in both segments were significantly higher than the prior period, increasing by 30% to £1,146 million (H1 2023: £884 million) for the High Net Worth segment and increasing by 50% to £3.8 billion (H1 2023: £2.6 billion) in the Affluent segment reflecting market share improvement. Elevated outflows continued in the High Net Worth segment, with the notable loss of one particular large low margin fund mandate in the second quarter. As a result, net inflows in the High Net Worth segment were muted in the half.
- Within **Affluent**, our Platform momentum continues to accelerate. First quarter Platform net flows of £1,048 million were the highest since early 2018 and we surpassed this level, reaching £1,164 million, in the second quarter. Notably, both gross and net flows from the IFA channel were higher in the second quarter than the first. Our overall market share of new business continues to steadily improve and continues to remain above our share of stock. I am also pleased to report that the proportion of assets on our Platform that are both administered and managed by us continues to increase with our pension and investment bond retirement propositions the primary product destination for net flows.

In Affluent, our Multi-Asset strategy funds are well diversified and therefore tend to lag in markets where performance is driven by narrow breadth from relatively few stocks. As a result, Quilter Investors investment performance over the last 6 months has lagged due to the strong performance of the “Magnificent 7” stocks in the US equity market where the funds remain underweight. Notwithstanding this, our WealthSelect managed portfolio range continued to deliver solid performance with the Cirilium fund range delivering a weaker out-turn.

High Net Worth investment performance has been strong, outperforming the ARC PCI Steady Growth and Equity Risk benchmark indices over 1-, 3- and 5-years (latest figures to end March). Core Discretionary and Managed Portfolio Solutions have all outperformed their respective PIMFA benchmarks over the 12 months to end June, with MPS also outperforming the respective IA sectors.

Strategic Transformation

Our change programmes remain on track and are underpinned at a Group level by our Simplification programme. Taking each in turn:

1. *High Net Worth*

Our Quilter Cheviot branded advice business continued to deliver strong flows into our Discretionary and Managed Portfolio Solutions. Our application to extend permissions to provide advice from the Quilter Cheviot legal entity has progressed well and an approval date in September 2024 has been agreed with the FCA. This will allow us to bring our advice and investment management teams together in a single regulated entity. It is our intention to undertake a phased client transition which will complete by the end of the first quarter of 2025.

2. *Affluent: Quilter Channel*

Although numbers of restricted advisers have declined modestly from the end December proforma level, this largely reflects expected natural attrition from retirements while new recruitment has been muted reflecting a broader focus on the regulatory investigations underway across the industry. We actively manage planned retirements to ensure that we largely retain departing adviser client assets under our National Retirement Plan.

We continued to invest in our Quilter Partners proposition, which combines investment and Platform alignment with the entrepreneurial drive and focus of owner-operated businesses. Five partner hub firms have now signed, and we are in discussion with a further three partner hub firms which are expected to become Quilter Partners in the second half of the year.

Our goal of delivering a more efficient operating model, increased adviser productivity and improved client experience through a range of technology and process solutions is progressing to plan, with delivery over a 2–3-year horizon. We are already seeing some early benefits and cost savings from these initiatives.

3. *Affluent: IFA Channel*

Initiatives to improve market share contributed to a meaningful year-on-year increase in gross IFA Platform flows which, in turn, led to a significant increase in net flows. Net IFA flows onto Platform increased to £964 million in the first half (H1 2023: £17 million). This has been achieved by increased support to adviser firms through the provision of value-added tools and services, the attractiveness of our family linking pricing and continued propositional developments such as faster payment services and our CashHub offering.

4. *Simplification Phase II*

Our second stage Simplification plans target £50 million of cost savings by end 2025 on a run-rate basis from the simplification of our governance and internal administration processes together with our Advice and High Net Worth initiatives. £26 million of these savings were delivered by end-June 2024 on a run-rate basis. This programme will support our goal of operating sustainably above our 30% operating margin target in the medium term.

Culture

Building the right culture where all our people can truly thrive is also important to me. We have launched a new three-year inclusion and diversity action plan to expand upon the success of our original action plan, launched in 2022. Our commitment to increase the proportion of senior leadership roles held by women to 40% by 2025, including Executive Committee and direct reports, has already been achieved. At 30 June 2024, 45% of Quilter's senior leadership roles are held by women. In 2020, 2% of Quilter’s senior leadership roles were held by ethnically diverse colleagues. That proportion had increased to 9% as of 30 June 2024, and we are committed to increasing this further to 13% by 2027.

Outlook

The first half of 2024 has been a period of strong progress and reflects my focus on delivering strong business performance while fundamentally changing the way we work. My objectives are simple – 1) to remain absolutely customer focused while making Quilter more efficient and responsive to the external environment; and 2) to deliver the faster growth and higher returns our shareholders expect.

We expect lower second half investment income reflecting a gradual decline in interest rates and planned capital investment to grow our business. When combined with normal revenue margin attrition, this is likely to largely offset the income benefit from net flows leading to broadly stable second half revenues, assuming normal markets. We are also planning for higher second half costs to fund investment in growth initiatives and our brand. While this means second half profit is unlikely to match the level of the first half, our strong cost discipline means that the expected cost out-turn for the year is anticipated to be modestly lower than the c.£490 million level guided at our Full Year results in March.

The new UK Government has an agenda of stimulating growth in order to create fiscal capacity for future public spending. While there has been a commitment not to increase the primary taxes, potential for changes in other taxes, such as CGT or IHT, is likely to stimulate demand for financial advice. A pension policy review is expected to focus on areas such as auto-enrolment and adjusting contribution thresholds, both of which have limited direct impact on Quilter. However, we anticipate that this review may well broaden to consider pension freedoms, particularly in providing greater support to individuals accessing their pensions for the first time. This is likely to be closely associated with the Advice Guidance Boundary Review, where we are engaging with the Government and Regulators and for which we are actively positioning our business.

More broadly, the secular growth characteristics that support our business – the need to take personal responsibility to save for retirement – remains intact and we remain focused on supporting our clients to achieve their goals in this regard. Our plans to build distribution, enhance propositions and drive efficiency will continue to deliver strong outcomes for all our stakeholders in the years ahead. We look forward to the future with confidence - both in our ability to deliver on our potential and to continue delivering good outcomes for our clients.

Steven Levin

Chief Executive Officer

Financial review

Review of financial performance

Overview

During the first half of 2024 the Group delivered strong growth, with adjusted profit of £97 million, an increase of 28% on the prior period (H1 2023: £76 million). Increased interest rates which supported investment returns on shareholder cash, supportive markets that increased average AuMA, improved net inflows and strong cost management through our Simplification programme, all contributed to this outcome. The Group's reported closing AuMA was £113.8 billion, a 7% increase on the opening position (FY 2023: £106.7 billion).

Alternative Performance Measures ("APMs")

We assess our financial performance using a variety of measures including APMs, as explained further on pages 15 to 17. In the headings and tables presented, these measures are indicated with an asterisk: *.

Key financial highlights

Quilter highlights	H1 2024	H1 2023
Assets and flows – core business		
AuMA* (£bn)	**110.6**	98.3
Gross flows* (£bn)	**7.4**	5.5
Net inflows* (£bn)	**1.7**	0.7
Net inflows/opening AuMA* (annualised)	**3%**	1%
Productivity: Quilter channel gross sales per Quilter Adviser* (£m)[1] (annualised)	**3.2**	2.7
Asset retention* (annualised)	**89%**	90%
Assets and flows – reported		
AuMA* (£bn)	**113.8**	101.7
Gross flows* (£bn)	**7.5**	5.5
Net inflows* (£bn)	**1.5**	0.2
Net inflows/opening AuMA* (annualised)	**3%**	0%
Profit and loss		
IFRS profit before tax attributable to shareholder returns (£m)	**18**	7
IFRS profit after tax (£m)	**13**	5
Adjusted profit before tax* (£m)	**97**	76
Operating margin*	**29%**	24%
Revenue margin* (bps)	**45**	48
Return on equity* (annualised)	**9.6%**	7.5%
Adjusted diluted earnings per share * (pence)	**5.2**	4.3
Interim Dividend per share (pence)	**1.7**	1.5
Basic earnings per share (pence)	**1.0**	0.4
Non-financial		
Total Restricted Financial Planners ("RFPs") in both segments[2]	**1,437**	1,511
Discretionary Investment Managers in High Net Worth segment[2]	**175**	178

[1]Quilter channel gross sales per Quilter Adviser is a measure of the value created by our Quilter distribution channel.
[2]Closing headcount as at 30 June.

Consumer confidence and investor sentiment improved during the first half of 2024, supported by reductions in cost inflation and increased wage growth. This improved macro environment, coupled with our own proposition enhancements and distribution initiatives, resulted in a 164% improvement in **net inflows for the core business** of £1.7 billion for the first half of 2024 (H1 2023: £0.7 billion). Gross flows were 35% higher than the prior period at £7.4 billion (H1 2023: £5.5 billion), supported by strong Quilter Channel flows and an improved market share from IFA firms which led to higher flows onto the Platform.

In the **Affluent** segment, we experienced strong contributions from both channels:

- Quilter channel: Gross flows of £2.1 billion were 16% higher than the prior period (H1 2023: £1.8 billion). Net inflows of £1.1 billion were 22% ahead of the prior period (H1 2023: £0.9 billion). We continue to experience strong support from back book transfers with c.£450 million of assets under advice by Quilter Financial Planning transferred onto our Platform from external platforms in the first half of the year (H1 2023: c.£330 million), in line with our strategic objective of aligning our Advice business. Productivity, representing Quilter channel annualised gross sales per Quilter Adviser, increased to £3.2 million (H1 2023: £2.7 million). Annualised net inflows as a percentage of opening AuMA for the Quilter channel were 12% (H1 2023: 11%).

- IFA channel: Gross inflows onto the Quilter Platform of £3.8 billion increased by 50% (H1 2023: £2.6 billion), as we focused strategically on building out our distribution and improving our market share of new business. Based on the latest available Fundscape data (Q1 2024), the Quilter Investment Platform maintains the leading market share of gross sales against our Retail Advised Platform peers. Net inflows were £964 million

(H1 2023: £17 million) as we continued to win flows from competitor platforms. Annualised net inflows as a percentage of opening AuMA for the IFA channel onto the Quilter Investment Platform was 3% (H1 2023: nil).

- Fund flows via third-party platforms reported net outflows of £241 million, compared to £190 million in the previous period.

Asset retention of 89% for the Affluent segment remains stable compared to the prior period (H1 2023: 89%).

Within the **High Net Worth** segment, gross inflows of £1.5 billion were up 33% on the £1.2 billion delivered in H1 2023. Net inflows of £107 million were ahead of the prior period (H1 2023: £54 million). An increase in net inflows from the Quilter channel were offset by the loss of a large value, low margin account during the second quarter within the IFA and direct channel. This contributed to a two percentage point reduction in High Net Worth asset retention to 89% (H1 2023: 91%).

The Group's core business AuMA of £110.6 billion is 7% ahead of the opening position (FY 2023: £103.4 billion) reflecting positive market movements of £5.5 billion and net inflows of £1.7 billion. The Affluent segment AuMA increased by 8% to £83.4 billion (FY 2023: £77.5 billion) of which £27.7 billion is managed by Quilter, versus the opening position of £25.5 billion. The High Net Worth Segment AuM was £28.7 billion, up 6% from the opening position of £27.0 billion, with all assets managed by Quilter.

In total, £55.9 billion, representing 51% of core business AuMA, is managed by Quilter across the Group (FY 2023: £52.2 billion, 50%).

The Group's revenue margin of 45 bps was 3 bps lower than that of the equivalent prior period (H1 2023: 48 bps).

In Affluent, the administered revenue margin was 25 bps which was 2 bps lower than the prior period (H1 2023: 27 bps), reflecting the reduction in our Platform administration fee to clients introduced in the second half of last year, and the impact of higher market levels moving a greater proportion of direct assets into lower margin bands under our tiered pricing structure. The managed revenue margin decreased by 6 bps to 37 bps (H1 2023: 43 bps) following the reprice of the Cirilium Active range last year and the introduction of AuM scale discounts. As previously guided, the proportion of total client assets invested in the Cirilium Active range, our highest revenue bps contributor, remained in outflow during the period. Conversely, the proportion of total client assets invested in the popular WealthSelect range continues to increase, with this MPS range now one of the largest in the industry at £16.2 billion (H1 2023: £11.5 billion).

The revenue margin in the High Net Worth segment decreased by 2 bps to 71 bps (H1 2023: 73 bps), but remains in line with the revenue margin for FY 2023 of 71 bps.

Adjusted profit before tax increased by 28% to £97 million (H1 2023: £76 million). Net management fees of £245 million increased 1% (H1 2023: £242 million) primarily as a result of an increase in reported average AuMA period-on-period of 8% to £110.0 billion (H1 2023: £101.8 billion) offset by the planned reductions in net management fee margins that were implemented during 2023.

Interest revenue generated from client funds included within net management fees were £16 million (H1 2023: £7 million) reflecting the increased interest rates period-on-period and the changes made to the Platform charging structures in 2023. Other revenue of £47 million was up 12% reflecting higher average levels of assets under advice. Investment revenue, predominantly representing interest income generated on shareholder cash and capital resources, of £37 million increased by £9 million (H1 2023: £28 million) due to higher interest rates in 2024 compared to the equivalent prior period. We expect investment income to decline from current levels over the second half of the year as interest rates are anticipated to decrease, accompanied by a gradual decline in the level of cash and capital resources reflecting planned investment in the business and business transformation spend.

Operating expenses of £232 million decreased by 2% on the prior period (H1 2023: £236 million) supported by Simplification cost savings, partially offset by the impact of inflation. The Group operating margin improved by 5 percentage points to 29% (H1 2023: 24%).

The Group's IFRS profit after tax was £13 million compared to £5 million for H1 2023. This reflects the improvement in the adjusted profit result, partially offset by variances in policyholder tax outcomes due to market gains in the first half of the year.

Adjusted diluted earnings per share increased 21% to 5.2 pence (H1 2023: 4.3 pence).

Total net revenue*

Total net revenue H1 2024 (£m)	**Affluent**	**High Net Worth**	**Head Office**	**Quilter plc**
Net management fee*[1]	**147**	**98**	**-**	**245**
Other revenue*	**39**	**11**	**(3)**	**47**
Investment revenue*	**20**	**3**	**14**	**37**
Total net revenue*	**206**	**112**	**11**	**329**

Total net revenue H1 2023 (£m)	Affluent	High Net Worth	Head Office	Quilter plc
Net management fee*[1]	147	95	-	242
Other revenue*	34	11	(3)	42
Investment revenue*	14	2	12	28
Total net revenue*	195	108	9	312

[1]Net management fee includes the interest earned on client holdings in Quilter Cheviot and Quilter Investment Platform.

Total net revenue for the Affluent segment was £206 million, an increase of 6% from the previous period (H1 2023: £195 million). Net management fees were £147 million, in line with prior year (H1 2023: £147 million). Within net management fees, higher average AuMA and interest sharing arrangements on cash balances held on the Platform, which amounted to £10 million in the first half of the year (H1 2023: £1 million), contributed positively to the revenue generated. This was offset by changes to the mix of assets and planned changes to the margins generated, predominantly the Cirilium Active reprice implemented in Q1 2023 and the new Platform pricing policy introduced in the second half of 2023.

Other revenue, which mainly consists of our share of income from providing advice within Quilter Financial Planning, was £39 million, 15% more than the previous period (H1 2023: £34 million). This includes higher recurring charges from higher average levels of assets under advice. Investment revenue of £20 million (H1 2023: £14 million) represents interest earned on shareholder capital held to meet the regulatory capital requirements of the business.

Total net revenue of £112 million in the High Net Worth segment was 4% higher on the previous period (H1 2023: £108 million). Net management fees were ahead of the prior period at £98 million (H1 2023: £95 million) largely due to higher average AuM partially offset by changes to fee structures introduced in the second half of 2023. Net management fees include interest margin earned on client cash balances of £6 million (H1 2023: £6 million). Investment revenue, representing revenue earned on regulatory capital to support the business, of £3 million was £1 million higher (H1 2023: £2 million) due to higher interest rates. Other revenue of £11 million was in line with the prior period (H1 2023: £11 million) and predominantly reflects revenue generated in Quilter Cheviot Financial Planning.

Operating expenses*

Operating expenses decreased by 2% to £232 million (H1 2023: £236 million). Our focus on embedding sustainable cost savings through business simplification activities enabled us to achieve a lower cost base whilst absorbing inflationary headwinds.

Operating expenses (£m)	**H1 2024**		H1 2023	
	Operating Expenses	**As a percentage of revenues**	Operating Expenses	As a percentage of revenues
Support staff costs	**51**		54	
Operations	**6**		8	
Technology	**10**		12	
Property	**14**		15	
Other base costs[1]	**17**		16	
Sub-total base costs	**98**	30%	105	34%
Revenue-generating staff base costs	**54**	16%	51	16%
Variable staff compensation	**38**	12%	38	12%
Other variable costs[2]	**30**	9%	28	9%
Sub-total variable costs	**122**	37%	117	38%
Regulatory/professional indemnity costs	**12**	4%	14	4%
Operating expenses*	**232**	71%	236	76%

[1]Other base costs includes depreciation and amortisation, audit fees, shareholder costs, listed Group costs and governance.
[2]Other variable costs includes FNZ costs, development spend and corporate functions variable costs.

At our Capital Markets Day in November 2021, we announced a target to deliver £45 million of annualised run-rate savings through our Business Simplification programme by the end of 2024. This target was delivered a year early by the end of 2023.

With our 2023 half-year results, we announced a further £50 million of annualised run rate savings from the Business Simplification programme with this anticipated to be delivered on a run-rate basis by the end of 2025. At 30 June 2024, the programme had delivered £26 million of these savings, on a run-rate basis, largely through the continued rationalisation of the Group’s technology and property estate, IT and operations efficiencies from our investment in Advice technology, and a reduction in support costs as we continue to simplify our governance and internal administration processes. These benefits were partially offset by the impact of inflation on our cost base during the period. As a result, base costs as a percentage of revenues reduced 4 percentage points to 30% (H1 2023: 34%).

Revenue-generating staff base costs increased by 6% to £54 million (H1 2023: £51 million) and remains at a similar proportion of revenues as we continue to invest in our people and proposition across our business segments to drive growth.

Variable staff compensation of £38 million (H1 2023: £38 million) was at a similar level to the prior period, while other variable costs of £30 million (H1 2023: £28 million) were marginally above that of the previous period, mainly driven by the increase in the average AuMA experienced over the period.

Regulatory and professional indemnity costs decreased by 14% to £12 million (H1 2023: £14 million) predominantly reflecting a lower FSCS Levy cost in the first half of the year.

Taxation

The effective tax rate (“ETR”) on adjusted profit before tax was 25.4% (H1 2023: 24.4%). The Group’s ETR is broadly in line with the UK headline corporation tax rate of 25% and there are no material movements for the year. The Group’s ETR is dependent on a number of factors, including tax rates on profits in jurisdiction outside the UK and the value of non-deductible expenses or non-taxable income.

The Group’s IFRS income tax expense was a charge of £64 million for the period ended 30 June 2024, compared to a charge of £23 million for the prior period. The income tax expense or credit can vary significantly period-on-period as a result of market volatility and the impact that market movements have on policyholder tax. The recognition of the income received from policyholders to fund the policyholder tax liability (which is included within the Group’s IFRS revenue) can vary in timing to the recognition of the corresponding policyholder tax expense, creating volatility to the Group’s IFRS profit or loss before tax attributable to shareholder returns. An adjustment is made to adjusted profit before tax to remove these distortions, as explained further in note 5(b) to the condensed consolidated interim financial statements.

Reconciliation of adjusted profit before tax* to IFRS profit

Adjusted profit before tax represents the Group's IFRS profit, adjusted for specific items that management considers to be outside of the Group's normal operations or one-off in nature, as detailed in note 5(a) in the condensed consolidated interim financial statements. The exclusion of certain adjusting items may result in adjusted profit before tax being materially higher or lower than the IFRS profit after tax.

Adjusted profit before tax does not provide a complete picture of the Group's financial performance, which is disclosed in the IFRS consolidated statement of comprehensive income, but is instead intended to provide additional comparability and understanding of the financial results.

Reconciliation of adjusted profit before tax to IFRS profit after tax (£m)	**Six months ended 30 June 2024**	**Six months ended 30 June 2023**
Affluent	**72**	54
High Net Worth	**25**	23
Head Office	**-**	(1)
Adjusted profit before tax*	**97**	76
Adjusting items:		
Impact of acquisition and disposal-related accounting	**(19)**	(21)
Business transformation costs	**(12)**	(16)
Customer remediation	**-**	(3)
Ongoing Advice Evidence	**(2)**	-
Exchange rate movement (ZAR/GBP)	**1**	(2)
Policyholder tax adjustments	**(38)**	(18)
Other adjusting items	**-**	1
Finance costs	**(9)**	(10)
Total adjusting items before tax	**(79)**	(69)
Profit before tax attributable to shareholder returns	**18**	7
Tax attributable to policyholder returns	**59**	21
Income tax expense	**(64)**	(23)
IFRS profit after tax	**13**	5

The impact of acquisition and disposal-related accounting costs of £19 million (H1 2023: £21 million) includes amortisation of acquired intangible assets.

Business transformation costs of £12 million were incurred in H1 2024 (H1 2023: £16 million). During the first half of the year, the Group spent £11 million on delivering Simplification initiatives (H1 2023: £14 million). The implementation costs to deliver the remaining £24 million of annualised run-rate savings for the programme are estimated to be £67 million.

For the period ended 30 June 2023, the customer remediation expense of £3 million reflected £1 million of legal, consulting and other costs and a £2 million provision increase related to non-British Steel Pension Scheme redress payments. This was the result of the Group-managed past business review of DB to DC pension transfer advice suitability by an independent expert. At 30 June 2024, the provision for potential redress and associated professional fees was decreased from the 2023 year end by £1 million as a result of professional fees paid during 2024, to £5 million. Further details of the provision are provided in note 16 of the condensed consolidated interim financial statements.

Ongoing Advice Evidence costs of £2 million (H1 2023: £nil) includes the estimated external cost to support and perform the Skilled Person review of historical data and practices across the Quilter Financial Planning network of Appointed Representative firms, as detailed in note 17 of the condensed consolidated interim financial statements. This cost is excluded from adjusted profit as management considers it to be outside of the Group's normal operations and one-off in nature.

Exchange rate movements for the first half of the year was an income of £1 million (H1 2023: £2 million expense) which relates to foreign exchange movements on cash held in South African Rand in preparation for dividend payments to shareholders.

Policyholder tax adjustments to adjusted profit were a credit of £38 million for the first half of 2024 (H1 2023: credit of £18 million) in relation to the removal of timing differences arising from market volatility that can, in turn, lead to volatility in the policyholder tax charge between years. The recognition of the income received from policyholders (which is included within the Group's IFRS revenue) to fund the policyholder tax liability can vary in timing to the recognition of the corresponding tax expense, creating volatility to the Group's IFRS profit before tax.

Review of financial position

Capital and liquidity

Solvency II

The Group's Solvency II surplus is £1,015 million at 30 June 2024 (31 December 2023: £972 million), representing a Solvency II ratio of 268% (31 December 2023: 271%). The Solvency II information for the six months to 30 June 2024 contained in this results disclosure has been prepared on a pro forma basis and has not been audited.

The Group's capital and liquidity assessments at the half year included stress and scenario tests that were updated in view of the uncertainties that exist in relation to Ongoing Advice Evidence and the Skilled Person review, as detailed in note 17 of the condensed consolidated interim financial statements.

The Group's Solvency II capital position is stated after allowing for the impact of the foreseeable dividend payment of £23 million (31 December 2023: £50 million).

Group Solvency II capital (£m)	At 30 June 2024[1]	At 31 December 2023[2]
Own funds	**1,620**	**1,540**
Solvency capital requirement ("SCR")	**605**	**568**
Solvency II surplus	**1,015**	**972**
Solvency II coverage ratio	**268%**	**271%**

[1]Based on preliminary estimates and including the impact of year-to-date profits.
[2]As reported in the Group Solvency and Financial Condition Report for the year ended 31 December 2023.

The Group Solvency II ratio remains broadly in line with the position as at 31 December 2023.

Composition of qualifying Solvency II capital

The Group's own funds include the Quilter plc issued subordinated debt security which qualifies as capital under Solvency II. The composition of own funds by tier is presented in the table below.

Group own funds (£m)	At 30 June 2024	At 31 December 2023
Tier 1[1]	**1,420**	**1,336**
Tier 2[2]	**200**	**204**
Total Group Solvency II own funds	**1,620**	**1,540**

[1]All Tier 1 capital is unrestricted for tiering purposes.
[2]Comprises a Solvency II compliant subordinated debt security in the form of a Tier 2 bond, which was issued at £200 million in January 2023.

The Group SCR is covered by Tier 1 capital, which represents 235% of the Group SCR of £605 million. Tier 2 capital represents 20% of the Group Solvency II surplus.

Interim Dividend

The Quilter Board declared an Interim Dividend for 2024 of 1.7 pence per share at a total cost of £23 million. The Interim Dividend will be paid on 23 September 2024 to shareholders on the UK and South African share registers on 30 August 2024. For shareholders on our South African share register an Interim Dividend of 39.96076 South African cents per share will be paid on 23 September 2024, using an exchange rate of 23.50633.

Holding company cash

The holding company cash statement includes cash flows generated by the three main holding companies within the business: Quilter plc, Quilter Holdings Limited and Quilter UK Holding Limited. The flows associated with these companies will differ markedly from those disclosed in the statutory statement of cash flows, which comprises flows from the entire Quilter plc Group including policyholder movements.

Holding company cash (£m)	H1 2024	FY 2023
Opening cash at holding companies at 1 January	**349**	392
Share repurchase and Odd-lot Offer	**-**	(14)
Single Strategy business sale – price adjustment provision	**-**	(4)
Debt issuance costs	**-**	(2)
Dividends paid	**(50)**	(65)
Net capital movements	**(50)**	(85)
Head Office costs and Business transformation funding	**(15)**	(43)
Net interest received	**7**	13
Finance costs	**(9)**	(18)
Net operational movements	**(17)**	(48)
Cash remittances from subsidiaries	**174**	176
Capital contributions, loan repayments and investments	**(54)**	(86)
Other net movements	**1**	-
Internal capital and strategic investments	**121**	90
Closing cash at holding companies at the end of the period	**403**	349

Net capital movements

Net capital movements in the period totalled an outflow of £50 million, which relates to the dividend payments made to shareholders.

Net operational movements

Net operational movements were an outflow of £17 million for the period, which includes £15 million of corporate and Business transformation costs, finance costs of £9 million relating to coupon payments on the Tier 2 bond and non-utilisation fees for the revolving credit facility, and £7 million of net interest income received on money market funds, Group loans and cash holdings.

Internal capital and strategic investments

The net inflow of £121 million is principally due to £174 million of cash remittances from the trading businesses, partially offset by £54 million of capital contributions to support business operational activities and further investment in the underlying business.

Shareholder information – Interim Dividend

The Quilter Board has declared an Interim Dividend of 1.7 pence per share. The 2024 Interim Dividend will be paid on Monday 23 September 2024 to shareholders on the UK and South African share registers on Friday 30 August 2024 (the "Record Date").

Dividend Timetable

Dividend announcement in pounds sterling with South Africa ZAR equivalent	Wednesday 7 August 2024
Last day to trade cum dividend in South Africa	Tuesday 27 August 2024
Shares trade ex-dividend in South Africa	Wednesday 28 August 2024
Shares trade ex-dividend in the UK	Thursday 29 August 2024
Record Date in the UK and South Africa	Friday 30 August 2024
Interim Dividend payment date	Monday 23 September 2024

From the opening of trading on Wednesday 7 August 2024 until the close of business on Friday 30 August 2024, no transfers between the London and Johannesburg registers will be permitted. Share certificates for shareholders on the South African register may not be dematerialised or rematerialised between Wednesday 28 August 2024 and Friday 30 August 2024, both dates inclusive.

Additional information

For shareholders on our South African share register an Interim Dividend of 39.96076 South African cents per share will be paid on Monday 23 September 2024, based on an exchange rate of 23.50633. Dividend Tax will be withheld at the rate of 20% from the amount of the gross dividend of 39.96076 South African cents per share paid to South African shareholders unless a shareholder qualifies for exemption. After the Dividend Tax has been withheld, the net Interim Dividend will be 31.96861 South African cents per share. The Company had a total of 1,404,105,498 shares in issue at today's date.

If you are uncertain as to the tax treatment of any dividends, you should consult your own tax adviser.

Supplementary information

Alternative Performance Measures ("APMs")

We assess our financial performance using a variety of measures including APMs, as explained further on pages 15 to 17. These measures are indicated with an asterisk: *.

For the period ended 30 June 2024

1. Key financial data

2024 YTD gross flows, net flows & AuMA (£bn), unaudited	AuMA as at 31 December 2023	Gross flows (£m)	Net flows (£m)	AuMA as at 30 June 2024	Of which managed by Quilter AuM as at 30 June 2024
AFFLUENT SEGMENT					
Quilter channel[1]	17.2	2,053	1,056	17.9	14.0
IFA channel on Quilter Investment Platform	58.7	3,846	964	63.6	11.8
Funds via third-party platform	1.6	204	(241)	1.9	1.9
Total Affluent segment core business	**77.5**	**6,103**	**1,779**	**83.4**	**27.7**
HIGH NET WORTH SEGMENT					
Quilter channel	2.9	386	307	3.3	3.3
IFA channel incl. Direct	24.1	1,146	(200)	25.4	25.4
Total High Net Worth segment	**27.0**	**1,532**	**107**	**28.7**	**28.7**
Inter-Segment Dual Assets[2]	**(1.1)**	**(221)**	**(153)**	**(1.5)**	**(0.5)**
Quilter plc core business	**103.4**	**7,414**	**1,733**	**110.6**	**55.9**
Non-core	**3.3**	**38**	**(202)**	**3.2**	**2.0**
Quilter plc reported	**106.7**	**7,452**	**1,531**	**113.8**	**57.9**
Affluent AuMA breakdown (incl. Non-core):					
Affluent administered only	53.2	3,441	1,115	56.9	
Affluent managed and administered	20.6	2,190	1,097	23.1	
Quilter Platform Sub-Total[3]	***73.8***	***5,631***	***2,212***	***80.0***	
Affluent external platform	7.0	510	(635)	6.6	
Affluent Total (Including Non-core)	**80.8**	**6,141**	**1,577**	**86.6**	

[1] Quilter channel YTD Platform discrete gross flows and net flows were £1,777 million and £1,304 million respectively, with closing AuMA of £15.2 billion.
[2] Inter-segment dual assets reflect funds managed by Quilter Cheviot and administered by Quilter Investors and the Quilter Cheviot managed portfolio service solutions available to advisers on the Quilter Investment Platform. This is excluded from total AuMA to ensure no double count takes place.
[3] The Quilter Platform includes £8 million of gross flows, £56 million of net outflows and £1.2 billion of closing AuA related to non-core assets.

2023 YTD gross flows, net flows & AuMA (£bn), unaudited	AuMA as at 31 December 2022	Gross flows (£m)	Net flows (£m)	AuMA as at 30 June 2023	Of which managed by Quilter AuM as at 30 June 2023
AFFLUENT SEGMENT					
Quilter channel[1]	15.4	1,775	863	15.9	12.2
IFA channel on Quilter Investment Platform	54.1	2,557	17	55.8	9.6
Funds via third-party platform	2.0	144	(190)	1.6	1.6
Total Affluent segment core business	**71.5**	**4,476**	**690**	**73.3**	**23.4**
HIGH NET WORTH SEGMENT					
Quilter channel	2.4	266	195	2.6	2.6
IFA channel incl. Direct	23.1	884	(141)	23.3	23.3
Total High Net Worth segment	**25.5**	**1,150**	**54**	**25.9**	**25.9**
Inter-Segment Dual Assets[2]	**(0.8)**	**(122)**	**(88)**	**(0.9)**	**(0.3)**
Quilter plc core business	**96.2**	**5,504**	**656**	**98.3**	**49.0**
Non-core	**3.4**	**41**	**(457)**	**3.4**	**2.2**
Quilter plc reported	**99.6**	**5,545**	**199**	**101.7**	**51.2**
Affluent AuMA breakdown (incl. Non-core):					
Affluent administered only	50.0	2,371	302	51.1	
Affluent managed and administered	17.0	1,620	701	18.3	
Quilter Platform Sub-Total[3]	***67.0***	***3,991***	***1,003***	***69.4***	
Affluent external platform	7.9	526	(770)	7.3	
Affluent Total (Including Non-core)	**74.9**	**4,517**	**233**	**76.7**	

[1] Quilter channel YTD Platform discrete gross flows and net flows were £1,430 million and £1,042 million respectively, with closing AuMA of £12.4 billion.
[2]Inter-segment dual assets reflect funds managed by Quilter Cheviot and administered by Quilter Investors and the Quilter Cheviot managed portfolio service solutions available to advisers on the Quilter Investment Platform. This is excluded from total AuMA to ensure no double count takes place.
[3]The Quilter Platform includes £4 million of gross flows, £56 million of net outflows and £1.2 billion of closing AuA related to non-core assets.

Estimated asset allocation (%) **Fund profile by investment type, unaudited**	**H1 2024 Total client AuMA**	FY 2023 Total client AuMA
Fixed interest	**24%**	**26%**
Equities	**65%**	**63%**
Cash	**4%**	**5%**
Property and alternatives	**7%**	**6%**
Total	**100%**	**100%**

1. Affluent

The following table presents certain key financial metrics utilised by management with respect to the business units of the Affluent segment, for the periods indicated.

Key financial highlights	**H1 2024**	H1 2023	% change
Affluent Administered			
Net management fees (£m)*	94	93	1%
Other revenue (£m)*	3	-	-
Investment revenue (£m)*	15	12	25%
Total net revenue	**112**	105	7%
Net flows (£m)*	2,212	1,003	121%
Closing AuMA (£bn)*	80.0	69.4	15%
Average AuMA (£bn)*	76.7	68.9	11%
Revenue margin (bps)*	25	27	(2) bps
Asset retention (%)*	91%	91%	-
Affluent Managed			
Net management fees (£m)*	53	54	(2%)
Other revenue (£m)*	-	-	-
Investment revenue (£m)*	2	1	100%
Total net revenue	**55**	55	-
Net flows (£m)*	462	(69)	-
Closing AuM (£bn)*	29.7	25.6	16%
Average AuM (£bn)*	28.6	25.5	12%
Revenue margin (bps)*	37	43	(6) bps
Asset retention (%)*	84%	82%	2 ppts
Advice (Quilter Financial Planning)			
Net management fees (£m)*	-	-	-
Other revenue (£m)*	36	34	6%
Investment revenue (£m)*	3	1	200%
Total net revenue*	**39**	35	11%
RFPs (number)	1,369	1,447	(5%)

2. High Net Worth

The following table presents certain key financial metrics utilised by management with respect to the business units of the High Net Worth segment, for the periods indicated.

Key financial highlights	**H1 2024**	H1 2023	% change
Quilter Cheviot			
Net management fees (£m)*	98	95	3%
Other revenue (£m)*	1	1	-
Investment revenue (£m)*	3	2	50%
Total net revenue	**102**	98	4%
Net flows (£m)*	107	54	98%
Closing AuM (£bn)*	28.7	25.9	11%
Average AuM (£bn)*	27.7	25.9	7%
Revenue margin (bps)*	71	73	(2) bps
Asset retention (%)*	89%	91%	(2) ppts
Discretionary Investment Managers (number)*	175	178	(2%)
Advice (Quilter Cheviot Financial Planning)			
Net management fees (£m)*	-	-	-
Other revenue (£m)*	10	10	-
Investment revenue (£m)*	-	-	-
Total net revenue*	**10**	10	-
RFPs (number)	68	64	6%

Financial performance by segment

The following table presents a breakdown of financial performance by segment and Quilter plc for the periods indicated.

Financial performance H1 2024 (£m)	**Affluent**	**High Net Worth**	**Head Office**	**Quilter plc**
Net management fee*[1]	147	98	-	245
Other revenue*	39	11	(3)	47
Investment revenue*	20	3	14	37
Total net revenue*	**206**	**112**	**11**	**329**
Operating expenses*	**(134)**	**(87)**	**(11)**	**(232)**
Adjusted profit before tax*	**72**	**25**	**-**	**97**
Tax				**(25)**
Adjusted profit after tax*				**72**
Operating margin (%)*	35%	22%		**29%**
Revenue margin (bps)*	35	71		**45**

Financial performance H1 2023 (£m)	Affluent	High Net Worth	Head Office	Quilter plc
Net management fee*[1]	147	95	-	242
Other revenue*	34	11	(3)	42
Investment revenue*	14	2	12	28
Total net revenue*	195	108	9	312
Operating expenses*	(141)	(85)	(10)	(236)
Adjusted profit before tax*	54	23	(1)	76
Tax				(18)
Adjusted profit after tax*				58
Operating margin (%)*	28%	21%		24%
Revenue margin (bps)*	38	73		48

[1]Net management fee includes the interest earned on client holdings in Quilter Cheviot and Quilter Investment Platform.

Alternative Performance Measures

We assess our financial performance using a variety of alternative performance measures ("APMs"). APMs are not defined under IFRS, but we use them to provide further insight into the financial performance, financial position and cash flows of the Group and the way it is managed.

APMs should be read together with the Group's condensed consolidated interim financial statements, which include the Group's statement of comprehensive income, statement of financial position and statement of cash flows, which are presented on pages 21 to 24.

Further details of APMs used by the Group in its Financial review are provided below.

APM	Definition
Adjusted profit before tax	Adjusted profit before tax represents the Group's IFRS profit, adjusted for specific items that management consider to be outside of the Group's normal operations or one-off in nature, as detailed in note 5(a) in the condensed consolidated interim financial statements. The exclusion of certain adjusting items may result in adjusted profit before tax being materially higher or lower than the IFRS profit after tax. Adjusted profit before tax does not provide a complete picture of the Group's financial performance, which is disclosed in the IFRS consolidated statement of comprehensive income, but is instead intended to provide additional comparability and understanding of the financial results. A detailed reconciliation of the adjusted profit before tax metrics presented, and how these reconcile to IFRS, is provided on page 8 of the Financial review. Adjusted profit before tax is referred to throughout the Chief Executive Officer's statement and Financial review, with comparison to the prior year explained on page 6. A reconciliation from each line of the Group's IFRS income and expenses to adjusted profit before tax is provided in note 5(c) to the condensed consolidated interim financial statements.
Adjusted profit after tax	Adjusted profit after tax represents the post-tax equivalent of the adjusted profit before tax measure, as defined above.
Revenue margin (bps)	Revenue margin represents net management fees (annualised), divided by average AuMA. Management use this APM as it represents the Group's ability to earn revenue from AuMA. Revenue margin by segment and for the Group is explained on page 6 of the Financial review.
Operating margin	Operating margin represents adjusted profit before tax divided by total net revenue. Management use this APM as this is an efficiency measure that reflects the percentage of total net revenue that becomes adjusted profit before tax. Operating margin is referred to in the Chief Executive Officer's statement and Financial review, with comparison to the prior year explained in the adjusted profit section on page 6.
Gross flows	Gross flows are the gross client cash inflows received from customers during the period and represent our ability to increase AuMA and revenue. Gross flows are referred to in the Financial review on pages 5 to 6 and disclosed by segment in the supplementary information on pages 11 to 12.
Net flows	Net flows are the difference between money received from and returned to customers during the relevant period for the Group or for the business indicated. This measure is a lead indicator of total net revenue. Net flows is referred to throughout this document, with a separate section in the Financial review on pages 5 to 6 and is presented by business and segment in the supplementary information on pages 11 to 12.
Assets under Management and Administration ("AuMA")	AuMA represents the total market value of all financial assets managed and administered on behalf of customers.

	AuMA is referred to throughout this document, with a separate section in the Financial review on page 6 and is presented by business and segment in the supplementary information on pages 11 to 12.
Non-core AuMA	Non-core AuMA and associated gross and net flows represents assets managed on behalf of businesses we have sold together with some legacy funds which are in run-off and remain in outflow.
Average AuMA	Average AuMA represents the average total market value of all financial assets managed and administered on behalf of customers. Average AuMA is calculated using a 7-point average (half year) and 13-point average (full year) of monthly closing AuMA.
Total net revenue	Total net revenue represents revenue earned from net management fees, investment revenue and other revenue listed below and is a key input into the Group's operating margin. Further information on total net revenue is provided on pages 6 to 7 of the Financial review and note 5(c) in the condensed consolidated interim financial statements.
Net management fees	Net management fees consist of revenue generated from AuMA, fixed fee revenues including charges for policyholder tax contributions, interest earned on client holdings, less trail commissions payable. Net management fees are presented net of trail commission payable as trail commission is a variable cost directly linked to revenue, which is a treatment and presentation commonly used across our industry. Net management fees are a part of total net revenue and is a key input into the Group's operating margin. Further information on net management fees is provided on pages 6 to 7 in the Financial review and note 5(c) in the condensed consolidated interim financial statements.
Other revenue	Other revenue represents revenue not directly linked to AuMA (e.g. encashment charges, closed book unit-linked policies, adviser initial fees and adviser fees linked to AuMA in Quilter Financial Planning (recurring fees)). Other revenue is a part of total net revenue, which is included in the calculation of the Group's operating margin. Further information on other revenue is provided on pages 6 to 7 in the Financial review and note 5(c) in the condensed consolidated interim financial statements.
Investment revenue	Investment revenue includes interest on shareholder cash balances (including cash at bank and money market funds). Further information on investment revenue is provided on pages 6 to 7 in the Financial review and note 5(c) in the condensed consolidated interim financial statements.
Operating expenses	Operating expenses represent the costs for the Group, which are incurred to earn total net revenue and excludes the impact of specific items that management considers to be outside of the Group's normal operations or one-off in nature. Operating expenses are included in the calculation of adjusted profit before tax and impact the Group's operating margin. A reconciliation of operating expenses to the applicable IFRS line items is included in note 5(c) to the condensed consolidated interim financial statements, and the adjusting items excluded from operating expenses are explained in note 5(b). Operating expenses are explained on page 7 of the Financial review.
Asset retention	The asset retention rate measures our ability to retain assets from delivering good customer outcomes and investment performance. Asset retention reflects the annualised gross outflows of the AuMA during the period as a percentage of opening AuMA. Asset retention is calculated as: 1 - (annualised gross outflow divided by opening AuMA). Asset retention is provided for the Group's core business on page 5, and by segment on page 13.
Net inflows/opening AuMA	This measure is calculated as net flows annualised (as described above) divided by opening AuMA presented as a percentage.

	This metric is provided on page 5.
Quilter channel gross sales per Quilter Adviser	This measure represents the value created by our Quilter distribution channel and is an indicator of the success of our multi-channel business model. The measure is calculated as gross flows (annualised) generated by the Quilter channel through the Quilter Investment Platform, Quilter Investors or Quilter Cheviot per average Restricted Financial Planner in both segments. This metric is provided on page 5.
Return on Equity ("RoE")	Return on equity calculates how many pounds of profit the Group generates with each pound of shareholder equity. This measure is calculated as adjusted profit after tax annualised divided by average equity. Equity is adjusted for the impact of discontinued operations, if applicable. Return on equity is provided on page 5.
Adjusted diluted earnings per share	Adjusted diluted earnings per share is calculated as adjusted profit after tax divided by the diluted weighted average number of shares. A view of adjusted diluted earnings per share and the calculation of all EPS metrics, is shown in note 8 to the condensed consolidated interim financial statements.
Headline earnings per share	The Group is required to calculate headline earnings per share in accordance with the Johannesburg Stock Exchange Listing Requirements, determined by reference to the South African Institute of Chartered Accountants' circular 1/2023 *Headline Earnings*. This is calculated on a basic and diluted basis. For details of the calculation, refer to note 8 of the condensed consolidated interim financial statements.

Index to the condensed consolidated interim financial statements

For the period ended 30 June 2024

Condensed consolidated interim financial statements

Notes to the condensed consolidated interim financial statements

Statement of Directors' responsibilities in respect of the interim financial statements

For the period ended 30 June 2024

Each of the Directors of Quilter plc confirms to the best of their knowledge and belief that:

- The condensed consolidated interim financial statements, which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and the related explanatory notes, have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the United Kingdom and give a true and fair view of the assets, liabilities, financial position and profits of the Group for the period ended 30 June 2024. These interim financials have been prepared and published in compliance with the acceptable accounting frameworks of the London Stock Exchange ("LSE"), where the Company has its primary listing.

- The interim management report includes a fair review of the information required by:

    a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed consolidated interim financial statements, and a description of the principal risks and uncertainties for the remaining six months of the year; and

    b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the financial year and that have materially affected the financial position or performance of the Group during that period, and any changes in the related party transactions described in the Group's 2023 Annual Report that could do so.

Consistent with principle N of the UK Corporate Governance Code, the results for the six months ended 30 June 2024 taken as a whole, present a fair, balanced and understandable assessment of the Company's position and prospects.

Quilter plc is listed with a primary listing on the LSE and a secondary listing on the Johannesburg Stock Exchange ("JSE").

A list of the current Directors is maintained on the Group's website: https://plc.quilter.com/about-us/quilter-leadership/.

Signed on behalf of the Board

Steven Levin
Chief Executive Officer
6 August 2024

Mark Satchel
Chief Financial Officer
6 August 2024

Independent review report to Quilter plc

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Quilter plc's condensed consolidated interim financial statements (the "interim financial statements") in the interim results of Quilter plc for the 6 month period ended 30 June 2024 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Condensed consolidated statement of financial position as at 30 June 2024;
- the Condensed consolidated statement of comprehensive income for the period then ended;
- the Condensed consolidated statement of cash flows for the period then ended;
- the Condensed consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the interim results of Quilter plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the interim results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the Directors have inappropriately adopted the going concern basis of accounting or that the Directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the Directors

The interim results, including the interim financial statements, are the responsibility of, and have been approved by the Directors. The Directors are responsible for preparing the interim results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the interim results, including the interim financial statements, the Directors are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the interim results based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report. This report, including the conclusion, has been prepared for and only for the Company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London
6 August 2024

Condensed consolidated statement of comprehensive income

For the period ended 30 June 2024

	Notes	Six months 2024 £m	Six months 2023 £m
Income			
Fee income and other income from service activities	6(b)	**286**	277
Investment return		**3,085**	1,302
Other income		**14**	2
Total income		**3,385**	1,581
Expenses			
Change in investment contract liabilities		**(2,606)**	(1,018)
Fee and commission expenses and other acquisition costs		**(25)**	(25)
Change in third-party interests in consolidated funds		**(371)**	(202)
Other operating and administrative expenses		**(296)**	(297)
Finance costs		**(10)**	(11)
Total expenses		**(3,308)**	(1,553)
Profit before tax		**77**	28
Income tax expense attributable to policyholder returns	7	**(59)**	(21)
Profit before tax attributable to shareholder returns		**18**	7
Income tax expense	7	**(64)**	(23)
Less: income tax expense attributable to policyholder returns		**59**	21
Income tax expense attributable to shareholder returns	7	**(5)**	(2)
Profit after tax attributable to the owners of the Company		**13**	5
Total comprehensive income		**13**	5
Earnings per Ordinary Share			
Basic earnings per Ordinary Share (pence)	8	**1.0**	0.4
Diluted earnings per Ordinary Share (pence)	8	**0.9**	0.4

All income and expenses relate to continuing operations.

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

Condensed consolidated statement of financial position

At 30 June 2024

	Notes	30 June 2024 £m	31 December 2023 £m
Assets			
Goodwill and intangible assets	10	**352**	372
Property, plant and equipment		**87**	91
Investment property		**9**	10
Investments in associates		**3**	2
Contract costs		**20**	16
Loans and advances		**50**	38
Financial investments	11	**54,962**	50,329
Deferred tax assets		**84**	91
Current tax receivable		**33**	33
Trade, other receivables and other assets		**555**	447
Derivative assets		**24**	57
Cash and cash equivalents	14	**1,899**	1,859
Total assets		**58,078**	53,345
Equity and liabilities			
Equity			
Ordinary Share capital	15	**115**	115
Ordinary Share premium reserve		**58**	58
Capital redemption reserve		**346**	346
Share-based payments reserve		**32**	42
Retained earnings		**931**	958
Total equity		**1,482**	1,519
Liabilities			
Investment contract liabilities		**47,797**	43,396
Third-party interests in consolidated funds		**7,704**	7,444
Provisions	16	**39**	46
Deferred tax liabilities		**92**	64
Current tax payable		**2**	2
Borrowings and lease liabilities		**277**	279
Trade, other payables and other liabilities		**666**	570
Derivative liabilities		**19**	25
Total liabilities		**56,596**	51,826
Total equity and liabilities		**58,078**	53,345

The financial statements on pages 22 to 25 were approved by the Board of Directors on 6 August 2024.

Steven Levin
Chief Executive Officer

Mark Satchel
Chief Financial Officer

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

Condensed consolidated statement of changes in equity

For the period ended 30 June 2024

	Notes	Ordinary Share capital	Ordinary Share premium reserve	Capital redemption reserve	Share-based payments reserve	Other reserves	Retained earnings	Total shareholders' equity
								£m
Balance at 1 January 2023		115	58	346	41	(1)	989	1,548
Profit after tax		-	-	-	-	-	5	5
Total comprehensive income		-	-	-	-	-	5	5
Dividends	9	-	-	-	-	-	(45)	(45)
Exchange rate movement (ZAR/GBP)[1]		-	-	-	-	-	2	2
Movement in own shares		-	-	-	-	-	(13)	(13)
Equity share-based payment transactions		-	-	-	(9)	-	17	8
Total transactions with the owners of the Company		-	-	-	(9)	-	(39)	(48)
Transfer to retained earnings		-	-	-	-	1	(1)	-
Balance at 30 June 2023		115	58	346	32	-	954	1,505
Balance at 1 January 2024		**115**	**58**	**346**	**42**	**-**	**958**	**1,519**
Profit after tax		**-**	**-**	**-**	**-**	**-**	**13**	**13**
Total comprehensive income		**-**	**-**	**-**	**-**	**-**	**13**	**13**
Dividends	9	**-**	**-**	**-**	**-**	**-**	**(50)**	**(50)**
Exchange rate movement (ZAR/GBP)[1]		**-**	**-**	**-**	**-**	**-**	**(1)**	**(1)**
Movement in own shares		**-**	**-**	**-**	**-**	**-**	**(6)**	**(6)**
Equity share-based payment transactions		**-**	**-**	**-**	**(11)**	**-**	**17**	**6**
Aggregate tax effects of items recognised directly in equity		**-**	**-**	**-**	**1**	**-**	**-**	**1**
Total transactions with the owners of the Company		**-**	**-**	**-**	**(10)**	**-**	**(40)**	**(50)**
Balance at 30 June 2024		**115**	**58**	**346**	**32**	**-**	**931**	**1,482**

[1]The impact of exchange rate movements between the announcement dates of dividends payable and the payment dates on the pound sterling equivalent of payments to JSE shareholders in South African Rand are recognised directly in equity. The Group held cash in South African Rand equal to the expected cash outflows and therefore was economically hedged for the outflows.

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

Condensed consolidated statement of cash flows

For the period ended 30 June 2024

The cash flows presented in this statement cover all the Group's activities and include flows from both policyholder and shareholder activities. All cash and cash equivalents are available for general use by the Group for the purposes of the disclosures required under IAS 7 Statement of Cash Flows except for cash and cash equivalents in consolidated funds (as shown in note 14).

	Notes	**Six months 2024** £m	Six months 2023 £m
Cash flows from operating activities			
Cash flows from operating activities		**1,984**	941
Taxation paid		**(26)**	(8)
Total net cash flows from operating activities		**1,958**	933
Cash flows from investing activities			
Net purchases and sales of financial investments		**(1,847)**	(837)
Purchase of property, plant and equipment		**-**	(1)
Proceeds from sale of property, plant and equipment held for sale		**-**	1
Increase in investment in associate		**(1)**	(1)
Total net cash flows from investing activities		**(1,848)**	(838)
Cash flows from financing activities			
Dividends paid to the owners of the Company	9	**(50)**	(45)
Exchange rate movements passed to shareholders[1]		**(1)**	2
Finance costs on borrowings		**(9)**	(10)
Payment of interest on lease liabilities		**(2)**	(1)
Payment of principal of lease liabilities		**(3)**	(4)
Quilter plc shares acquired for use within the Group's employee share scheme		**(6)**	(15)
Proceeds from the issue of subordinated debt		**-**	199
Subordinated debt repaid		**-**	(200)
Total net cash flows from financing activities		**(71)**	(74)
Net increase in cash and cash equivalents		**39**	21
Cash and cash equivalents at the beginning of the year		**1,859**	1,782
Effect of exchange rate changes on cash and cash equivalents		**1**	(3)
Cash and cash equivalents at the end of the period	14(a)	**1,899**	1,800

[1]The exchange rate movements passed to shareholders relate to foreign exchange gains or losses that have arisen on dividend payments to JSE shareholders. Further details are included within the condensed consolidated statement of changes in equity.

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the condensed consolidated interim financial statements

For the period ended 30 June 2024

General information

Quilter plc (the "Company"), a public limited company incorporated in England and Wales and domiciled in the United Kingdom ("UK"), together with its subsidiaries (collectively, the "Group") offers investment and wealth management services, long-term savings and financial advice primarily in the UK. Quilter plc is listed with a primary listing on the London Stock Exchange and a secondary listing on the Johannesburg Stock Exchange ("JSE").

The Company's registration number is 06404270. The address of the registered office is Senator House, 85 Queen Victoria Street, London, EC4V 4AB.

1: Basis of preparation

The results for the six months ended 30 June 2024 have been prepared in accordance with the UK-adopted IAS 34 Interim Financial Reporting and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. Although unaudited, the results have been reviewed by the Company's Auditor, PricewaterhouseCoopers LLP, and their report is included earlier in this document. These condensed consolidated interim financial statements (the "interim financial statements") of Quilter plc for the six months ended 30 June 2024 do not constitute statutory accounts as defined by section 434 of the Companies Act 2006. Comparative financial information for the full year 2023 has been presented from the Group's 2023 Annual Report, which has been filed with the Registrar of Companies and was prepared in accordance with the UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The auditor's report on those financial statements was not qualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying the report and did not contain statements under section 498(2) or (3) of the Companies Act 2006. Copies of the Group's 2023 Annual Report are available online at plc.quilter.com.

These interim financial statements do not include all of the information required for a complete set of IFRS compliant financial statements. Selected notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the publication of the Group's 2023 Annual Report. The Board considers that the alternative performance measures provided, such as adjusted profit, are also useful for both management and investors. Any seasonal or cyclical factors, to the extent that they materially impact the Group's results, are described in the Financial review.

There have been no changes in the Group's material accounting policies during the period. All accounting policies for recognition, measurement, consolidation and presentation are as outlined in the Group's 2023 Annual Report. These interim financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial instruments, and are presented in pounds sterling, which is the currency of the primary economic environment in which the Group operates.

Going concern

The Directors have considered the resilience of the Group, its current financial position, the principal risks facing the business and the effectiveness of any mitigating strategies which are or could be applied. This included an assessment of capital and liquidity over a three-year business planning period covering 2024 to 2026. This assessment incorporated a number of stress tests covering a broad range of scenarios, including economic and market shocks of up to 40% falls in equity markets, mass lapse events, new business growth scenarios and severe business interruptions, equivalent to 1-in-50 and 1-in-200 year events. The assessment also considered the potential implications of the Skilled Person review which could include the payment of remediation and associated administrative costs (see note 17). As part of the going concern assessment, the Group took into consideration the current position of the UK and global economy including the impact of inflation and increases in the cost of living. The Group also considered how climate-related risks and opportunities affect operations, investments, advice and distribution, and their impact on specific projects and initiatives, estimates and judgements. Based on the assessment, the Directors believe that, both the Group and Quilter plc have sufficient financial resources to continue in business for a period of at least 12 months from the date of approval of these interim financial statements and continue to adopt the going concern basis in preparing the interim financial statements.

Critical accounting estimates and judgements

The preparation of financial statements requires management to exercise judgement in applying the Group's material accounting policies and in making assumptions and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements. The Board Audit Committee reviews these assumptions, estimates and judgements and the appropriateness of material accounting policies adopted in the preparation of these financial statements.

The Group's critical accounting estimates and judgements are detailed below:

Critical accounting judgements

The Group's critical accounting judgements are those that management makes when applying its material accounting policies and that have the greatest effect on the net profit and net assets recognised in the Group's financial statements.

Ongoing Advice Evidence

A Skilled Person was appointed in June 2024 to assess and provide a view to the FCA on whether, based on the available evidence, the delivery of ongoing advice services by Appointed Representative firms in the Quilter Financial Planning network has been compliant with applicable regulatory requirements during the period from 1 January 2017 to 31 December 2023. Given the early stage of the review at the reporting date, it has been determined that a present obligation for any potential customer remediation does not exist, and therefore no liability in respect of remediation associated with this process and the associated administrative costs has been recognised in the accounts. See note 17 for further details of the contingent liability.

Critical accounting estimates

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

Notes to the condensed consolidated interim financial statements

For the period ended 30 June 2024

1: Basis of preparation *continued*

Measurement of deferred tax

The annual business planning process estimates future taxable profits based on estimated levels of assets under management and administration ("AuMA"), which are subject to a large number of factors including global stock market movements, related movements in foreign exchange rates, net client cash flows and estimates of expenses and other charges. The Business Plan, adjusted for known and estimated tax adjusting items, is used to determine the extent to which deferred tax assets are recognised. The Group assesses the recoverability of shareholder deferred tax assets based on estimated taxable profits over a five-year horizon and assesses policyholder deferred tax assets based on estimated investment growth over the medium term. To the extent that profit estimates extend beyond the normal three-year planning cycle, average profits over the final two years of the plan are used. This approach is considered reasonable based on historical profitability. Future profit projections show the majority of deferred tax assets being utilised over the next three years. Management has reassessed the sensitivity of the recoverability of deferred tax assets based on the latest forecast cash flows.

2: New standards, amendments to standards, and interpretations adopted by the Group

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

Adopted by the Group from	Amendments to standards
1 January 2024	Amendments to IAS 1 Presentation of Financial Statements – classification of liabilities as current and non-current
1 January 2024	Amendments to IFRS 16 Leases - Sale and leaseback transactions
1 January 2024	Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements

3: Significant changes in the current reporting period

Except for the matters disclosed in the notes to these financial statements there are no significant changes in the current reporting period to be disclosed.

We continually review the principal risks and uncertainties facing the Group which could pose a threat to the delivery of our strategic objectives. The Group considers that the nature of the principal risks and uncertainties that may have a material effect on the Group's performance over the remainder of the financial year remains unchanged from those presented within the 2023 Annual Report and Accounts.

4: Discontinued operations, acquisitions and disposals

There have been no material acquisitions of businesses during the six months to 30 June 2024 or during 2023.

There have been no material disposals of businesses during the period ended 30 June 2024 or during 2023 and there were no profit or loss impacts relating to past business disposals in either period.

The Group made the final payment of £4 million during the six months to 30 June 2023 in respect of the closure of the warranty relating to the sale of the Single Strategy business. There were no inflows or outflows of cash relating to discontinued operations during the period ended 30 June 2024 or during 2023 other than described above.

5: Alternative performance measures

5(a): Adjusted profit before tax and reconciliation to profit after tax

Basis of preparation of adjusted profit before tax

Adjusted profit before tax is one of the Group's alternative performance measures ("APMs") and represents the Group's IFRS profit, adjusted for specific items that management considers to be outside of the Group's normal operations or one-off in nature, as detailed in note 5(b). Adjusted profit before tax does not provide a complete picture of the Group's financial performance, which is disclosed in the statement of comprehensive income, but is instead intended to provide additional comparability and understanding of the financial results.

	Notes	**Six months 2024** £m	Six months 2023 £m
Affluent		**72**	54
High Net Worth		**25**	23
Head Office		**-**	(1)
Adjusted profit before tax	6(b)	**97**	76
Adjusting items:			
Impact of acquisition and disposal-related accounting	5(b)(i)	**(19)**	(21)
Business transformation costs	5(b)(ii)	**(12)**	(16)
Customer remediation	5(b)(iii)	**-**	(3)
Ongoing Advice Evidence	5(b)(iv)	**(2)**	-
Exchange rate movement (ZAR/GBP)	5(b)(v)	**1**	(2)
Policyholder tax adjustments	5(b)(vi)	**(38)**	(18)
Other adjusting items	5(b)(vii)	**-**	1
Finance costs	5(b)(viii)	**(9)**	(10)
Total adjusting items before tax		**(79)**	(69)
Profit before tax attributable to shareholder returns		**18**	7
Income tax attributable to policyholder returns	7	**59**	21
Income tax expense	7	**(64)**	(23)
IFRS profit after tax		**13**	5

5(b): Adjusting items

In determining adjusted profit before tax, the Group's IFRS profit before tax is adjusted for specific items that management considers to be outside of the Group's normal operations or one-off in nature. These are detailed below.

5(b)(i): Impact of acquisition and disposal-related accounting

The Group excludes any impairment of goodwill from adjusted profit as well as the amortisation and impairment of acquired intangible assets, any acquisition costs, finance costs related to the discounting of contingent consideration and incidental items relating to past disposals.

The effect of these adjustments to determine adjusted profit are summarised below.

	Six months 2024 £m	Six months 2023 £m
Amortisation of acquired intangible assets	**19**	20
Impairment of acquired intangible assets[1]	**-**	1
Total impact of acquisition and disposal-related accounting	**19**	21

[1]The impairment of acquired intangible assets resulted from the impairment of specific client books held within the Affluent operating segment in the six months to 30 June 2023 as the Group could no longer support the carrying value.

5(b)(ii): Business transformation costs

For the six months to 30 June 2024, business transformation costs totalled £12 million (30 June 2023: £16 million), the principal components of which are described below:

Business Simplification costs – 30 June 2024: £11 million, 30 June 2023: £14 million

During the six months to 30 June 2024, the Group spent £11 million on delivering Simplification initiatives (30 June 2023: £14 million). The implementation costs to deliver the remaining £24 million of annualised run-rate savings for the programme are estimated to be £67 million.

Investment in business costs – 30 June 2024: £1 million, 30 June 2023: £1 million

Investment in business costs of £1 million (30 June 2023: £1 million) were incurred as Group continues to enable and support advisers and clients and improve productivity through better utilisation of technology.

Business separation costs following the sale of Quilter International – 30 June 2024: £nil, 30 June 2023: £1 million

The Group sold Quilter International to Utmost Group in 2021 and entered into a Transitional Service Agreement with the acquirer. The cost to the Group of running the Transitional Service Agreement which ended in November 2023 was £nil for the period to 30 June 2024 (30 June 2023: £1 million).

5: Alternative performance measures *continued*

5(b)(iii): Customer remediation

Lighthouse pension transfer advice provision – 30 June 2024: £nil, 30 June 2023: £3 million

For the period ended 30 June 2023, the customer remediation expense of £3 million reflected £1 million of legal, consulting and other costs and a £2 million provision increase related to non-British Steel Pension Scheme redress payments. This was the result of the Group-managed past business review of DB to DC pension transfer advice suitability by an independent expert. At 30 June 2024, the provision for potential redress and associated professional fees decreased from the 2023 year end by £1 million as a result of professional fees paid during 2024 to £5 million. Further details of the provision are provided in note 16.

5(b)(iv): Ongoing Advice Evidence

Ongoing Advice Evidence costs of £2 million (30 June 2023: £nil) include the estimated external cost to support and perform the Skilled Person review of historical data and practices across the Quilter Financial Planning network of Appointed Representative firms (see note 17). This cost is excluded from adjusted profit as management considers it to be outside of the Group's normal operations and one-off in nature.

5(b)(v): Exchange rate movements (ZAR/GBP)

For the period ended 30 June 2024, income of £1 million was recognised (30 June 2023: £2 million expense) due to foreign exchange movements on cash held in South African Rand in preparation for payments of dividends to shareholders. Cash was converted to South African Rand upon announcement of the dividend payments to provide an economic hedge for the Group. The foreign exchange movements are fully offset by an equal amount taken directly to retained earnings.

5(b)(vi): Policyholder tax adjustments

For the period ended 30 June 2024, the total amount of policyholder tax adjustments to adjusted profit is a credit of £38 million (30 June 2023: £18 million credit). Adjustments to policyholder tax are made to remove distortions arising from market volatility that can, in turn, lead to volatility in the policyholder tax adjustments between periods. The recognition of the income received from policyholders (which is included within the Group's income) to fund the policyholder tax liability can vary in timing to the recognition of the corresponding tax expense, creating volatility in the Group's IFRS profit or loss before tax. Note 7 provides further information on the impact of markets on the policyholder tax adjustment. Adjustments are also made to remove policyholder tax distortions from other non-operating adjusting items.

5(b)(vii): Other adjusting items

For the period ended 30 June 2024 these costs were £nil. For the period ended 30 June 2023, £1 million income was received in relation to the settlement offer for the indemnification asset that was impaired in 2022.

5(b)(viii): Finance costs

The nature of much of the Group's operations means that, for management's decision-making and internal performance management, the effects of interest costs on external borrowings are removed when calculating adjusted profit. For the period ended 30 June 2024, finance costs were £9 million (30 June 2023: £10 million).

5(c): Reconciliation of IFRS income and expenses to "Total net revenue" and "Operating expenses" within adjusted profit

This reconciliation shows how each line of the Group's IFRS income and expenses are allocated to the Group's APMs: Net management fees, Other revenue, Investment revenue, Total net revenue and Operating expenses, which are all defined on page 16 and form the Group's adjusted profit before tax. The total column in the table below, down to "Profit before tax attributable to shareholder returns", reconciles to each line of the condensed consolidated statement of comprehensive income. Allocations are determined by management and aim to show the Group's sources of profit (net of relevant directly attributable expenses). These allocations remain consistent from period to period to ensure comparability, unless otherwise stated.

£m

Six months 2024	Net mgmt. fees[1]	Other revenue[1]	Investment revenue[1]	Total net revenue[1]	Operating expenses[1]	Adjusted profit before tax	Consol. of funds[2]	Total
Income								
Fee income and other income from service activities	281	44	-	325	-	325	(39)	286
Investment return[3]	30	2,590	40	2,660	-	2,660	425	3,085
Other income	-	3	-	3	10	13	1	14
Total income	311	2,637	40	2,988	10	2,998	387	3,385
Expenses								
Change in investment contract liabilities[3]	(14)	(2,589)	(3)	(2,606)	-	(2,606)	-	(2,606)
Fee and commission expenses and other acquisition costs	(24)	-	-	(24)	-	(24)	(1)	(25)
Change in third-party interests in consolidated funds	-	-	-	-	-	-	(371)	(371)
Other operating and administrative expenses	(7)	-	-	(7)	(274)	(281)	(15)	(296)
Finance costs	-	-	-	-	(10)	(10)	-	(10)
Total expenses	(45)	(2,589)	(3)	(2,637)	(284)	(2,921)	(387)	(3,308)
Income tax expense attributable to policyholder returns	(59)	-	-	(59)	-	(59)	-	(59)
Profit before tax attributable to shareholder returns	207	48	37	292	(274)	18	-	18
Adjusting items:								
Impact of acquisition and disposal-related accounting	-	-	-	-	19	19		
Business transformation costs	-	-	-	-	12	12		
Ongoing Advice Evidence	-	-	-	-	2	2		
Exchange rate movements (ZAR/GBP)	-	(1)	-	(1)	-	(1)		
Policyholder tax adjustments	38	-	-	38	-	38		
Finance costs	-	-	-	-	9	9		
Adjusting items	38	(1)	-	37	42	79		
Adjusted profit before tax	245	47	37	329	(232)	97		

[1]The APMs "Net management fees", "Other revenue", "Investment revenue", "Total net revenue" and "Operating expenses" are commented on within the Financial review.
[2]Consolidation of funds shows the grossing up impact to the Group's income and expenses as a result of the consolidation of funds requirements, as described within note 5(a) to the Group's 2023 Annual Report. This grossing up is excluded from the Group's adjusted profit.
[3]Reported within net management fees, investment return of £30 million represents £19 million interest income on investments held for the benefit of policyholders and £11 million net interest income on client money balances. Change in investment contract liabilities of £14 million represents the amount of interest income paid to policyholders. The net balance of £16 million of interest income on customer balances was retained by the Group for the six months to 30 June 2024. The £40 million investment return less £3 million change in investment contract liabilities paid to customers on transactional cash balances, as reported within investment revenue, represents £37 million of interest income on shareholder cash and cash equivalents.

5: Alternative Performance Measures *continued*

5(c): Reconciliation of IFRS income and expenses to "Total net revenue" and "Operating expenses" within adjusted profit *continued*

£m

Six months 2023	Net mgmt. fees[1]	Other revenue[1]	Investment revenue[1]	Total net revenue[1]	Operating expenses[1]	Adjusted profit before tax	Consol. of funds[2]	Total
Income								
Fee income and other income from service activities	268	41	-	309	-	309	(32)	277
Investment return[3]	19	1,007	28	1,054	-	1,054	248	1,302
Other income	-	(2)	-	(2)	4	2	-	2
Total income	287	1,046	28	1,361	4	1,365	216	1,581
Expenses								
Change in investment contract liabilities[3]	(12)	(1,006)	-	(1,018)	-	(1,018)	-	(1,018)
Fee and commission expenses and other acquisition costs	(23)	-	-	(23)	-	(23)	(2)	(25)
Change in third-party interests in consolidated funds	-	-	-	-	-	-	(202)	(202)
Other operating and administrative expenses	(7)	-	-	(7)	(278)	(285)	(12)	(297)
Finance costs	-	-	-	-	(11)	(11)	-	(11)
Total expenses	(42)	(1,006)	-	(1,048)	(289)	(1,337)	(216)	(1,553)
Income tax expense attributable to policyholder returns	(21)	-	-	(21)	-	(21)	-	(21)
Profit before tax attributable to shareholder returns	224	40	28	292	(285)	7	-	7
Adjusting items:								
Impact of acquisition and disposal-related accounting	-	-	-	-	21	21		
Business transformation costs	-	-	-	-	16	16		
Customer remediation	-	-	-	-	3	3		
Exchange rate movement (ZAR/GBP)	-	2	-	2	-	2		
Policyholder tax adjustments	18	-	-	18	-	18		
Other adjusting items	-	-	-	-	(1)	(1)		
Finance costs	-	-	-	-	10	10		
Adjusting items	18	2	-	20	49	69		
Adjusted profit before tax	242	42	28	312	(236)	76		

[1]The APMs "Net management fees", "Other revenue", "Investment revenue", "Total net revenue" and "Operating expenses" are commented on within the Financial review.
[2]Consolidation of funds shows the grossing up impact to the Group's income and expenses as a result of the consolidation of funds requirements, as described within note 5(a) to the Group's 2023 Annual Report. This grossing up is excluded from the Group's adjusted profit.
[3]Reported within net management fees, investment return of £19 million represents £12 million interest income on investments held for the benefit of policyholders and £7 million net interest income on client money balances. Change in investment contract liabilities of £12 million represents the amount of interest income paid to policyholders. The net balance of £7 million of interest income on customer balances was retained by the Group for the six months to 30 June 2023. The £28 million investment return, as reported within investment revenue, represents interest income on shareholder cash and cash equivalents.

6: Segment information

6(a): Segment presentation

The Group has two operating segments: High Net Worth and Affluent. The segments used for reporting purposes are consistent with the structure and management of the Group. Head Office includes certain revenues and central costs that are not allocated to the segments.

Adjusted profit before tax is an APM reported to the Group's management and Board. The segment information in this note reflects the adjusted and IFRS profit measures for each operating segment as provided to management and the Board. Management and the Board use additional performance indicators to assess the performance of each of the segments, including net client cash flows, assets under management and administration, total net revenue and operating margin. Income is analysed in further detail for each operating segment in note 6(b).

Consistent with internal reporting, income and expenses that are not directly attributable to a particular segment are allocated between segments where appropriate. The Group accounts for inter-segment income and transfers as if the transactions were with third parties at current market prices.

High Net Worth

This segment comprises Quilter Cheviot and Quilter Cheviot Financial Planning.

Quilter Cheviot provides discretionary investment management, predominantly in the United Kingdom, with bespoke investment portfolios tailored to the individual needs of high net worth clients, charities, companies and institutions through a network of branches in London and the regions. Investment management services are also provided by operations in the Channel Islands and Ireland.

Quilter Cheviot Financial Planning provides financial advice for protection, mortgages, savings, investments and pensions predominantly to high net worth clients.

Affluent

This segment comprises Quilter Investment Platform, Quilter Investors and Quilter Financial Planning.

Quilter Investment Platform is a leading investment platform provider of advice-based wealth management products and services in the UK, which serves an affluent client base through advised multi-channel distribution.

Quilter Investors is a leading provider of investment solutions in the UK multi-asset market. It develops and manages investment solutions in the form of funds for the Group and third-party clients. It has several fund ranges which vary in breadth of underlying asset class.

6: Segment information *continued*

6(a): Segment presentation *continued*

Quilter Financial Planning is a restricted and independent financial adviser network providing mortgage and financial planning advice and financial solutions for both individuals and businesses through a network of intermediaries. It operates across all markets, from wealth management and retirement planning advice through to dealing with property wealth and personal and business protection needs.

Head Office

In addition to the Group's two operating segments, Head Office comprises the investment return on centrally held assets, central support function expenses, central core structural borrowings and certain tax balances.

6(b): Adjusted profit statement - segment information

The table below presents the Group's operations split by operating segment, reconciling IFRS profit (or loss) to adjusted profit before tax. The Total column reconciles to the consolidated statement of comprehensive income.

						£m
		Operating segments				
Six months 2024	Notes	**Affluent**	**High Net Worth**	**Head Office**	**Consolidation adjustments[1]**	**Total**
Income						
Premium-based fees		**35**	**9**	**-**	**-**	**44**
Fund-based fees		**167**	**91**	**-**	**(39)**	**219**
Fixed fees		**1**	**-**	**-**	**-**	**1**
Other fee and commission income		**22**	**-**	**-**	**-**	**22**
Fee income and other income from service activities		**225**	**100**	**-**	**(39)**	**286**
Investment return[2]		**2,638**	**11**	**16**	**420**	**3,085**
Other income		**48**	**1**	**1**	**(36)**	**14**
Segment income		**2,911**	**112**	**17**	**345**	**3,385**
Expenses						
Change in investment contract liabilities[2]		**(2,606)**	**-**	**-**	**-**	**(2,606)**
Fee and commission expenses and other acquisition costs		**(25)**	**-**	**-**	**-**	**(25)**
Change in third-party interests in consolidated funds		**-**	**-**	**-**	**(371)**	**(371)**
Other operating and administrative expenses		**(195)**	**(106)**	**(17)**	**22**	**(296)**
Finance costs		**(1)**	**-**	**(13)**	**4**	**(10)**
Segment expenses		**(2,827)**	**(106)**	**(30)**	**(345)**	**(3,308)**
Profit/(loss) before tax		**84**	**6**	**(13)**	**-**	**77**
Income tax expense attributable to policyholder returns		**(59)**	**-**	**-**	**-**	**(59)**
Profit/(loss) before tax attributable to shareholder returns		**25**	**6**	**(13)**	**-**	**18**
Adjusting items:						
Impact of acquisition and disposal-related accounting	5(b)(i)	**3**	**16**	**-**	**-**	**19**
Business transformation costs	5(b)(ii)	**4**	**3**	**5**	**-**	**12**
Ongoing Advice Evidence	5(b)(iv)	**2**	**-**	**-**	**-**	**2**
Exchange rate movement (ZAR/GBP)	5(b)(v)	**-**	**-**	**(1)**	**-**	**(1)**
Policyholder tax adjustments	5(b)(vi)	**38**	**-**	**-**	**-**	**38**
Finance costs	5(b)(viii)	**-**	**-**	**9**	**-**	**9**
Adjusting items before tax		**47**	**19**	**13**	**-**	**79**
Adjusted profit before tax		**72**	**25**	**-**	**-**	**97**

[1]Consolidation adjustments comprise the elimination of inter-segment transactions and the consolidation of investment funds.
[2]Investment return and change in investment contract liabilities includes net £16 million of interest income on customer cash and cash equivalents retained by the Group. Investment return total also includes £37 million of interest income on shareholder cash and cash equivalents.

Notes to the condensed consolidated interim financial statements
For the period ended 30 June 2024

6: Segment information *continued*

6(b): Adjusted profit statement - segment information *continued*

						£m
		Operating segments				
Six months 2023	Notes	**Affluent**	**High Net Worth**	**Head Office**	**Consolidation adjustments[1]**	**Total**
Income						
Premium-based fees		32	10	-	-	42
Fund-based fees		172	89	-	(32)	229
Fixed fees		1	-	-	-	1
Other fee and commission income		5	-	-	-	5
Fee income and other income from service activities		210	99	-	(32)	277
Investment return[2]		1,036	9	12	245	1,302
Other income		49	-	(2)	(45)	2
Segment income		1,295	108	10	168	1,581
Expenses						
Change in investment contract liabilities[2]		(1,018)	-	-	-	(1,018)
Fee and commission expenses and other acquisition costs		(24)	-	-	(1)	(25)
Change in third-party interests in consolidated funds		-	-	-	(202)	(202)
Other operating and administrative expenses		(202)	(102)	(25)	32	(297)
Finance costs		(1)	-	(13)	3	(11)
Segment expenses		(1,245)	(102)	(38)	(168)	(1,553)
Profit/(loss) before tax		50	6	(28)	-	28
Income tax expense attributable to policyholder returns		(21)	-	-	-	(21)
Profit/(loss) before tax attributable to shareholder returns		29	6	(28)	-	7
Adjusting items:						
Impact of acquisition and disposal-related accounting	5(b)(i)	4	17	-	-	21
Business transformation costs	5(b)(ii)	-	1	15	-	16
Customer remediation	5(b)(iii)	3	-	-	-	3
Exchange rate movements (ZAR/GBP)	5(b)(v)	-	-	2	-	2
Policyholder tax adjustments	5(b)(vi)	18	-	-	-	18
Other adjusting items	5(b)(vii)	-	(1)	-	-	(1)
Finance costs	5(b)(viii)	-	-	10	-	10
Adjusting items before tax		25	17	27	-	69
Adjusted profit before tax		54	23	(1)	-	76

[1]Consolidation adjustments comprise the elimination of inter-segment transactions and the consolidation of investment funds.
[2]Investment return and change in investment contract liabilities includes net £7 million interest income on customer cash and cash equivalents retained by the Group. Investment return total also includes £28 million interest income on shareholder cash and cash equivalents.

7: Tax

	£m	
	Six months 2024	Six months 2023
Current tax		
United Kingdom	**28**	-
Total current tax charge	**28**	-
Deferred tax		
Origination and reversal of temporary differences	**37**	23
Effect on deferred tax of changes in tax rates	**-**	1
Adjustments to deferred tax in respect of prior periods	**(1)**	(1)
Total deferred tax charge	**36**	23
Total tax charged	**64**	23
Attributable to policyholder returns	**59**	21
Attributable to shareholder returns	**5**	2
Total tax charged	**64**	23

Policyholder tax

Certain products are subject to tax on policyholders' investment returns. This "policyholder tax" is an element of total tax expense. To make the tax expense more meaningful, tax attributable to policyholder returns and tax attributable to shareholder returns are shown separately in the condensed consolidated statement of comprehensive income.

The tax attributable to policyholder returns is the amount payable in the period plus the movement of amounts expected to be payable in future periods. The remainder of the tax expense is attributed to shareholder returns.

The Group's income tax charge was £64 million for the six months to 30 June 2024 (30 June 2023: £23 million). The income tax charge can vary significantly period-on-period as a result of market volatility and the impact this has on policyholder tax. The recognition of the income received from policyholders to fund the policyholder tax liability (which is included within the Group's income) can vary in timing to the recognition of the corresponding policyholder tax expense, creating volatility in the Group's IFRS profit before tax. An adjustment is made to adjusted profit to remove these distortions, as explained further in note 5(b)(vi).

Market movements for the six months to 30 June 2024 resulted in investment gains of £242 million on products subject to policyholder tax. The gain is a component of the total "investment return" gain of £3,085 million shown in the condensed consolidated statement of comprehensive income. The tax impact of the £242 million investment return gain is the primary reason for the £59 million tax charge attributable to policyholder returns for the six months to 30 June 2024 (30 June 2023: £21 million charge).

Pillar II taxes

Pillar II legislation has been substantively enacted in the UK, introducing a Pillar II minimum effective tax rate of 15%. The legislation implements a Multinational Top-up Tax ("MTT") and a Domestic Top-up Tax ("DTT"), effective for the Group's financial year beginning 1 January 2024. The Group has applied the exemption under IAS 12.4A and accordingly will not recognise or disclose information about deferred tax assets and liabilities related to Pillar II income taxes.

The assessment of the exposure to Pillar II income taxes has shown that the majority of the Group's profits arise in countries with tax rates above 15%. The position in respect of these rules in each of the Group's main territories is summarised below.

UK

The Group has assessed that its Pillar II UK effective tax rate exceeds the 15% minimum rate and therefore there is no additional liability in relation to the UK.

The scope of the MTT means that a top-up tax charge may also arise in the UK on profits earned in countries with lower tax rates in which the Group operates, subject to a local qualifying domestic minimum tax. The Group's main non-UK operations are in Jersey and Ireland. Ireland has enacted a qualifying domestic minimum tax (see below), so no additional tax charge is due in the UK on Irish operations. Jersey is expected to introduce a qualifying domestic minimum tax in 2025. The Group's effective tax rate in Jersey is 8% and therefore a MTT liability of £83 thousand in relation to Jersey profits arises in the UK during 2024. This does not have a material impact on the Group's tax charge.

Jersey, Guernsey and the Isle of Man

The three Crown Dependencies issued a joint statement in May 2023 stating their intention to introduce a domestic minimum tax in 2025. The Group does not therefore expect to pay additional local tax in these countries during 2024. The Group will continue to monitor the developments in these countries. Until such time as a qualifying domestic minimum tax is introduced, the Group expects to pay a MTT in the UK in respect of any taxable profits arising in these countries (see above).

Ireland

Ireland has introduced a qualifying domestic minimum tax. This has been substantively enacted, effective for the Group's financial year beginning 1 January 2024. The Group's effective tax rate in Ireland is 10% and therefore an additional minimum tax charge of £43 thousand arises in Ireland in 2024. This does not have a material impact on the Group's tax charge.

Other

The Group has assessed there are no material Pillar II tax charge in any other countries in which it has a presence in 2024.

8: Earnings per share

The Group calculates earnings per share ("EPS") on a number of different bases. IFRS requires the calculation of basic and diluted EPS. Adjusted EPS reflects earnings that are consistent with the Group's adjusted profit measure and Headline earnings per share ("HEPS") is a requirement of the Johannesburg Stock Exchange.

8(a): Weighted average number of Ordinary Shares

The table below summarises the calculation of the weighted average number of Ordinary Shares for the purposes of calculating basic and diluted earnings per share for each profit measure (IFRS, adjusted profit and Headline earnings).

The bases for the calculation of the Group's EPS are disclosed in note 5(u) of the Group's 2023 Annual Report.

		Million
	Six months 2024	Six months 2023
Weighted average number of Ordinary Shares	**1,404**	1,404
Own shares including those held in consolidated funds and employee benefit trusts	**(63)**	(51)
Basic weighted average number of Ordinary Shares	**1,341**	1,353
Adjustment for dilutive share awards and options[1]	**41**	11
Diluted weighted average number of Ordinary Shares	**1,382**	1,364

[1]The adjustment for dilutive share awards and options includes dividend equivalent shares in line with the requirements of IAS 33. Previously, these shares were not included in the figures presented in the condensed consolidated interim financial statements for the period ended 30 June 2023. The June 2023 adjustment for dilutive share awards and options presented above was increased by 8 million shares to ensure comparability.

8(b): Basic and diluted EPS (IFRS and adjusted profit)

			£m
	Note	**Six months 2024**	Six months 2023
Profit after tax		**13**	5
Total adjusting items before tax	5(a)	**79**	69
Tax on adjusting items		**18**	2
Less: policyholder tax adjustments		**(38)**	(18)
Adjusted profit after tax		**72**	58

			Pence
	Post-tax profit measure used	**Six months 2024**	Six months 2023
Basic EPS	IFRS profit	**1.0**	0.4
Diluted EPS	IFRS profit	**0.9**	0.4
Adjusted basic EPS	Adjusted profit	**5.4**	4.3
Adjusted diluted EPS	Adjusted profit	**5.2**	4.3

8(c): Headline earnings per share

				£m
	Six months 2024		Six months 2023	
	Gross	**Net of tax**	Gross	Net of tax
Profit		**13**		5
Adjusted for:				
- add back of impairment loss on intangible assets	**-**	**-**	1	1
Headline earnings		**13**		6
Headline basic EPS (pence)		**1.0**		0.4
Headline diluted EPS (pence)		**0.9**		0.4

Notes to the condensed consolidated interim financial statements

For the period ended 30 June 2024

9: Dividends

			£m
	Payment date	**Six months 2024**	Six months 2023
2022 Final Dividend paid - 3.3p per Ordinary Share	22 May 2023	**-**	45
2023 Final Dividend paid - 3.7p per Ordinary Share	28 May 2024	**50**	-
Dividends paid to Ordinary Shareholders		**50**	45

Final and Interim Dividends paid to Ordinary Shareholders are calculated using the number of shares in issue at the record date less own shares held in employee benefit trusts.

10: Goodwill

10(a): Allocation of goodwill to cash-generating units ("CGUs") and consideration of the need for an impairment review

Goodwill is monitored by management at the level of the Group's two operating segments: Affluent and High Net Worth. Both operating segments represent a group of CGUs.

		£m
	30 June 2024	31 December 2023
Goodwill (net carrying amount)		
Affluent	**223**	223
High Net Worth	**83**	83
Total goodwill	**306**	306

Consideration of the need for an impairment review

Goodwill in both the Affluent and High Net Worth CGU groups is tested for impairment annually, or earlier if an indicator of impairment exists, by comparing the carrying value of the CGU group to which the goodwill relates to the recoverable value of that CGU group, being the higher of that CGU group's value-in-use or fair value less costs to sell. If applicable, an impairment charge is recognised when the recoverable amount is less than the carrying value. Goodwill impairment indicators include sudden stock market falls, the absence of positive Net Client Cash Flows ("NCCF"), significant falls in profits and significant increases in the discount rate.

During the six months to 30 June 2024, management considers there to be no indicators of impairment for the Affluent and High Net Worth CGU groups. The positive movements in equity markets and resulting increase in AuMA have contributed to higher revenues and this, together with continued cost discipline, has led to adjusted profit before tax of £97 million, which is a 28% increase from the prior period to 30 June 2023 of £76 million. NCCF has also been stronger compared to the prior period due to higher gross sales.

11: Financial investments

The table below analyses the investments and securities that the Group invests in, either on its own proprietary behalf (shareholder funds) or on behalf of third parties (policyholder funds).

		£m
	30 June 2024	31 December 2023
Government and government-guaranteed securities	**209**	202
Other debt securities, preference shares and debentures	**2,130**	2,175
Equity securities	**9,153**	8,488
Pooled investments	**43,468**	39,462
Short-term funds and securities treated as investments	**1**	1
Other	**1**	1
Total financial investments	**54,962**	50,329
Recoverable within 12 months	**54,962**	50,329
Total financial investments	**54,962**	50,329

The financial investments recoverability profile is based on the intention with which the financial assets are held. These assets are held to cover the liabilities for linked investment contracts, all of which can be withdrawn by policyholders on demand.

Notes to the condensed consolidated interim financial statements

For the period ended 30 June 2024

12: Categories of financial instruments

The analysis of financial assets and liabilities into categories as defined in IFRS 9 Financial Instruments is set out in the following tables. Assets and liabilities of a non-financial nature, or financial assets and liabilities that are specifically excluded from the scope of IFRS 9, are reflected in the non-financial assets and liabilities category.

For information about the methods and assumptions used in determining fair value, refer to note 13. The Group's exposure to various risks associated with financial instruments is discussed in note 37 to the Group's 2023 Annual Report. During the period, there have been no material changes in the Groups exposure to those risks.

30 June 2024

					£m
Measurement basis	**Fair value**				
	Mandatorily at FVTPL	**Designated at FVTPL**	**Amortised cost**	**Non-financial assets and liabilities**	**Total**
Assets					
Loans and advances	**-**	**-**	**50**	**-**	**50**
Financial investments	**54,962**	**-**	**-**	**-**	**54,962**
Trade, other receivables and other assets	**-**	**-**	**511**	**44**	**555**
Derivative assets	**24**	**-**	**-**	**-**	**24**
Cash and cash equivalents	**1,194**	**-**	**705**	**-**	**1,899**
Total assets that include financial instruments	**56,180**	**-**	**1,266**	**44**	**57,490**
Total other non-financial assets	**-**	**-**	**-**	**588**	**588**
Total assets	**56,180**	**-**	**1,266**	**632**	**58,078**
Liabilities					
Investment contract liabilities	**-**	**47,797**	**-**	**-**	**47,797**
Third-party interests in consolidated funds	**7,704**	**-**	**-**	**-**	**7,704**
Borrowings and lease liabilities	**-**	**-**	**277**	**-**	**277**
Trade, other payables and other liabilities	**-**	**-**	**597**	**69**	**666**
Derivative liabilities	**19**	**-**	**-**	**-**	**19**
Total liabilities that include financial instruments	**7,723**	**47,797**	**874**	**69**	**56,463**
Total other non-financial liabilities	**-**	**-**	**-**	**133**	**133**
Total liabilities	**7,723**	**47,797**	**874**	**202**	**56,596**

31 December 2023

					£m
Measurement basis	Fair value				
	Mandatorily at FVTPL	Designated at FVTPL	Amortised cost (Restated)	Non-financial assets and liabilities (Restated)	Total
Assets					
Loans and advances	-	-	38	-	38
Financial investments	50,329	-	-	-	50,329
Trade, other receivables and other assets	-	-	404	43	447
Derivative assets	57	-	-	-	57
Cash and cash equivalents	1,091	-	768	-	1,859
Total assets that include financial instruments	51,477	-	1,210	43	52,730
Total other non-financial assets	-	-	-	615	615
Total assets	51,477	-	1,210	658	53,345
Liabilities					
Investment contract liabilities	-	43,396	-	-	43,396
Third-party interests in consolidated funds	7,444	-	-	-	7,444
Borrowings and lease liabilities	-	-	279	-	279
Trade, other payables and other liabilities[1]	1	-	476	93	570
Derivative liabilities	25	-	-	-	25
Total liabilities that include financial instruments	7,470	43,396	755	93	51,714
Total other non-financial liabilities	-	-	-	112	112
Total liabilities	7,470	43,396	755	205	51,826

[1]The disclosures for 2023 have been restated to reclassify £8 million of Trade, other payables and other liabilities from the amortised cost category to the non-financial liabilities category. The relevant balances which were presented in the amortised cost category in the Group's 2023 financial statements arose in connection with the Group's statutory and constructive obligations as opposed to arising in connection with the Group's contractual obligations.

Notes to the condensed consolidated interim financial statements

For the period ended 30 June 2024

13: Fair value methodology

This section explains the judgements and estimates made in determining the fair values of financial instruments that are recognised and measured at fair value in the financial statements. Classifying financial instruments into the three levels of the fair value hierarchy (see note 13(b)) provides an indication of the reliability of inputs used in determining fair value.

13(a): Determination of fair value

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market exit prices for assets and offer prices for liabilities, at the close of business on the reporting date, without any deduction for transaction costs:

- for units in unit trusts and shares in open-ended investment companies, fair value is determined by reference to published quoted prices representing exit values in an active market;
- for equity and debt securities not actively traded in organised markets and where the price cannot be retrieved, the fair value is determined by reference to similar instruments for which market observable prices exist;
- for assets that have been suspended from trading on an active market, the last published price is used. Many suspended assets are still regularly priced. At the reporting date, all suspended assets are assessed for impairment; and
- where the assets are private equity investments or within consolidated investment funds, the valuation is based on the latest available set of audited financial statements, or if more recent is available, reports from investment managers or professional valuation experts on the value of the underlying assets of the private equity investment or fund.

During the six months to 30 June 2024, there have been no significant changes in the valuation techniques applied when valuing financial instruments. Where assets are valued by the Group, the general principles applied to those instruments measured at fair value are outlined below:

Financial investments

Financial investments include government and government-guaranteed securities, listed and unlisted debt securities, preference shares and debentures, listed and unlisted equity securities, listed and unlisted pooled investments (see below), short-term funds and securities treated as investments and certain other securities.

Pooled investments represent the Group's holdings of shares/units in open-ended investment companies, unit trusts, mutual funds and similar investment vehicles. Pooled investments are recognised at fair value. The fair values of pooled investments are based on widely published prices that are regularly updated.

Other financial investments that are measured at fair value use observable market prices where available. In the absence of observable market prices, these investments and securities are fair valued using various approaches including valuations based on discounted cash flows and earnings before interest, tax, depreciation and amortisation multiples.

Derivatives

The fair value of derivatives is determined with reference to the exchange-traded prices of the specific instruments. The fair value of over-the-counter forward foreign exchange contracts is determined by reference to the relevant exchange rates.

Investment contract liabilities

The fair value of the investment contract liabilities is determined with reference to the underlying funds that are held by the Group.

Third-party interests in consolidated funds

Third-party interests in consolidated funds are measured at the attributable net asset value of each fund.

13(b): Fair value hierarchy

Fair values are determined according to the following hierarchy:

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

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

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

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

13: Fair value methodology *continued*

13(c): Transfer between fair value hierarchies

The Group deems a transfer to have occurred between Level 1 and Level 2 or Level 3 when an actively traded primary market ceases to exist for that financial instrument. A transfer between Level 2 and Level 3 occurs when one or more of the significant inputs used to determine the fair value of the instrument become unobservable. Transfers from Levels 3 or 2 to Level 1 are also possible when assets become actively priced.

There were no transfers of financial investments between Level 1 and Level 2 during the six months to 30 June 2024 (31 December 2023: £nil). In addition, there were no transfers of financial investments from Level 2 to Level 1 during the period (31 December 2023: £nil).

See note 13(e) for the reconciliation of Level 3 financial instruments.

13(d): Financial assets and liabilities measured at fair value, classified according to the fair value hierarchy

The majority of the Group's financial assets are measured using quoted market prices for identical instruments in active markets (Level 1) and there have been no significant changes during the period.

The linked assets are held to cover the liabilities for linked investment contracts. The difference between the value of linked assets and that of linked liabilities is mainly due to short-term timing differences between policyholder premiums being received and invested in advance of policies being issued, and tax liabilities within funds which are reflected within the Group's tax liabilities.

Differences between assets and liabilities within the respective levels of the fair value hierarchy also arise due to the mix of underlying assets and liabilities within consolidated funds. In addition, third-party interests in consolidated funds are classified as Level 2.

The tables below analyse the Group's financial assets and liabilities measured at fair value by the fair value hierarchy described in note 13(b). All items are recognised mandatorily at fair value through profit or loss, apart from Investment contract liabilities which are designated at fair value through profit or loss.

				£m
30 June 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial investments	**45,901**	**9,041**	**20**	**54,962**
Cash and cash equivalents	**1,194**	**-**	**-**	**1,194**
Derivative assets	**-**	**24**	**-**	**24**
Total financial assets measured at fair value through profit or loss	**47,095**	**9,065**	**20**	**56,180**
Third-party interests in consolidated funds	**-**	**7,704**	**-**	**7,704**
Derivative liabilities	**-**	**19**	**-**	**19**
Investment contract liabilities	**47,780**	**-**	**17**	**47,797**
Total financial liabilities measured at fair value through profit or loss	**47,780**	**7,723**	**17**	**55,520**

				£m
31 December 2023	Level 1	Level 2	Level 3	Total
Financial investments	41,691	8,605	33	50,329
Cash and cash equivalents	1,091	-	-	1,091
Derivative assets	-	57	-	57
Total financial assets measured at fair value through profit or loss	42,782	8,662	33	51,477
Third-party interests in consolidated funds	-	7,444	-	7,444
Other liabilities	-	1	-	1
Derivative liabilities	-	25	-	25
Investment contract liabilities	43,372	-	24	43,396
Total financial liabilities measured at fair value through profit or loss	43,372	7,470	24	50,866

13: Fair value methodology *continued*

13(e): Level 3 fair value hierarchy disclosure

The majority of the assets classified as Level 3 are held within linked policyholder funds. Where this is the case, all of the investment risk associated with these assets is borne by policyholders and the value of these assets is exactly matched by a corresponding liability due to policyholders. The Group bears no risk from a change in the market value of these assets except to the extent that it has an impact on management fees earned.

Level 3 assets also include investments within consolidated funds. The Group bears no risk from a change in the market value of these assets except to the extent that it has an impact on management fees earned. Any changes in market value are matched by a corresponding Level 2 liability within third-party interests in consolidated funds.

The table below reconciles the opening balance of Level 3 financial assets to the closing balance at each period end:

		£m
	30 June 2024	31 December 2023
At beginning of the year	**33**	29
Fair value gains/(losses) credited/(charged) to profit or loss[1]	**5**	(1)
Sales	**(17)**	(1)
Transfers in	**8**	27
Transfers out	**(9)**	(21)
Total Level 3 financial assets at the end of the period	**20**	33
Unrealised fair value (losses)/gains recognised in profit or loss relating to assets held at the period end	**(2)**	2

[1]Included in Investment return.

All of the assets that are classified as Level 3 are suspended funds for each of the periods presented.

Transfers into Level 3 assets in the current period total £8 million (31 December 2023: £27 million). This is mainly due to suspended funds previously shown within Level 1. Suspended funds are valued based on external valuation reports received from fund managers. Transfers out of Level 3 assets in the current period of £9 million, (31 December 2023: £21 million) result from a transfer to Level 1 assets relating to assets that are now being actively repriced (that were previously stale) and where fund suspensions have been lifted.

The table below reconciles the opening balance of Level 3 financial liabilities to the closing balance at each period end:

		£m
	30 June 2024	31 December 2023
At beginning of the year	**24**	25
Fair value losses charged to profit or loss[1]	**(2)**	-
Transfers in	**-**	20
Transfers out	**(5)**	(21)
Total Level 3 financial liabilities at the end of the period	**17**	24
Unrealised fair value losses recognised in profit or loss relating to liabilities at the period end	**2**	-

[1]Included in Investment return.

13(f): Effect of changes in significant unobservable assumptions to reasonable alternatives

Details of the valuation techniques applied to the different categories of financial instruments can be found in note 13(a) above, including the valuation techniques applied when significant unobservable assumptions are used to value Level 3 assets.

For Level 3 assets and liabilities, no reasonable alternative assumptions are applicable and the Group therefore performs a sensitivity test of an aggregate 10% change in the value of the financial asset or liability (31 December 2023: 10%), representing a reasonable alternative judgement in the context of the current macroeconomic environment in which the Group operates. It is therefore considered that the impact of this sensitivity will be in the range of £2 million to the reported fair value of Level 3 assets, both favourable and unfavourable (31 December 2023: £3 million).

13(g): Fair value hierarchy for assets and liabilities not measured at fair value

Certain financial instruments of the Group are not carried at fair value. The carrying values of these are considered reasonable approximations of their respective fair values as they are either short term in nature or are repriced to current market rates at frequent intervals.

Notes to the condensed consolidated interim financial statements

For the period ended 30 June 2024

14: Cash and cash equivalents

14(a): Analysis of cash and cash equivalents

		£m
	30 June 2024	31 December 2023
Cash at bank	**337**	444
Money market funds	**1,194**	1,091
Cash and cash equivalents in consolidated funds	**368**	324
Total cash and cash equivalents per statement of cash flows	**1,899**	1,859

The Group's management does not consider that the cash and cash equivalents balance arising due to consolidation of funds of £368 million (31 December 2023: £324 million) is available for use in the Group's day-to-day operations. The remainder of the Group's cash and cash equivalents balance of £1,531 million (31 December 2023: £1,535 million) is considered to be available for general use by the Group for the purposes of the disclosures required under IAS 7 Statement of Cash Flows. This balance includes policyholder cash as well as cash and cash equivalents held by regulated subsidiaries to meet their capital and liquidity requirements.

15: Ordinary Share capital

At 30 June 2024, the Company's equity capital comprises 1,404,105,498 Ordinary Shares of 8 1/6 pence each with an aggregated nominal value of £114,668,616 (31 December 2023: 1,404,105,498 Ordinary Shares of 8 1/6 pence each with an aggregated nominal value of £114,668,616). All Ordinary Shares have been called up and fully paid.

16: Provisions

					£m
30 June 2024	**Compensation provisions**	**Sale of subsidiaries provision**	**Property provisions**	**Clawback and other provisions**	**Total**
Balance at beginning of the year	**17**	**3**	**10**	**16**	**46**
Charge to profit or loss	**4**	**-**	**-**	**5**	**9**
Used during the period	**(2)**	**(2)**	**(1)**	**(6)**	**(11)**
Unused amounts reversed	**(4)**	**-**	**-**	**(1)**	**(5)**
Balance at 30 June 2024	**15**	**1**	**9**	**14**	**39**

					£m
31 December 2023	Compensation provisions	Sale of subsidiaries provision	Property provisions	Clawback and other provisions	Total
Balance at beginning of the year	23	15	12	19	69
Charge to profit or loss	17	-	-	6	23
Used during the year	(14)	(12)	(2)	(8)	(36)
Unused amounts reversed	(9)	-	-	(1)	(10)
Balance at 31 December 2023	17	3	10	16	46

Compensation provisions

At 30 June 2024, compensation provisions total £15 million (31 December 2023: £17 million). The net reduction of £2 million during the period consists of additional charges to profit or loss of £4 million, compensation and professional fees payments of £2 million and £4 million release of unused amounts following further review work completed during the period. Compensation provisions comprise the following:

Lighthouse pension transfer advice provision of £5 million (31 December 2023: £6 million)

A further review of a sample of Lighthouse DB to DC pension transfer advice cases not relating to the British Steel Pension Scheme is being conducted by an independent expert to identify any cases of unsuitable DB to DC pension transfer advice. The review is being conducted under a Group-managed past business review process, and the sample has been selected on a risk-based approach. The review of this sample has identified some additional cases where customer redress is required. Until the review of the relevant sample has been completed, uncertainty exists as to the number of cases where this will be required and the value of total redress which may be payable. A provision for redress relating to the review of this further sample of cases was increased at 31 December 2023, based upon the suitability review of cases, and the anticipated number of cases required to be reviewed. Payments of £1 million were made to customers during 2023. Anticipated costs associated with the redress activity of £2 million were included within the provision at 31 December 2023. Payments of £1 million of professional fees were made during 2024.

The Group estimates a reasonably possible change of +/- £4 million from the £5 million balance, based upon an increase or decrease of five percentage points in redress as a percentage of transfer value.

Compensation provisions (other) of £10 million (31 December 2023: £11 million)

Other compensation provisions of £10 million include amounts relating to the cost of correcting deficiencies in policy administration systems, including redress, any associated litigation costs and the related costs to compensate previous or existing policyholders and customers. This provision represents management's best estimate of expected outcomes based upon past experience, and a review of the details of each case. Due to the nature of the provision, the timing of the expected cash outflows is uncertain. The best estimate of the timing of outflows is that the majority of the balance is expected to be settled within 12 months.

16: Provisions *continued*

A provision of £2 million, included within the balance, has been recognised at 30 June 2024 (31 December 2023: £3 million) relating to potentially unsuitable DB to DC pension transfer advice provided by adviser businesses other than Lighthouse. The estimate of the provision has been updated for the current status of the past business reviews and redress estimated based upon the Group's experience of past business reviews. Customer redress is expected to be calculated and paid to relevant customers during the second half of 2024.

The Group estimates a reasonably possible change of +/- £3 million from the £10 million balance, based upon a review of the cases and the range of potential outcomes for the customer redress payments.

Sale of subsidiaries provision

The sale of subsidiaries provision totals £1 million at 30 June 2024 (31 December 2023: £3 million), and includes the following:

Provisions arising on the sale of Quilter International of £nil (31 December 2023: £2 million)

Quilter International was sold in November 2021, resulting in provisions totalling £17 million being established in respect of costs related to the disposal including the costs of business separation and data migration activities.

The costs of business separation arise from the process required to separate Quilter International's infrastructure, which was complex and covered a wide range of areas including people, IT systems, data, contracts and facilities. A programme team was established to ensure the transition of these areas to the acquirer. These provisions were based on external quotations and estimates, together with estimates of the incremental time and resource costs required to achieve the separation, which was expected to occur over a two-to-three-year period from the date of the sale.

The most significant element of the provision was the cost of migration of IT systems and data to the acquirer. Calculation of the provision was based on management's best estimate of the work required, the time it is expected to take, the number and skills of the staff required and their cost, and the cost of related external IT services to support the work. In reaching these judgements and estimates, management made use of its past experience of previous IT migrations following business disposals.

During the period, £2 million (31 December 2023: £9 million) of the provision related to decommissioning works has been used, and the project is materially complete.

Property provisions

Property provisions total £9 million (31 December 2023: £10 million). Property provisions represent the discounted value of expected future costs of reinstating leased property to its original condition at the end of the lease term, and any onerous commitments which may arise in cases where a leased property is no longer fully used by the Group. The estimate is based upon property location, size of property and an estimate of the cost per square foot. Property provisions are used or released when the reinstatement obligations are satisfied. The associated asset for the property provisions relating to the cost of reinstating property is included within Property, plant and equipment.

Of the £9 million provision outstanding, £2 million (31 December 2023: £3 million) is estimated to be payable within one year. The majority of the balance relates to leased properties which have a lease term maturity of more than five years.

Clawback and other provisions

Clawback and other provisions total £14 million (31 December 2023: £16 million) and include amounts for the resolution of legal uncertainties and the settlement of other claims raised by contracting parties and indemnity commission provisions. Where the impact of discounting is material, provisions are discounted at discount rates specific to the risks inherent in the liability. The timing and final amounts of payments, particularly those in respect of litigation claims and similar actions against the Group, are uncertain and could result in adjustments to the amounts recorded.

Included within the balance at 30 June 2024 is £10 million (31 December 2023: £12 million) of clawback provisions in respect of potential refunds due to product providers on indemnity commission within the Quilter Financial Planning business. This provision, which is estimated and charged as a reduction of revenue at the point of sale of each policy, is based upon assumptions determined from historical experience of the proportion of policyholders cancelling their policies, which requires Quilter to refund a portion of commission previously received. Reductions to the provision result from the payment of cash to product providers as refunds or the recognition of revenue where a portion is assessed as no longer payable. The provision has been assessed at the reporting date and adjusted for the latest cancellation information available. At 30 June 2024, an associated balance of £8 million recoverable from brokers is included within Trade, other receivables and other assets (31 December 2023: £8 million).

The Group estimates a reasonably possible change of +/- £3 million, based upon the potential range of outcomes for the proportion of cancelled policies within the clawback provision, and a detailed review of the other provisions.

Of the total £14 million provision outstanding, £7 million is estimated to be payable within one year (31 December 2023: £7 million).

17: Contingent liabilities

The Group, in the ordinary course of business, enters into transactions that expose it to tax, legal, regulatory and business risks. The Group recognises a provision when it has a present obligation as a result of past events, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made (see note 16). Possible obligations and known liabilities where no reliable estimate can be made or it is considered improbable that an outflow would result are reported as contingent liabilities.

The Group routinely monitors and assesses contingent liabilities arising from matters such as business reviews, litigation, warranties and indemnities relating to past acquisitions and disposals.

Tax

The Group is committed to conducting its tax affairs in accordance with the tax legislation of the countries in which it operates and this includes compliance with legislation related to levies, sales taxes and payroll deductions.

The tax authorities in the countries in which the Group operates routinely review historical transactions undertaken and tax law interpretations made by the Group. All interpretations made by the Group are made with reference to the specific facts and circumstances of the transaction and the relevant legislation.

There are occasions where the Group's interpretation of tax law may be challenged by the tax authorities. The condensed consolidated financial statements include provisions that reflect the Group's assessment of liabilities which might reasonably be expected to materialise as part of their review. The Group is satisfied that adequate provisions have been made to allow for the resolution of tax uncertainties.

Due to the level of estimation required in determining tax provisions, amounts eventually payable may differ from the provision recognised.

17: Contingent liabilities *continued*

DB to DC pension transfer advice redress

As set out in note 16, a sample of Lighthouse DB to DC pension transfer advice cases not relating to the British Steel Pension Scheme is being reviewed under a Group-managed past business review process. Until the review has finalised, uncertainty exists as to the number of cases where further review will be required and the value of total redress that will be payable.

Customers have the legal right to challenge the outcome of the review and the BSPS Redress Scheme in respect of their case via a complaint to the Financial Ombudsman Service. The review is being undertaken by a party who is independent from the Group and has run a robust process overseen by the FCA. The Financial Ombudsman Service may uphold further challenges, which may lead to further redress payable by the Group.

It is possible that further material costs of redress may be incurred in relation to past business reviews. Further customer redress costs may also be incurred for other potential unsuitable DB to DC pension transfer advice provided across the Group.

Any further redress costs, and any differences between the provision and the final payment to be made for any unsuitable DB to DC pension transfer cases, will be recognised as an expense or credit in profit or loss.

Complaints, disputes and regulations

The Group is committed to treating customers fairly and remains focussed on delivering good outcomes for customers to support them in meeting their lifetime goals. During the normal course of business, from time to time, the Group receives complaints and claims from customers including, but not limited to, complaints to the Financial Ombudsman Service and legal proceedings, enters into commercial disputes with service providers and other parties, and is subject to discussions and reviews with regulators. The costs, including legal costs, of these issues as they arise can be significant and, where appropriate, provisions have been established.

Ongoing Advice Evidence

In the preliminary results announcement on 6 March 2024, the Group committed to undertake a review of historical data and practices across the Appointed Representative firms in the Quilter Financial Planning network. Following discussion with the FCA, the review is being conducted by a Skilled Person, and the Skilled Person was appointed in June 2024 (see note 1).

Uncertainty exists as to the results of the Skilled Person review, and what recommendation, if any, the Skilled Person may make as to the nature and form of any potential future remediation exercise and the outcome of any related discussions with the FCA. As the Skilled Person review is not sufficiently advanced, a present obligation for any potential liability does not exist, and therefore no liability in respect of remediation associated with this process and the associated administrative costs of any potential future remediation exercise is recognised in the interim financial statements. The related critical accounting judgement is disclosed in note 1. By early 2025, the Group expects to be able to provide an update on the Skilled Person review.

Where the Group’s regular adviser oversight controls have determined, based on the available evidence, that a customer may not have received the servicing that they have paid for, or where the Group has received complaints from customers regarding ongoing servicing, this has been investigated, and, where appropriate, remediation has been undertaken and recognised as a normal business as usual expense.

The Group has considered the potential implications of the Skilled Person review and Ongoing Advice Evidence as part of its going concern assessment (see note 1).

18: Related party transactions

In the normal course of business, the Group enters into transactions with related parties. Loans to related parties are conducted on an arm’s length basis and are not material to the Group’s results. There were no transactions with related parties during the current period or during 2023 which had a material effect on the results or financial position of the Group.

19: Events after the reporting date

Interim Dividend

On 6 August 2024, the Board declared an Interim Dividend of 1.7 pence per Ordinary Share amounting to £23 million in total. The Interim Dividend will be paid on 23 September 2024 to shareholders on the UK and South African share registers. These condensed consolidated interim financial statements do not reflect this dividend payable.