

# **Quilter Perimeter Limited**

## **UNAUDITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**31 December 2024**

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**COMPANY INFORMATION**  
**for the year ended 31 December 2024**

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**DIRECTORS**

D J L Eardley  
K S Lee-Crossett  
M O Satchel

**SECRETARY**

Quilter CoSec Services Limited

**BANKER**

National Westminster Bank Plc  
68 Above Bar Street  
Southampton  
SO14 7DS  
United Kingdom

**REGISTERED OFFICE**

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Website: [www.quilter.com](http://www.quilter.com)

Registered in England and Wales

No. 03456361

## STRATEGIC REPORT

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The Directors present their strategic report for the year ended 31 December 2024.

### BUSINESS REVIEW AND PRINCIPAL ACTIVITY

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

The principal activity of the Company is that of a holding company. No significant change in the nature of its activities has occurred during the year and the Directors believe that the activities of the Company will remain unchanged for the foreseeable future.

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

### GROUP STRATEGY

The Group's strategy is focused on growing with its clients and advisers, enhancing the efficiency of its operations and increasing digitalisation across the business. This will enable Quilter to increase flows from both its own advisers and independent financial advisers, to manage more of those flows in the Group's investment solutions and to increase the efficiency of doing so, delivering top-line growth and operating leverage. Those priorities are underpinned by embodying a diverse and inclusive culture, where colleagues embrace Quilter's four core values (do the right thing, always curious, embrace challenge and stronger together) which aids in achieving Quilter's goals and benefits all of its stakeholders.

### KEY PERFORMANCE INDICATORS ("KPIs")

The table below shows the KPIs that the Company uses to manage its business performance. The Company's KPIs are dividends received, investment in subsidiaries and return on investment (dividends received expressed as a percentage of the closing book value of investments in subsidiaries). The KPIs noted below are in line with Directors' expectations.

	2024 £000	2023 £000
Dividends received	2,308	1,169
Investment in subsidiaries	22,715	22,715
Return on investment	10.2%	5.1%

### FINANCIAL POSITION AT THE END OF THE YEAR

The Company's net assets have increased from £22,799,000 to £22,802,000 as a result of the profit for the year exceeding the dividends paid in the year, with cash and cash equivalents increasing by £4,000 to £89,000.

During the year the Company received dividends from Quilter Perimeter (GGP) Limited of £2,308,000 (2023: £1,169,000).

### PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the Company's strategy through its subsidiaries is subject to a number of risks.

The Company has adopted the Risk Management framework of the Group which supports the evaluation and management of business opportunities, uncertainties and threats in a structured and disciplined manner (further information is detailed in the Quilter plc Annual Report 2024). The key risks to the Company are described below.

#### *Credit risk*

The Company is exposed to the risk of counterparty default by banks or financial institutions in respect of cash deposits in bank accounts. The Company manages counterparty exposures in line with counterparty limits which are set in order to limit the risk of default and concentrations to individual counterparties and by monitoring credit risk exposures using key risk indicators. The Company's maximum exposure to credit risk does not differ from the carrying value disclosed in the relevant notes to the financial statements.

#### *Liquidity risk*

The Company maintains cash balances and is exposed to the risk that assets cannot be liquidated in a short time period. This risk is managed through maintaining cash balances in instantly accessible bank accounts which maintain daily and weekly liquidity levels in line with regulatory requirements.

#### *Emerging risks*

Within Quilter, risks which are less certain in terms of timescales and impacts are identified and monitored. The identification of these risks contributes to stress and scenario testing, feeding into the Group's strategic planning process. The list below sets out the most significant emerging risks to the Company.

## STRATEGIC REPORT

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### STRATEGIC REPORT (continued)

#### *Climate change*

The UK Government has committed that the UK will reach net-zero by 2050. The speed of this transition to a greener economy impacts certain sectors and financial stability. For Quilter's customers, this is likely to impact the desirability of investment in sectors such as coal, oil, gas and manufacturing. Physical climate risks continue to crystallise and are expected to become more extreme and more frequent in future, threatening the stability of the UK's infrastructure, including energy supplies. This poses challenges to both Quilter's and its critical third parties' operations which must be considered as part of operational resilience planning.

#### *Cyber threat*

We have observed increased cyber activity in conflict zones and around global elections. Adversaries continue to use advancements in technology to increase the likelihood of success in attacks and this has also lowered the barrier to entry for conducting criminal cyber activity. The rapid growth of AI is likely to continue to increase the scale and sophistication of attacks and we continue to monitor the evolution of quantum computing and its potential impact on cyber security.

#### *Geopolitical landscape*

Following elections in many parts of the world in 2024, governments will need to respond swiftly to mounting economic, social, security, environmental and technological challenges. Their ability to do so and the nature of the response is likely to have an impact on customers' circumstances and may therefore affect attitudes toward financial investments. Geopolitical risks are considered to remain elevated and increasing with the ongoing Russia/Ukraine war, renewed conflict in the Middle East and increasing tensions between China and Taiwan, creating the potential for further macro-economic destabilisation.

In April 2025, a minimum tariff of 10% was introduced on imports into the US and higher tariffs were introduced on imports to the US from over 50 countries. These tariffs together with reciprocal tariffs raised by other countries have led to increased economic uncertainty and market volatility.

### SECTION 172(1) STATEMENT

The Company is a wholly owned subsidiary of Quilter plc and therefore operates in line with the strategy set by the Quilter plc Board. This requires adherence to Group policies and procedures, including those relating to standards of business conduct, employees, the environment, the community, and other stakeholders as described in the Quilter plc Annual Report. The following statement should therefore be read in conjunction with the Quilter plc Annual Report 2024.

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

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

On behalf of the Board



M O Satchel  
Director  
17 June 2025

## DIRECTORS' REPORT

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The Directors present their report and financial statements for the year ended 31 December 2024.

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

### DIRECTORS

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

D J L Eardley  
K S Lee-Crossett  
M O Satchel

All Directors are employed by and receive their emoluments from fellow Group undertakings. The Directors holding office during the year ended 31 December 2024 consider that their services to the Company are incidental to their other duties within the Group and accordingly no remuneration has been apportioned to this Company.

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

### DIRECTORS' THIRD-PARTY INDEMNITIES

Qualifying third-party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the course of the year ended 31 December 2024 for the benefit of the then Directors and, at the date of this report, are in force for the benefit of the Directors in relation to certain losses and liabilities which they may incur, (or have incurred) in connection with their duties, powers and office. In addition, the Company maintains Directors' and Officers' Liability Insurance which gives appropriate cover for legal action brought against its Directors.

### DIVIDENDS

During the year dividends totalling £2,308,000 were declared and paid (2023: £1,169,000).

### EMPLOYEES

The Company has no employees (2023: nil).

### FINANCIAL INSTRUMENTS

The financial risk management objectives and policies of the Company are disclosed in the strategic report.

### POLITICAL DONATIONS

During the year the Company made no political donations (2023: £nil).

### CLIMATE CHANGE

Quilter considers the climate-related risks and opportunities for its operations and investments and reports on these annually. The framework is aligned with the Task Force on Climate-related Financial Disclosures ("TCFD") disclosure requirements. Further details can be found online at: <https://plc.quilter.com/about-us/reports-and-statements/task-force-on-climate-related-financial-disclosures-tcfd-reports/>. Quilter has set an operational carbon emissions target, and these are part of the Executive Directors' Long-Term Incentive Plan. In our role as an investor, we continually work to embed climate considerations in our investment management and stewardship activity and offer clients climate focused investment solutions.

### ENERGY AND CARBON REPORTING

The Group is committed to managing its environmental impact and discloses annually against the TCFD Framework, Companies Act Climate Financial Disclosure requirements, and to CDP (formerly known as the Carbon Disclosure Project), a globally recognised initiative for companies to measure, manage, disclose and reduce their environmental impacts. A full explanation of how the Directors regard the impact on the environment is contained within the Quilter plc Annual Report 2024. The Company is exempt from reporting company-specific information as it is a subsidiary of the Group.

### INVESTING RESPONSIBLY

Within our investment management businesses, we embed Environmental, Social and Governance factors within our investment process and Quilter is a signatory of the UK Stewardship code and the UN-backed Principles for Responsible Investment ("PRI"). Within our advice and suitability processes we enable our clients to invest in accordance with their responsible investment preference. Our PRI score also forms part of the Executive Directors' Long-Term Incentive Plan.

### AUDIT EXEMPTION

The Directors have elected to take advantage of the exemption from statutory audit granted to subsidiary undertakings by section 479A of the Companies Act 2006 in accordance with section 479C of the Act. The Company's ultimate parent, Quilter plc (incorporated in England and Wales with registered number 06404270), has guaranteed all outstanding liabilities of Quilter Perimeter Limited as at 31 December 2024 and this guarantee will be filed at Companies House prior to this Annual Report being filed.

## **DIRECTORS' REPORT**

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### **DIRECTORS' REPORT (continued)**

#### **STATEMENT OF GOING CONCERN**

The financial statements have been prepared on a going concern basis. The Company forms part of the Quilter Perimeter sub-group of entities which have common control and directorships, and for this reason the Board has reviewed this sub-group's projections for the next 12 months and beyond, as a whole. The intra-group transactions for this sub-group aggregate to £nil and transactions external to the sub-group also broadly net to £nil and typically are cash-generating. As part of the going concern assessment, the Company took into consideration the current position of the economic environment both domestically and globally. As a result of the assessment, the Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approving these financial statements.

#### **EVENTS AFTER THE REPORTING DATE**

There are no events that have occurred, between the reporting date and the date when the financial statements have been authorised for issue, that require disclosure.

On behalf of the Board



M O Satchel  
Director  
17 June 2025

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

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The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.



**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 31 December 2024

	Notes	2024 £000	2023 £000
<b>Income</b>			
Investment return	4	2,312	1,171
<b>Profit before tax</b>		<u>2,312</u>	<u>1,171</u>
Income tax charge	5	(1)	(1)
<b>Profit after tax</b>		<u>2,311</u>	<u>1,170</u>
<b>Total comprehensive income for the financial year</b>		<u>2,311</u>	<u>1,170</u>

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

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

**STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31 December 2024

	Notes	Ordinary Share capital £000	Retained earnings £000	Total shareholder equity £000
<b>Balance at 1 January 2024</b>		1	22,798	22,799
Total comprehensive income for the year		-	2,311	2,311
Dividends paid	6	-	(2,308)	(2,308)
<b>Balance at 31 December 2024</b>		<u>1</u>	<u>22,801</u>	<u>22,802</u>

		Ordinary Share capital £000	Retained earnings £000	Total shareholder equity £000
<b>Balance at 1 January 2023</b>		1	22,797	22,798
Total comprehensive income for the year		-	1,170	1,170
Dividends paid	6	-	(1,169)	(1,169)
<b>Balance at 31 December 2023</b>		<u>1</u>	<u>22,798</u>	<u>22,799</u>

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

**STATEMENT OF FINANCIAL POSITION**  
at 31 December 2024

	Notes	2024 £000	2023 £000
<b>Non-current assets</b>			
Investments in subsidiary undertakings	7	22,715	22,715
<b>Total non-current assets</b>		<u>22,715</u>	<u>22,715</u>
<b>Current assets</b>			
Cash and cash equivalents	8	89	85
<b>Total current assets</b>		<u>89</u>	<u>85</u>
<b>Current liabilities</b>			
Current tax liabilities		2	1
<b>Total current liabilities</b>		<u>2</u>	<u>1</u>
<b>Net current assets</b>		<u>87</u>	<u>84</u>
<b>Net assets</b>		<u>22,802</u>	<u>22,799</u>
<b>Equity</b>			
Ordinary Share capital		1	1
Retained earnings		22,801	22,798
<b>Total equity</b>		<u>22,802</u>	<u>22,799</u>

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

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

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

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

The financial statements on pages 7 to 16 were approved by the Board of Directors on 17 June 2025 and signed on its behalf by:



M O Satchel  
Director

Company registered number: 03456361

## **NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2024

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### **1 GENERAL INFORMATION**

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

### **2 MATERIAL ACCOUNTING POLICIES**

#### **Basis of preparation**

The financial statements of the Company for the year ended 31 December 2024 have been prepared in accordance with Financial Reporting Standard 101, ‘Reduced Disclosure Framework’ (“FRS 101”), the Companies Act 2006 and applicable regulations.

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

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

The format of the statement of financial position has been changed for 2024 reporting to present subtotals for current and non-current assets and for current and non-current liabilities. This change has been made in order to provide additional information within the primary statements and to ensure consistency with schedule 1 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. The prior year figures in respect of 2023 have been re-presented in the new format to ensure comparability.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed on pages 10 and 11.

The Company has taken advantage of the disclosure exemptions available under FRS 101 in relation to the presentation of a cash flow statement, disclosures relating to capital management, financial instruments, impairments, related party transactions, share capital and comparative information for certain types of assets. The Company has also taken advantage of the exemption from the requirement to disclose information when the Company has not applied a new accounting standard that has been issued but is not yet effective. Where required equivalent disclosures are included in the consolidated financial statements of Quilter plc.

The Company is a wholly owned subsidiary of Quilter Perimeter Holdings Limited and of its ultimate parent, Quilter plc. It is included in the consolidated financial statements of Quilter plc, which are publicly available. Therefore, the Company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements. The address of the ultimate parent company’s registered office can be found in note 13.

#### **Going concern**

The financial statements been prepared on a going concern basis. The Company forms part of the Quilter Perimeter sub-group of entities which have common control and directorships, and for this reason the Board has reviewed this sub-group’s projections for the next 12 months and beyond, as a whole. The intra-group transactions for this sub-group aggregate to £nil and transactions external to the sub-group also broadly net to £nil and typically are cash-generating. As part of the going concern assessment, the Company took into consideration the current position of the economic environment both domestically and globally. As a result of the assessment, the Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approving these financial statements.

#### **Liquidity analysis of the statement of financial position**

For each asset and liability line item, those amounts expected to be recovered or settled after more than 12 months after the reporting date are disclosed separately in the notes to the financial statements.

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

The Company has applied the narrow scope amendment to IAS12 in respect of the OECD Pillar II international tax rules. In doing so, the Company has applied the exception in IAS12.4A and shall neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar II income taxes. There were no amendments to IFRIC interpretations that have a material impact on the Company’s financial statements.

#### **Critical accounting estimates and judgements**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2024

**2 MATERIAL ACCOUNTING POLICIES (continued)**

**Critical accounting judgements**

Critical accounting judgements are those that management makes when applying its material accounting policies and that have the most effect on the net profit and net assets recognised in the Company's financial statements. The area where judgements have the most significant effect on the amounts recognised in these financial statements are:

Area	Critical accounting judgements	Note
Investment in subsidiary undertaking - recognition	In assessing how the Company's investment in Quilter Perimeter (GGP) Limited should be accounted for, consideration was given to the level of influence and control over its operations. The Company, its subsidiary and its immediate parent share the same Board of Directors and between them own 100% of the share capital of Quilter Perimeter (GGP) Limited.  Consideration of these factors led to a determination that the Company has control and it has therefore accounted for Quilter Perimeter (GGP) Limited as a subsidiary undertaking.	7

**Critical accounting estimates**

There are no critical accounting estimates for the Company for the current year or prior year.

**Significant changes in the year**

There are no significant changes in the current reporting period.

**Material accounting policies**

There have been no changes to the Company's material accounting policies as a result of changes in accounting standards during the year. The accounting policies disclosed in these notes have been consistently applied throughout the current and prior financial year.

**Financial instruments**

Financial instruments cover a range of financial assets including cash and cash equivalents and financial liabilities. Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument. There are no financial liabilities in the current or prior year.

The Company derecognises a financial asset when the contractual rights to receive cash flows have expired or been forfeited by the Company. A financial liability is derecognised when the liability is extinguished.

The Company assesses the objective of a business model in which an asset is held at a portfolio level because this best represents the way the business is managed and information is reported to management. The assessment considers the stated portfolio policies and objectives. The Company determines its strategy in holding the financial asset, particularly considering whether the Company earns contractual interest revenue, for example to match the duration of financial assets to the duration of liabilities that are funding those assets or to realise cash flows through the sale of the assets. The frequency, volume and timing of sales in prior periods may be reviewed, along with the reasons for such sales and expectations about future sales activity. These factors enable management to determine whether financial assets should be measured at fair value through profit or loss ("FVTPL").

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

**Measurement**

The classification of financial assets depends on (i) the purpose for which they were acquired, (ii) the business model in which a financial asset is managed, and (iii) its contractual cash flow characteristics. One category is applicable to the Company: amortised cost. This classification determines the subsequent measurement basis. The following accounting policy applies to the subsequent measurement of financial assets.

Measurement basis	Accounting policies
Amortised cost	These financial assets are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

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### 2 MATERIAL ACCOUNTING POLICIES (continued)

#### Amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

For the purposes of this assessment, principal is defined as the fair value of the financial asset on initial recognition. Interest is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and other short-term deposits with an original maturity of three months or less.

All cash and cash equivalents are classified as amortised cost which means they are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method and are subject to the impairment requirements outlined below. The carrying amount of cash and cash equivalents approximates to their fair value.

#### Impairment of financial assets

The expected loss accounting model for credit losses applies to financial assets measured at amortised cost. Financial assets at amortised cost include cash and cash equivalents.

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

#### Performing financial assets:

##### Stage 1

From initial recognition of a financial asset to the date on which an asset has experienced a significant increase in credit risk relative to its initial recognition, a stage 1 loss allowance is recognised equal to the credit losses expected to result from its default occurring over the earlier of the next 12 months or its maturity date ("12-month ECL").

##### Stage 2

Following a significant increase in credit risk relative to the initial recognition of the financial asset, a stage 2 loss allowance is recognised equal to the credit losses expected from all possible default events over the remaining lifetime of the asset ("Lifetime ECL").

The assessment of whether there has been a significant increase in credit risk requires considerable judgement, based on the lifetime probability of default ("PD"). Stage 1 and 2 allowances are held against performing loans. The main difference between stage 1 and stage 2 allowances is the time horizon. Stage 1 allowances are estimated using the PD with a maximum period of 12 months, while stage 2 allowances are estimated using the PD over the remaining lifetime of the asset.

#### Impaired financial assets:

##### Stage 3

When a financial asset is considered to be credit-impaired, the allowance for credit losses ("ACL") continues to represent lifetime expected credit losses. However, interest income is calculated based on the amortised cost of the asset, net of the loss allowance, rather than its gross carrying amount.

#### Application of the impairment model

The Company applies the ECL model to one type of financial asset which is measured at amortised cost:

- Cash and cash equivalents, to which the general three-stage model (described above) is applied, whereby a 12-month ECL is recognised initially and the balance is monitored for significant increases in credit risk which would trigger the recognition of a Lifetime ECL allowance.

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

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### 2 MATERIAL ACCOUNTING POLICIES (continued)

ECLs are a probability-weighted estimate of credit losses. ECLs for financial assets that are not credit-impaired at the reporting date are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due in accordance with the contract and the cash flows that the Company expects to receive). ECLs for financial assets that are credit-impaired at the reporting date are measured as the difference between the gross carrying amount and the present value of estimated future cash flows. ECLs are discounted at the effective interest rate of the financial asset. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The measurement of ECLs considers information about past events and current conditions, as well as supportable information about future events and economic conditions. The Company has implemented its impairment methodology for estimating the ACL, taking into account forward-looking information in determining the appropriate level of allowance. In addition, it has identified indicators and set up procedures for monitoring for significant increases in credit risk.

#### Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes events such as significant financial difficulty of the borrower or issuer, a breach of contract such as a default or past due event or the restructuring of a loan or advance by the Company on terms that the Company would not otherwise consider. The assumption that the credit risk for balances over 30 days significantly increases has been rebutted on the basis that some balances will exceed 30 days in the normal course of the settlement cycle, and therefore, there is no increase in the credit risk.

#### Presentation of impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

#### Investments in subsidiaries

Company investments in subsidiary undertakings are initially stated at cost. Subsequently, investments in subsidiary undertakings are stated at cost less provision for impairment. An investment in a subsidiary is deemed to be impaired when its carrying amount is greater than its estimated recoverable amount, and there is evidence to suggest that the impairment occurred subsequent to the initial recognition of the asset in the financial statements. All impairments or reversals of impairments are recognised in profit or loss as they occur.

#### Dividend income

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

#### Interest income

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

#### Taxation

##### Current tax

Current tax is the expected tax payable or receivable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to income tax payable in respect of previous years. The taxable income for the year is determined in accordance with enacted legislation and taxation authority practice for calculating the amount of tax payable or receivable.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2024

**3 AUDIT EXPENSES**

Amounts paid to PricewaterhouseCoopers LLP, of £5,982 for 2023 were, in respect of statutory audit fees and were, borne by Quilter Business Services Limited, a fellow Group company.

There were no audit fees in 2024 as the Directors have elected to take advantage of the exemption from statutory audit for 2024 reporting. There are no non-audit fees (2023: £nil).

**4 INVESTMENT RETURN**

	2024 £000	2023 £000
Dividends received from subsidiary Quilter Perimeter (GGP) Limited	2,308	1,169
Interest on short-term bank deposits (amortised cost)	4	2
	<u>2,312</u>	<u>1,171</u>

**5 TAXATION**

	2024 £000	2023 £000
<b>Tax charged to profit or loss</b>		
<b>Current tax</b>		
United Kingdom	1	1
Total current tax charged to profit	<u>1</u>	<u>1</u>

**Reconciliation of total income tax expense**

The income tax charged to profit or loss differs from the amount that would apply if all of the entity's profits had been taxed at the UK standard corporation tax rate. The difference in the effective rate is explained below:

	2024 £000	2023 £000
Profit before tax	<u>2,312</u>	<u>1,171</u>
Corporation tax charge at 25.0% (2023: 23.5%)	578	275
Effect of:		
Dividends received not taxable	(577)	(274)
<b>Total tax charged to profit</b>	<u>1</u>	<u>1</u>

**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 Company'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 Company is not subject to a top-up tax as the Group's UK Pillar II effective tax rate is above 15%.

**6 DIVIDENDS PAID**

	2024 £000	2023 £000
<b>Dividends paid</b>		
Dividends paid to Quilter Perimeter Holdings Limited 230,800 pence per share (2023: 116,900 pence per share)	2,308	1,169
Dividends paid to immediate parent	<u>2,308</u>	<u>1,169</u>



**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2024

<b>7</b>	<b>INVESTMENTS IN SUBSIDIARY UNDERTAKINGS</b>	2024 £000	2023 £000
	Carrying value at 31 December	<u>22,715</u>	<u>22,715</u>

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

**Impairment testing**

In accordance with accounting standards, the investment in subsidiary undertakings is reviewed annually for indication of impairment. In the course of completing this review for 2024, it was identified that the net assets of each subsidiary exceeded the value of the investments. Accordingly, the Directors consider that there is no indication of impairment and no further testing for impairment required.

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

At 31 December 2024, the Company held a direct interest in the following company:

<b>Company name</b>	<b>Share class</b>	<b>Nature of business</b>	<b>% Held</b>	<b>Country of incorporation</b>	<b>Registered office address</b>
Quilter Perimeter (GGP) Limited	Ordinary	Holding company	9.61	England & Wales	Senator House, 85 Queen Victoria Street, London, EC4V 4AB

<b>8</b>	<b>CASH AND CASH EQUIVALENTS</b>	2024 £000	2023 £000
	Bank balances	<u>89</u>	<u>85</u>

Bank balances are current and recognised at amortised cost. They are subject to a 12-month ECL, and are credit rated A.

<b>9</b>	<b>SHARE CAPITAL</b>	2024 £000	2023 £000
	<b>Issued</b>		
	1,000 Ordinary Shares of £1 each (2023: 1,000 Ordinary Shares of £1 each)	<u>1</u>	<u>1</u>

**10 FINANCIAL AND CAPITAL COMMITMENTS**

There are no material financial and capital commitments at 31 December 2024 (2023: £nil).

**11 CONTINGENT LIABILITIES**

There are no contingent liabilities as at 31 December 2024 (2023: £nil).

**12 EVENTS AFTER THE REPORTING DATE**

There are no events that have occurred, between the reporting date and the date on which the financial statements have been authorised for issue, that require disclosure.

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2024

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**13 ULTIMATE PARENT COMPANY**

The Company is fully owned by Quilter Perimeter Holdings Limited, its immediate parent registered in England and Wales.

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

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