

ANNUAL REPORT
AND
FINANCIAL STATEMENTS

31 December 2024

Quilter Investors Limited

Registered in England & Wales No. 04227837

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COMPANY INFORMATION

Executive Directors

M K Brookes
J K Barton
C A Eysell
S J Geard

Non-executive Directors

N I Emmins
S K Fromson

Secretary

Quilter CoSec Services Limited

Bankers

National Westminster Bank Plc
1 Princes Street
London
EC2R 8BP

Barclays Bank Plc
1 Churchill Place
Canary Wharf
London
E14 5RB

Citibank Europe Plc
33 Canada Square
Canary Wharf
London
E14 5LB

Independent Auditors

PricewaterhouseCoopers LLP
Statutory Auditors and Chartered Accountants
7 More London Riverside
London
SE1 2RT
United Kingdom

Registered office

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EC4V 4AB

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Website: www.quilterinvestors.com

Registered in England and Wales
No. 04227837

STRATEGIC REPORT

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

Review of the business and principal activities

The principal activity of Quilter Investors Limited ("**Quilter Investors**" or the "**Company**"), is to provide multi-asset investment solutions, offering a broad range of solutions for its customers' accumulation and decumulation needs.

The Company is part of the Quilter plc group ("**Quilter**" or the "**Group**"). Quilter plc's ordinary shares are listed on the London and Johannesburg Stock Exchanges. Quilter plc provides the Group with strategic and governance oversight. The Company forms part of the Affluent segment. The Affluent segment is comprised of Quilter Investment Platform, Quilter Investors and Quilter Financial Planning.

The Company is an authorised investment fund manager ("**AIFM**") and authorised corporate director ("**ACD**") for a range of undertakings for the collective investment in transferable securities ("**UCITS**") and non-UCITS managed funds. The Company is committed to the objectives of the wider Group business and pursues these objectives through delivery of strong investment returns and innovative investment solutions within the UK. The Company's multi-asset investment portfolios are diversified across international markets and a wide range of asset classes and aim to provide full-service solutions for capital growth and income for retail customers, made available through Quilter distribution channels and third party investment platforms.

Quilter's strategy

The Quilter plc 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 both 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 to the benefit of all its stakeholders.

Quilter Investors strategy

Quilter Investors specialises in the creation and management of multi-asset investment solutions with £23.6 billion of assets under management as at 31 December 2024 (2023: £22.3 billion). It is a core component of the Quilter business, and its agreed purpose includes acting as the AIFM and ACD of unitized and sub-advised multi-asset funds, and up until 31 December 2024 as the investment adviser to the multi-asset, in house funds.

From 1 January 2025 the investment management and distribution of the UK funds has been delegated to Quilter Investment Platform Limited, a fellow Group undertaking.

Quilter Investors forms part of Quilter's integrated proposition through the coming together of its advice, platform and investment businesses under the Affluent segment.

Key Performance Indicators ("KPIs")

The table below shows the key performance indicators the Company uses to manage business performance. The Company assesses its financial performance using a variety of alternative performance measures ("**APMs**"). APMs are not defined by the relevant financial reporting framework, but the Directors use them to provide greater insight into the financial performance, financial position and cash flows of the Company and the way it is managed. APMs should be read together with the audited statement of comprehensive income and statement of financial position, which are presented in the financial statements on pages 17-19. Further details of APMs used by the Company are provided below.

STRATEGIC REPORT (continued)**Key Performance Indicators (“KPIs”) (continued)**

Key performance indicators table	2024	2023
	£'000	£'000
Management fee income	143,760	143,104
Fee and rebate expenses	(46,705)	(41,652)
Administration expenses	(53,645)	(53,245)
Profit before tax for the year	47,798	51,665
Net assets	79,685	62,018
Cash and cash equivalents	74,772	79,004
Net client cash flow	(465,082)	(374,031)
Assets under management	23,628,895	22,299,829

APM	Definition
Assets under management (“ AuM ”)	Represents the total market value of all financial assets managed on behalf of customers and excludes shareholder assets.
Net client cash flow (“ NCCF ”)	The difference between money received from and returned to customers during the relevant period. This measure is considered to be a lead indicator of reported net revenue.

Total assets under management increased during the year to £23.6 billion (2023: £22.3 billion) due to favourable market performance offset by net client cash outflows. Aggregate net client cash outflows for multi-asset funds were £0.5 billion (2023: £0.4 billion), driven mainly by net outflows from Cirilium Active partially offset by inflows into the Quilter Investors Global Partner sub-advised funds.

Management fee income increased to £143,760k in 2024 (2023: £143,104k) predominantly due to assets under management being, on average, higher than in 2023, offset by the full-year impact of the reduction in fee income associated with the reprice of the Cirilium fund range during 2023; the full-year impact of the AUM discount applied to funds with assets higher than £0.75 billion from July 2023; and the revenue margin reduction associated with a change in product mix. The change in product mix has also driven an increase in fee and rebate expenses to £(46,705)k in 2024 (2023: £(41,652)k) due to the higher proportion of funds investing in Global Partner funds which attract an investment adviser fee. The above factors have led to the reduction in profit before tax for the year of £47,798k (2023: £51,665k).

Net assets for the year increased to £79,685k as at 31 December 2024 (2023: £62,018k), with the dividend paid being lower than the profit after tax for the year, noting that dividend payments are assessed against regulatory capital requirements.

Statement of going concern

The use of the going concern basis of accounting is considered appropriate, taking into account the Company's current financial position, future expected profitability, the principal risks facing the business and the effectiveness of the mitigating strategies which are or will be applied, if required. The Company is well placed to manage its business risks in the context of the current economic outlook and has sufficient financial resources to continue in business for a period of at least 12 months from the date of approving these financial statements. Further details of the assessment of going concern are included in note 2.

STRATEGIC REPORT (continued)

Principal risks and uncertainties

The Company manages its risks using Quilter's Risk Management framework, which is designed to provide a qualitative and quantitative approach to the understanding and management of risks. The framework supports the evaluation and management of business opportunities, uncertainties, and threats in a structured and disciplined manner.

The Company's principal risks and uncertainties are summarised below:

Business Strategy and Performance

Quilter's principal revenue streams are related to the value of assets under management and, as such, Quilter is exposed to the condition of global economic markets. Geopolitical risk remains high due to ongoing conflicts in Ukraine and the Middle East, along with a steady increase in China-Taiwan tensions. These risks have the potential to impact the global economy through changes in, amongst other things, the outlook for business and consumer confidence, access to markets and supply chains, inflation, fiscal and monetary policy, impacting economic growth and equity and bond markets.

Throughout 2024, external economic conditions have improved from 2023, and this improvement has been reflected in flows and assets under management over the year. The changes implemented by the new Labour Government in the October 2024 Budget to taxation, spending, borrowing, and fiscal rules are being monitored for their effect on Quilter's forward strategy.

Business Operation

Operational complexity and the efficacy of controls and processes related to the day-to-day running of the business pose an inherent risk to Quilter. This includes those processes which have been outsourced to third parties and where oversight is critical for Quilter to gain assurance over activities delegated outside of its direct control. Quilter's operations provide services to customers and, as such, need to be effective and resilient to ensure that good customer outcomes are delivered and maintained. Quilter has continued to progress the enhancement of its operational environment and improving resilience across the business to ensure compliance with its operational resilience obligations.

Technology and Security

A stable, reliable, and up-to-date technology environment underpins the delivery of our services to customers and ensures that Quilter has technical resilience proportionate to its risk appetite. Disruption to the stability and availability of Quilter's technology, or that of its third parties, could result in damaging service outages and a potential breach of impact tolerances for Quilter's Important Business Services. The risk of an information security incident is a constant and evolving risk which has the potential to impact Quilter's reputation, regulatory standing, and the services it provides to customers.

Customer and Product Proposition

The Company's purpose is underpinned by having a suite of product propositions which drive good customer outcomes and processes in place to ensure that foreseeable harm is identified and addressed. During 2024, the Company undertook activity to maintain continued alignment of its investment proposition across multi-asset funds.

Regulatory, Tax and Legal

The Company is subject to regulation in the UK, provided by the Financial Conduct Authority ("FCA"). This includes the Consumer Duty, which sets a high standard of consumer protection in financial services. The Company is also subject to the privacy regulations enforced by the Information Commissioner's Office. The Company faces risks associated with compliance with regulations, changes to regulation or regulatory focus and other statutory requirements. Failure to manage regulatory, tax or legal compliance effectively could result in censure, fines or prohibitions which could impact business performance and reputation.

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

People

Quilter relies on its talent to deliver service to customers and to progress strategic initiatives. Quilter's talent pool is key to the ongoing progress of the company by having a diverse range of staff and views that will provide the senior management of the future. The Company seeks to proactively identify talent gaps to support the future capabilities required to implement Quilter's strategy.

Emerging risk radar

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.

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 Threats

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 Artificial Intelligence is likely to continue to increase the nature and sophistication of attacks; and we continue to monitor the evolution of quantum computing and its potential impact on cyber security.

Disruptive Competition and Technology

The potential entrance of "big tech" firms into financial service delivery, coupled with the white labelling of platforms and alignment of private equity firms could see competitors acquire skills and technology, accelerating their digital capabilities. This, alongside advancements in digital/hybrid advice, could see new players in the already highly competitive market having the potential to erode Quilter's market share and increase fee pressure across the value chain. The evolution of digital assets as an increasingly prominent asset class, and the implications of associated infrastructure development present a more distant potential risk to Quilter's business model and operations.

Generational shift

A significant proportion of UK household wealth is held by the over 45s. Attitudes towards wealth management are shifting, with younger generations being attracted by digital propositions and by funds with greater positive social and environmental impacts. These trends present both opportunities and threats to Quilter in the form of changing consumer demands and expectations.

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.

STRATEGIC REPORT (continued)

Geopolitical landscape (continued)

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.

Further details of the risk management objectives and policies of the Company are disclosed in Note 3.

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

The Directors of the Company are fully aware of their responsibilities to promote the success of the Company in accordance with section 172 (1) of the Companies Act 2006 and acknowledge that effective and meaningful engagement with stakeholders is key to promoting the success of the Company. Given the activities of the Company, the key stakeholders are limited to the Company's sole shareholder, other Group entities, customers, employees, suppliers, and regulators. 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.

In overseeing the business of the Company during the year, the Board of Directors has paid due regard to its duty to promote the success of the Company for the benefit of Quilter plc, its ultimate parent company, in the long-term, by supporting the delivery of the Group's strategic priorities.

The Board considers and discusses information from across the organisation to help it understand the impact of the Company's operations, and the interests and views of our key stakeholders. It also reviews strategy, financial and operational performance as well as information covering areas such as key risks, legal and regulatory compliance. This information is provided to the Board through reports sent in advance of each Board meeting, and through in-person presentations.

The Board received the following regular reports during 2024:

- Chief Executive Officer's Report: provides the Chief Executive Officer's summary views of the significant matters impacting the Company.
- Chief Financial Officer's Report: updates the Board on the Company's financial performance against the Business Plan, prior year performance and other Key Performance Indicators.
- Operations Report: provides the Board with an update across Operations, covering Client Services, customer complaints, as well as people metrics such as staff engagement.
- Chief Risk Officer's Report: provides an update on the Second Line opinion on the material risks to which the Company is exposed.

STRATEGIC REPORT (continued)

Section 172 (1) Statement (continued)

- Chief Internal Auditor's Report: Provides Internal Audit's analysis of the effectiveness of the control environments and processes that had been subject to audit, as well as the management actions agreed to address any issues identified.

The Board's Investment Oversight Committee received regular reporting from the Chief Investment Officer and Head of Investment Risk and reported to the Board on its activities.

Maintaining an open and transparent relationship with our regulators is a key priority and the Board receive regular reporting on key regulatory engagement, and the Chief Risk Officer, as a standing attendee of each meeting, provides further updates as needed. Time is spent reviewing the regulatory horizon and the action being taken to ensure the Company is meeting, and will continue to meet regulatory expectations. The Board reviews the Company's conflicts of interest register at least annually to ensure that management are active in their assessment and mitigation of conflicts in order to protect the interests of Quilter's customers.

The importance of our suppliers is acknowledged by the Board and supplier relationships are managed and maintained in line with Quilter Group policy. Please refer to the Quilter plc Annual Report 2024 for further information on how we foster relationships with our suppliers.

The following are some examples of how the Directors have had regard to the matters set out in section 172 (1) when discharging their duties.

The Board has regularly reviewed analysis on how the Company has performed against the Group's core customer metrics and on areas that are critical in protecting customers' interests, including the robustness of the controls over client assets and action taken to address any issues impacting customers. All Board and Committee papers include, where appropriate, analysis of the impact on customers of business proposals.

During the year, the Board approved its first annual Consumer Duty assessment and, in so doing, reviewed supporting assurance activity undertaken to assess whether products and services are delivering good customer outcomes. The Board continues to oversee management's focus on the delivery of these outcomes and receive regular reporting in respect of the same.

Another important area of focus for the Directors during the year was the annual Assessment of Value. Ahead of approving the Assessment of Value reports, which established that the vast majority of the Company's investment solutions had continued to provide good value to customers, the Board dedicated time to overseeing and challenging the assessment methodology within which the assessment was conducted, in order to ensure the integrity of the assessment and transparency of reporting to investors. The Board challenged management to undertake actions and remediation where value was not provided and the Board monitored the progress of those actions.

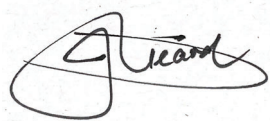
The Board dedicated time throughout the year to consider colleague engagement and wellbeing. Directors received regular updates from the Head of Human Resources, closely monitored the employee survey scores and turnover rates, and sought views and feedback from management to contextualise this data. The Board recognises the importance of attracting and retaining talented people in a highly competitive market for talent. The Directors emphasised the need for management to uphold strong engagement with colleagues and take meaningful action in order to mitigate people risk. The refreshed purpose and values for the Group had been positively received by Quilter Investors colleagues.

STRATEGIC REPORT (continued)

Section 172 (1) Statement (continued)

During the year, the Board considered and discussed in detail a proposal for the Company to delegate the investment management of its UK fund range and associated distribution activities to Quilter Investment Platform Limited, a fellow Group undertaking, to allow the Company to adopt a standard industry model, operating as an Authorised Investment Fund Manager and Authorised Corporate Director. Updates were provided to the Board on the activities required to implement the delegation and the Board approved the delegation with effect from 1 January 2025. As a result of the delegation, the Company will be focused on overseeing the delegated funds and the delivery of good customer outcomes.

On behalf of the board

A handwritten signature in black ink, appearing to read 'Stuart Geard', written over a light blue grid background.

Stuart Geard
Director
04 March 2025

DIRECTORS' REPORT

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

The review of the business and its future development is set out in the strategic report along with a review of the principal risks and uncertainties.

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Executive Directors:

S J Geard	(appointed on 1 January 2025)
M K Brookes	(appointed on 20 January 2025)
J K Barton	(appointed on 23 January 2025)
C A Eyssell	(appointed on 11 February 2025)
L H Williams	(resigned on 31 December 2024)
S D Levin	(resigned on 11 February 2025)

Non-executive Directors:

S K Fromson	
N I Emmins	(appointed on 1 January 2025)
T J Breedon	(resigned on 31 December 2024)

Directors' third party indemnity provisions

Qualifying third-party provisions were in force (as defined by section 234 of the Companies Act 2006) 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 may occur (or have occurred) in connection with their duties, powers or office.

Directors' emoluments

Details of Directors' emoluments are provided in note 10.

Dividends

The Company declared and paid an interim dividend of £18,000k for the year ended 31 December 2024 (2023: £50,000k). The Directors do not propose a final dividend.

Employees

The average number of persons (including Directors) employed by the Company during the year was 25 (2023: 80). From 1 May 2024 all employees of the Company were transferred to Quilter Business Services Limited, a fellow Group undertaking.

Political Donations

No political donations were made during the year (2023:£nil).

Financial Instruments

The financial risk management objectives and policies of the Company are disclosed in note 3.

DIRECTORS' REPORT (continued)

Business relationships statement

The Company forms part of the Quilter plc Group, with Quilter plc providing strategic and governance oversight to each of its subsidiaries. During the course of their decision-making, the Board of the Company and the Board of Quilter plc have considered their duties to stakeholders, including the need to foster business relationships.

Our Third-Party Risk Management policy sets out requirements with respect to our procurement, outsourcing and supplier management activities. Our Supplier Code of Conduct ("**Code**") applies to all suppliers and their sub-contractors that provide goods and services to Quilter. It sets out the minimum standards we expect our suppliers to adhere to when doing business with Quilter in addition to the contractual terms agreed.

The Code covers legal compliance, ethical standards, conflicts of interest, anti-bribery and corruption, brands, trademarks and intellectual property, information and data protection, labour standards, living wage, discrimination, health and safety, and environmental management. We also expect our suppliers to promote these standards in their own supply chain where practical.

An explanation of how the Directors have had regard to the need to foster the Company's business relationships with suppliers, and the effect of that regard, including on the principal decisions taken by the Company during the financial year, has been set out in the report and accounts of the Quilter plc Annual Report 2024, which does not form part of this report. There are no further considerations which would be relevant for the Company.

Energy and Carbon Reporting

The Group is committed to managing its environmental impact and discloses annually against the Task Force on Climate-related Financial Disclosures ("**TCFD**") Framework, Companies Act Climate Financial Disclosure requirements, and 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 operational emissions and energy information as it is a subsidiary of the Group, who complies with the climate-related financial disclosures requirement in s414CB. However, for our investment activities, a Company specific TCFD Entity report is published that discloses our financed emissions and climate-related risk management. The report can be found online at: www.quilter.com/help-and-support/task-force-on-climate-related-financial-disclosures-tcf-d-reporting.

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 TCFD disclosure requirements. Further details can be found online at: plc.quilter.com/responsible-business/reports-and-statements.

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.

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.

DIRECTORS' REPORT (continued)

Disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that:

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

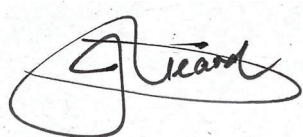
Events after the Statement of Financial Position date

As stated in note 25 to the financial statements from 1 January 2025 the investment management and distribution of the Quilter Investor UK funds has been delegated to Quilter Investment Platform Limited, a fellow group undertaking, in line with the Group strategy. There were no events subsequent to the year-end which require amendment to the financial statements.

Independent Auditors

PricewaterhouseCoopers LLP has been appointed by the Company to hold office in accordance with section 485 of the Companies Act 2006.

On behalf of the board

A handwritten signature in black ink, appearing to read 'Stuart Geard', is written over a faint, light blue circular stamp or watermark.

Stuart Geard
Director
04 March 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

The Directors are 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.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report to the members of Quilter Investors Limited

Report on the audit of the financial statements

Opinion

In our opinion, Quilter Investors Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the STATEMENT OF FINANCIAL POSITION as at 31 December 2024; the STATEMENT OF COMPREHENSIVE INCOME and the STATEMENT OF CHANGES IN EQUITY for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF QUILTER INVESTORS LIMITED (continued)**

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

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

Reporting on other information

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

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

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

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

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF QUILTER INVESTORS LIMITED (continued)**

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the Financial Conduct Authority (FCA), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to manipulating revenue through posting of inappropriate journal entries to increase revenue of the company, and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with the Board of Directors, management, internal audit, management involved in the risk and compliance functions and the Quilter group's legal function, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing correspondence with the FCA in relation to compliance with laws and regulations;
- Reviewing Board minutes as well as relevant meeting minutes, including those of the Board of Directors and Investment Oversight Committee;
- Assessment of matters reported on the Quilter plc's whistleblowing register that relate to the company, including the quality and results of management's investigation of such matters;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, such as non-standard and unusual journals to revenue which may be indicative of the overstatement or manipulation of revenue;
- Challenging assumptions made by management in accounting estimates and judgements;
- Performing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- Reviewing the disclosures in the Annual Report and financial statements against the specific legal requirements, for example within the Directors' Report.

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF QUILTER INVESTORS LIMITED (continued)**

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Matthew Taplin (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
4 March 2025

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2024

	Note	2024 £000's	2023 £000's
INCOME			
Fee income	4	143,760	143,104
Change in contract liabilities	5	-	24
Investment return	6	4,212	3,354
Other income	7	176	80
TOTAL INCOME		148,148	146,562
EXPENSES			
Fee and rebate expenses	8	(46,705)	(41,652)
Administrative expenses	9	(53,645)	(53,245)
TOTAL EXPENSES		(100,350)	(94,897)
PROFIT BEFORE TAX		47,798	51,665
Tax charge on Profit	12	(12,415)	(12,224)
PROFIT FOR THE FINANCIAL YEAR		35,383	39,441
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		35,383	39,441

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

The notes on pages 20 to 45 are an integral part of these financial statements.

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

	Note	Share capital £000's	Capital contribution £000's	Capital contribution related to Share-based payment schemes £000's	Retained earnings £000's	Total equity-holder's funds £000's
Balance at 1 January 2023		12,600	1,500	2,203	55,475	71,778
Profit and total comprehensive income		-	-	-	39,441	39,441
Deferred tax charge to equity	13	-	-	28	-	28
Share-based payments		-	-	(222)	993	771
Dividends paid		-	-	-	(50,000)	(50,000)
Balance at 31 December 2023 and 1 January 2024		12,600	1,500	2,009	45,909	62,018
Profit and total comprehensive income		-	-	-	35,383	35,383
Share-based payments		-	-	(558)	842	284
Dividends paid		-	-	-	(18,000)	(18,000)
Balance at 31 December 2024		12,600	1,500	1,451	64,134	79,685

Capital contributions represent amounts received from the parent company and are reflected within equity as there is no obligation to repay the contributions nor is there any interest payable on contributions.

The notes on pages 20 to 45 are an integral part of these financial statements.

Dividend per share was £1.43 in 2024 (2023: £3.97).

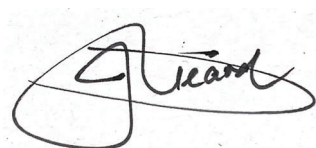
STATEMENT OF FINANCIAL POSITION

at 31 December 2024

	Note	2024 £000's	2023 £000's
NON-CURRENT ASSETS			
Deferred tax assets	13	446	854
Loans and advances	14	24,000	-
Total non-current assets		<u>24,446</u>	<u>854</u>
CURRENT ASSETS			
Investments in collective investment schemes	15	3	2
Trade and other receivables	16	76,909	121,761
Cash and cash equivalents	17	74,772	79,004
Total current assets		<u>151,684</u>	<u>200,767</u>
CURRENT LIABILITIES			
Current tax liabilities		24,231	25,645
Trade and other payables	18	72,214	113,958
Total current liabilities		<u>96,445</u>	<u>139,603</u>
Net current assets		<u>55,239</u>	<u>61,164</u>
Net Assets		<u>79,685</u>	<u>62,018</u>
EQUITY AND LIABILITIES			
EQUITY			
Called-up share capital	20	12,600	12,600
Capital contribution related to share-based payment schemes		1,451	2,009
Capital contribution		1,500	1,500
Retained earnings		64,134	45,909
Total equity		<u>79,685</u>	<u>62,018</u>

The notes on pages 20 to 45 are an integral part of these financial statements.

The financial statements on pages 17 to 45 were approved at a meeting of the Board of Directors on 04 March 2025 and signed on its behalf by:



Stuart Geard
Director

Company registered number: 04227837

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

1 GENERAL INFORMATION

Quilter Investors Limited ("**the Company**") is a private company 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 page 2.

The Company's business activities and financial risk management objectives, together with the factors likely to affect its future development, performance and position are set out in the strategic report on pages 2 to 8 and Directors' report on pages 9 to 11 and note 3.

2 MATERIAL ACCOUNTING POLICIES

Basis of preparation

The financial statements of Quilter Investors Limited for the year ended 31 December 2024 have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ("**FRS 101**"), and in accordance with the Companies Act 2006. The financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial instruments, which are recognised at fair value through profit and loss.

These financial statements 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 pounds.

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 page 21.

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

Accounting policies have been applied consistently year on year, other than where new standards have been adopted.

Pillar II Disclosures

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.

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

There were no new standards or interpretations which became effective from 1 January 2024, nor any amendments to accounting standards that are effective for the year ended 31 December 2024, that have a material impact on the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

2 MATERIAL ACCOUNTING POLICIES (continued)

Going concern

The Directors have considered the resilience of the Company, its current financial position, the principal risks facing the business and the effectiveness of any mitigating strategies which are or could be applied. This included an assessment of capital and liquidity over a three-year planning period concluding that the Company can withstand severe but plausible downside scenarios for at least the next 12 months after the date of signing the 2024 financial statements, including a 1-in-50 economic stress test. Note that the impact of the delegation of the investment management and distribution to Quilter Investment Platform Limited from 2025 on the Company has been included in these considerations.

A wider assessment was carried out at a Group level and incorporated a number of stress tests covering a broad range of scenarios, including economic and market shocks equivalent to 1-in-50 and 1-in 200 year events; and scenarios considering stresses to new business levels and lapse rates. The Group also took into consideration the risks related to climate change.

As a result, the Directors believe that the Company is well placed to manage its business risks in the context of the current economic outlook and has sufficient financial resources to continue in business for a period of at least 12 months from the date of approval of these financial statements and continue to adopt the going concern basis in preparing the financial statements.

Format of the statement of financial position

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. The prior year figures in respect of 2023 have been re-presented in the new format to ensure comparability.

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

Critical accounting judgements

Critical accounting judgements are those that management makes when applying its significant accounting policies and that have the most effect on the net profit and net assets recognised in the Company's financial statements. There are no critical accounting judgements for the Company for the current year or prior year.

Critical accounting estimates

The Company's critical accounting estimates are those that involve the most complex or subjective assessments and assumptions, which have a significant risk of resulting in material adjustment to the net carrying amounts of assets and liabilities within the next financial year. Management uses its knowledge of current facts and circumstances and applies estimation and assumption setting techniques that are aligned with relevant accounting standards and guidance to make predictions about future actions and events. For the current year and prior year, there were no critical estimates applied.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

2 MATERIAL ACCOUNTING POLICIES (continued)**Significant changes in the year**

The Company's direct employees were transferred, via Transfer of Undertakings (Protection of Employment), to Quilter Business Services Limited, a fellow group undertaking, from 1 May 2024. Since the transfer, management services in relation to the transferred employees are provided to the Company by Quilter Business Services Limited.

Financial instruments

Financial instruments cover a wide range of financial assets, including financial investments, trade receivables and cash and cash equivalents and certain financial liabilities, including trade payables. Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument. The Company derecognises a financial asset when the contractual rights to receive cash flows have expired or been forfeited by the Company. A financial liability is derecognised when the liability is extinguished.

Measurement basis	Accounting policies
Financial assets at FVTPL	These financial assets are subsequently measured at fair value. Net gains and losses, including interest and dividend income, are recognised in profit or loss.
Amortised cost	These financial assets are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognised in profit or loss.

Fair value measurement

The Company uses fair value to measure a number of its assets and liabilities. Fair value is a market-based measure and is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. For a financial instrument, the best evidence of fair value at initial recognition is normally the transaction price, which represents the fair value of the consideration given or received.

Where observable market prices in an active market, such as bid or offer (ask) prices are unavailable, fair value is measured using valuation techniques based on the assumptions that market participants would use when pricing the asset or liability. If an asset or a liability measured at fair value has a bid or an offer price, the price within the bid-offer spread that is most representative of fair value is used as the basis of the fair value measurement.

The quality of the fair value measurement for financial instruments is disclosed by way of the fair value hierarchy, whereby Level 1 represents a quoted market price for identical financial assets and liabilities, Level 2 financial assets and liabilities are valued using inputs other than quoted prices in active markets included in Level 1, either directly (i.e. as prices) or indirectly (i.e. derived from prices) and Level 3 whereby financial assets and liabilities are valued using valuation techniques where one or more significant inputs are unobservable.

Classifying financial instruments into the three levels outlined above provides an indication about the reliability of inputs used in determining fair value. More information is provided in note 19.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

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 measured 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 ("SPPI") on the principal amount outstanding on specified dates.

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

Financial investments

All other financial assets that are not measured at amortised cost are classified and measured at FVTPL. In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost, at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Company's interests in pooled investment funds are mandatorily at FVTPL, as they are part of the Company's financial assets which are managed and whose performance is evaluated on a fair value basis. These investments are recognised at fair value initially and subsequently, with changes in fair value recognised in investment return in the profit and loss.

The fair value of quoted financial investments is based on the bid value (within the bid-ask spread) which the Company considers to be the most representative of fair value.

The Company recognises purchases and sales of financial investments on trade date, which is the date that the Company commits to purchase or sell the assets. The costs associated with investment transactions are included within expenses in the profit and loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and money market collective investment funds. The value of the cash equivalent is subject to an insignificant risk of changes in value.

Cash and cash equivalents held within money market collective investment funds are classified as FVTPL. All other cash and cash equivalents are classified at amortised cost, which means they are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method and are subject to the impairment requirements outlined below. The carrying amount of cash and cash equivalents, other than money market collective investment funds which are measured at fair value, approximates to their fair value.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Financial liabilities, including trade payables, are measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

2 MATERIAL ACCOUNTING POLICIES (continued)

Trade and other payables and Trade and other receivables

All Trade and other payables and current Trade and other receivables are short-term, non-interest bearing and are stated at their amortised cost which is not materially different to cost and fair value due to their short-term nature. Non-current Trade and other receivables are also non-interest bearing and are stated at their amortised cost.

Loans and advances

Loans and advances are solely comprised of intercompany loans. All loans are carried at amortised cost. These assets are subject to the impairment requirements outlined below.

Impairment of financial assets

The expected loss accounting model for credit losses applies to financial assets measured at amortised cost, but not to investments in equity instruments. Financial assets at amortised cost include trade and other receivables and cash and cash equivalents (excluding money market collective investment funds which are measured at fair value).

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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

2 MATERIAL ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Application of the impairment model

The Company applies the ECL model to two main types of assets that are measured at amortised cost:

- Trade and other receivables, to which the simplified approach prescribed by IFRS 9 is applied. This approach requires the recognition of a Lifetime ECL allowance on day one and thereafter.
- Inter-company receivables and cash and cash equivalents at amortised cost, 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 triggers the recognition of a Lifetime ECL allowance.

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

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

Inter-company balances are assessed for expected credit loss, but due to the value of cash within the Group, which could be waterfalled around each business, and no historical losses incurred on inter-company balances, no ECL has been recognised on inter-company balances.

An ECL credit loss of £24k has been recognised in the current year (2023: £33k).

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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

2 MATERIAL ACCOUNTING POLICIES (continued)

Provisions and contingent liabilities

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

Accounting for client transactions

Bank and debtor/creditor balances reflect transfers made between Company and client bank accounts on the day following the reporting date. This reflects the daily update of client accounts which is required to be made within one business day under the UK FCA rules, and gives a clearer presentation of Company bank balances and debtors/creditors represented by client balances as a result of transactions made on the last business day.

Income recognition

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

Fee income

Fees charged for managing investment contracts are calculated and recognised on a daily basis as revenue in line with the provision of the investment management services. Fund of fund rebates paid to Quilter Investor funds are recognised in the profit and loss on an accrual basis within fee income, as they are deemed to be a reduction to income.

Contract liabilities/deferred fee income

Front-end fee income, comprising fees received at inception or receivable over an initial period for services not yet provided, is deferred through the creation of a contract liability on the statement of financial position and released to income as the services are provided. The contract liability principally comprises fee income already received in cash.

Investment return

Realised investment gains and losses represent the difference between the net sales proceeds and the cost of the investment or value at the start of the year. The movement in unrealised investment gains and losses represents the difference between the carrying value of investments at the reporting date and the value at the start of the year, or the original cost where an investment is acquired during the year. The realised gains and losses and movement in unrealised gains and losses on investment arising in the year are included in the profit and loss. Interest from investments in financial instruments is included within investment return.

Other income

Other income in 2023 represents management fees from Quilter Investors Portfolio Management Limited, a fellow subsidiary of Quilter plc, for the provision of management and administrative services provided. Management fees are charged at a mark-up. Management fee income is recognised in the same period the expenditure is incurred.

For 2024, other income represents management fees from Quilter Business Services Limited, a fellow subsidiary of Quilter plc, for the provision of services. For 2024, other income also includes expenses initially paid by the Company which are reimbursed by an external company, at cost as no service was provided.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

2 MATERIAL ACCOUNTING POLICIES (continued)

Rebate expenses

Rebates paid to introducers or group undertakings are based on agreed rates and vary according to the carrying value of the investments held in the funds and are recognised in the profit and loss on an accrual basis.

Other costs

All expenses are recognised in profit and loss as a cost on an accrual basis.

Tax on profit

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to income tax payable in respect of previous years. The taxable income for the year is determined in accordance with enacted legislation and taxation authority practice for calculating the amount of tax payable. Current tax is charged or credited to the profit and loss, except when it relates to items recognised directly in equity or in other comprehensive income.

Deferred tax

Deferred taxes are calculated according to the statement of financial position method, based on temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

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

Foreign currencies

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

Write-offs

Prefunding payments made to the funds are written off when there is no realistic prospect of the amount being recovered. This is generally the case when the Company concludes that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

2 MATERIAL ACCOUNTING POLICIES (continued)

Defined contribution pension obligation

The Company operates defined contribution scheme, where the Company makes contributions to member's pension plans but has no further obligations once the contributions have been paid. Under a defined contribution plan, the Company's legal or constructive obligation is limited to the amount it agrees to contribute to a pension fund and there is no obligation to pay further contributions if the fund does not hold sufficient assets to pay benefits. Contributions in respect of defined contribution schemes for current service are expensed in the income statement as staff costs and other employee-related costs when incurred.

Employee share-based payments

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

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

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

As stated previously, all Company employees transferred to Quilter Business Services Limited as at 1 May 2024. Prior to this transfer, the fair value of share-based payment awards was recognised as an expense in the profit and loss over the vesting period which accords with the period for which related services are provided by the employee. A corresponding increase in equity was recognised for equity-settled plans.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

2 MATERIAL ACCOUNTING POLICIES (continued)

Assessment of fund investments as structured entities

IFRS 12 defines a structured entity as 'an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to the administrative tasks only and the relevant activities are directed by means of contractual arrangements'.

The Company has assessed whether the funds it manages are structured entities. The Company has considered the voting rights and other similar rights afforded to other parties in these funds (investors and independent boards or Directors), including the rights to remove the Company as fund manager, liquidate the funds, or redeem holdings in the funds (if such rights are equivalent to liquidating the funds) and has concluded as to whether these rights are the dominant factor in deciding who controls the funds.

The Company has determined that its managed funds are structured entities and that it has an interest in these funds.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

3 RISK MANAGEMENT FRAMEWORK AND RISK EXPOSURES

Capital Management

The Company manages its capital with a focus on capital efficiency and effective risk management. The capital objectives are to maintain the Company's ability to continue as a going concern while supporting the optimisation of return relative to the risks. The Company ensures it can meet its expected capital and financing needs at all times having regard to the Company's business plans, forecasts and strategic initiatives and regulatory requirements. The Company's overall capital risk appetite is set with reference to the requirements of the relevant stakeholders and seeks to:

- Maintain sufficient, but not excessive, financial strength to support stakeholder requirements
- Retain financial flexibility by maintaining liquidity through unutilised committed credit lines

The Quilter Group Capital Management Policy sets out the key considerations and restrictions with regard to the amount of capital that is retained.

The primary sources of capital used by the Company are equity shareholders' funds. Risk appetite has been defined for the level of capital and liquidity retained within the Company. The risk appetite includes long term targets, early warning thresholds and risk appetite limits. Monitoring of capital and liquidity against risk appetite thresholds is performed regularly.

The Internal Capital Adequacy and Risk Assessment ("ICARA") process is used to assess the level of capital and liquidity which should be retained within the Company to meet severe but plausible stresses whilst continuing as a going concern, and for orderly wind-down. The ICARA process considers the risks of potential material harms to customers, the firm and the market and the degree to which risks have similar or related causes and so could occur together.

The Company regards the regulatory statutory capital resources of £61,857k (unaudited) (2023: £42,622k unaudited) as capital. The regulatory capital requirements have been met throughout the year.

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 and holdings in money market funds. 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 Group has established a credit risk policy which sets out the Group's credit risk management and monitoring practices. The credit risk exposures of the Company are monitored regularly to ensure that counterparties remain creditworthy, to ensure there is appropriate diversification of counterparties and to ensure that exposures are within approved limits.

The credit risk arising from all exposures is mitigated through ensuring the Company only enters into relationships with appropriately robust counterparties, adhering to the Credit Risk Policy. For each asset, consideration is given as to:

- the credit rating of the counterparty, which is used to derive the probability of default;
- the potential recovery, which may be made in the event of default; and
- any second order risks that may arise where the Company holds collateral against the credit risk exposure.

There is no direct exposure to Eurozone sovereign debt (outside of the UK) within the Company's shareholder investments. The Company has no significant concentrations of credit risk exposure

The Company's principal assets are cash and cash equivalents, investment management fees due from the funds it manages, and unsettled trade debtors, including amounts due from Group undertakings, in connection with dealings into and out of its managed funds.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

3 RISK MANAGEMENT FRAMEWORK AND RISK EXPOSURES (continued)

Credit risk (continued)

Management fees due from managed funds are settled monthly and underpinned by assets held within those funds. Unsettled trade debtors are settled on standard settlement terms (typically T+4), and outstanding trades are fully collateralised by the underlying assets held within the fund.

The majority of loans and receivable balances are all short-term in nature. The principal amounts receivable on these balances are materially the same as fair value and as such credit risk has not had a significant impact on the valuation of the balances.

Details on the Company's exposure to credit risk from cash and cash equivalents is included in note 17 Cash and Cash equivalents.

Operational risk

Operational risk is the risk that failure of people, processes, systems or external events results in financial loss, damage to the brand/reputation or adverse regulatory intervention or government or regulatory fine.

Operational risk includes the effects of failure of administration processes, IT maintenance and development processes, investment processes, product development and management processes, legal risks, risk relating to the management of third party relationships, and the consequences of financial crime and business interruption events.

Operational risks are managed in accordance with the Group Operational Risk Policy and related standards consistent with the Group's Risk Management Framework, which has been adopted by the Company. Operational risk exposure is measured primarily through scenario assessments which are informed by internal and external loss event data, Risk and Control Self Assessments and expert judgment provided by the key subject matter experts. Operational risk exposures are evaluated against the Company's risk appetite and monitored using key risk indicators. Where risk exposure exceeds risk appetite, action is taken to manage risk exposure.

In accordance with Group policies, management has primary responsibility for the identification, assessment, management and monitoring of risks, and the escalation and reporting of issues to executive management and the Board.

Market risk

Market risk is defined as the risk of an adverse change in the level or volatility of market prices of assets, liabilities or financial instruments resulting in loss of earnings or reduced solvency. Market risk arises from fluctuations in equity prices, interest rates and foreign exchange rates, where assets and liabilities are not precisely matched.

The Group has established a Market Risk Policy which sets out the market risk management and governance framework.

The Company does not undertake any principal trading on its own account. The Company's revenue is however affected by the value of assets under management and consequently it has exposure to equity market levels and economic conditions. Stress testing is undertaken to test the resilience of the business to severe but plausible events and to assist in the identification of management actions.

The sensitivity of future earnings to the values of and income from investments is regularly monitored through sensitivity analysis performed for business planning purposes.

The Company has limited exposure to direct foreign exchange risk and has minor foreign currency balances. The Company holds some foreign currency balances; these amounted to a debit balance of £1,023k (2023: £1,697k) in US dollars, and a debit balance of £430k (2023: £524k) in Euros.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

3 RISK MANAGEMENT FRAMEWORK AND RISK EXPOSURES (continued)

Market risk (continued)

The Company is exposed to interest rate risk. Interest rate risk arises primarily from changes in interest rates on the Company's cash deposits. The effective interest rate applicable is as follows:

	2024 Variable	2023 Variable
Assets		
Deposits with credit institutions	5.77%	5.00%
Deposits with banks	4.40%	2.49%

Liquidity risk

Liquidity risk is the risk that there are insufficient assets or that assets cannot be realised in order to settle financial obligations as they fall due or that market conditions preclude the ability of the firm to trade in illiquid assets.

The Company manages liquidity through:

- maintaining adequate high-quality liquid assets and banking facilities that are readily available, the level of which is informed through appropriate liquidity stress testing;
- continuously monitoring forecast and actual cash flows; and
- monitoring key risk indicators to identify any breaches in tolerances and take appropriate action to manage liquidity.

The Company maintains and manages its liquidity requirements according to its business needs within the overall Group Liquidity Risk Policy and framework. The policy sets out the Group's approach to identify, manage, measure, monitor and report liquidity risks which could have a material impact on liquidity levels. This framework considers both short term liquidity and cash management considerations and longer term funding risk considerations.

Liquidity is monitored by the Treasury function, with management actions taken to ensure that the Company has sufficient liquidity to cover its liquidity requirement, with an appropriate buffer set in line with the Company's liquidity risk appetite.

The Group maintains contingency funding arrangements to provide liquidity support to the Company in the event of a liquidity stress which cannot be met by the Company's liquid resources. The Contingency Funding Plan sets out the approach and management actions that would be taken to maintain liquidity adequacy. The Contingency Funding Plan is subject to an annual review and testing cycle to ensure that it remains fit for purpose.

The Company has access to an undrawn loan facility with Quilter Holdings Limited which can be drawn down upon should cash levels fall below the Liquidity Early Warning Threshold as monitored under the Company's financial risk appetite framework.

Financial liabilities of the Company consist of trade and other payables of £72,214k (2023: £113,958k) which are expected to mature within three months. Financial assets of the Company include trade and other receivables of £76,909k (2023: £121,102k), the majority of which are all expected to mature within three months, £198k are non-current (2023: £659k).

Expense risk

Expense risk is the risk that actual expenses exceed the expectation when preparing the business plan. This may result in emerging profit falling below the Company's profit objectives.

Expense levels are monitored monthly against budgets and forecasts. An activity-based costing process is used to allocate costs relating to processes and activities to individual products.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

3 RISK MANAGEMENT FRAMEWORK AND RISK EXPOSURES (continued)

Sensitivity tests

Sensitivity analysis has been performed by applying the following parameters to the statement of financial position and statement of comprehensive income as at 31 December 2024 and 31 December 2023. The same methods and assumptions have applied to both 2024 and 2023 comparatives.

Interest rate risk

The Company is exposed to interest rate risk. Interest rate risk arises primarily from bank balances held which are exposed to fluctuations in interest rates. The Company's maximum exposure to loss caused by interest rate changes is limited to the interest revenue it earns on deposits with banks and credit institutions, which was £3,547k in 2024 (2023: £3,456k).

A decrease in interest rate by 1% from the start of the year would have decreased profit by £552k after tax (2023: £593k). An equal change in the opposite direction would have increased profit by £561k after tax (2023: £604k). A 1% movement is assessed as being reasonably possible.

Market risk

A 10% movement in assets under management would impact the annual fee income, and rebates payable to third parties. The sensitivity is applied as an instantaneous shock to equity and property prices at the start of the year (e.g. if the current assets under management is £10.0 billion, the test allows for the effect of an immediate change in assets under management to £9.0 billion and to £11.0 billion).

A decrease in value of assets under management by 10% from the start of the year would have decreased profit by £6,802k after tax (2023: £7,740k). An equal change in the opposite direction would have increased profit by £6,802k after tax (2023: £7,740k).

Expense risk

The increase in expenses is assumed to apply to the costs associated with the maintenance and acquisition of contracts. It is assumed that these expenses are increased by 10% from the start of the year, so is applied as an expense shock rather than a gradual increase.

An increase in expenses of 10% would have decreased profit by £1,764k after tax (2023: £1,819k).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

4 FEE INCOME

Income is derived from continuing operations in the United Kingdom and Ireland.

	2024 £000's	2023 £000's
Investment management income	143,760	143,104
	<u>143,760</u>	<u>143,104</u>

5 CHANGE IN CONTRACT LIABILITIES

	2024 £000's	2023 £000's
Opening balance	-	24
Amortisation of contract liabilities	-	(24)
Closing balance	<u>-</u>	<u>-</u>

6 INVESTMENT RETURN

	2024 £000's	2023 £000's
Interest receivable from cash deposits	3,547	3,456
Interest receivable from group undertakings	682	-
Total interest and similar income	<u>4,229</u>	<u>3,456</u>
Total (Loss) on financial instruments at fair value through the profit and loss	-	(2)
Foreign exchange	<u>(17)</u>	<u>(100)</u>
Total investment return	<u>4,212</u>	<u>3,354</u>

Investment return classified as held at fair value through the profit and loss relates to net gains/losses on units held in the managed funds.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

7 OTHER INCOME

	2024 £000's	2023 £000's
Other income from Group undertakings	165	80
Other income	11	-
Total other income	<u>176</u>	<u>80</u>

For 2024 other income from Group undertakings relates to inter-company income from Quilter Business Services Limited in respect of services provided. Other income includes expenses initially paid by the Company which are reimbursed by an external company, at cost as no service was provided.

For 2023 other income relates to inter-company income from Quilter Investors Portfolio Management Limited in respect of services provided.

8 FEE AND REBATE EXPENSES

	2024 £000's	2023 £000's
Rebates paid to Group undertakings	626	911
Rebates paid to external introducers	13,433	15,020
Investment adviser fees paid to Group undertakings	1,616	985
Investment adviser fees	<u>31,030</u>	<u>24,736</u>
	<u>46,705</u>	<u>41,652</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

9 ADMINISTRATIVE EXPENSES

	2024 £000's	2023 £000's
Fund administration costs	13,634	13,043
Management fees paid to fellow Group undertakings	26,036	16,371
Other expenses	13,975	23,831
	<u>53,645</u>	<u>53,245</u>

For the first four months of 2024 and for 2023 the Company had direct employees whose costs are included in other expenses, the details of which are disclosed in Note 11.

Auditor's remuneration

	2024 £000's	2023 £000's
Fees payable to the Company's auditor for the audit of the Company's annual accounts	140	133
Fees payable to the funds' auditor for the audit of the funds' annual accounts	879	858
Fees payable to the Company's auditor for non-audit services	128	122
Fees payable to the funds' auditor for non-audit services	-	16

Fees payable to the funds' auditor for the audit of the funds' annual accounts consist of fund audit fees paid. Company non-audit services consist of CASS audit work. In 2023 there were non-audit services in relation to the funds consist of solvency statement and termination statement work. Fees relate to PricewaterhouseCoopers LLP.

Fees payable to the Company's auditor for the audit of the Company's annual accounts and non-audit services are paid by another entity within the Quilter Group and are recharged to the Company.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

10 DIRECTORS' REMUNERATION

	2024 £000's	2023 £000's
Aggregate Directors' emoluments		
Remuneration by trading Company	184	346
Pension by trading Company	3	9
Total share based payments	63	67
Emoluments of the highest paid Director		
Aggregate emoluments excluding pension contributions	55	136
Pension contributions	1	9
Share based payments	51	40

2 Directors had money paid to money purchase schemes during the year (2023: 2).

1 Director received or was due to receive shares or share options under a long-term incentive scheme (2023: Nil).

2 Directors exercised options during the year (2023: 2).

The highest paid Director exercised share options during the current year and the prior year. The highest paid Director had money paid to money purchase schemes in the current year and the prior year. The highest paid Director was eligible to receive shares or share options in the current year but was not eligible to receive shares or share options in the prior year.

During the year there was no compensation for loss of office paid to Directors (2023: Nil); this includes the estimated money value of the following benefits: payment in lieu of notice, loss of participation in the Save As You Earn scheme, pay-out of contractual long term incentive, pension contributions, bonus and statutory redundancy.

Of the Directors' emoluments shown above, £215k (2023: £263k) is included in management fees payable to Group undertakings shown in note 9.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

11 EMPLOYEE BENEFITS

	2024 £000's	2023 £000's
Wages and salaries	4,351	11,708
Share-based payments	252	770
Social security costs	752	1,612
Other pension costs	252	760
Total employee benefits	5,607	14,850

The pension costs shown above are the Company's contributions into defined contribution pension plans.

	2024 Number	2023 Number
The monthly average number of employees was as follows		
Dealing and investments	11	28
Administration and support	14	52
	<u>25</u>	<u>80</u>

The Company's employees were transferred to Quilter Business Services Limited, a fellow group undertaking, from 1 May 2024. The Company had no employees at the end of 2024.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

12 TAX CHARGE ON PROFIT

Tax charged to profit	2024 £000's	2023 £000's
Current Tax		
United Kingdom	11,969	12,224
Adjustments to current tax in respect of prior years	38	1
Total current tax charge	12,007	12,225
Deferred tax		
Origination and reversal of temporary differences	401	23
Effect on deferred tax of changes in tax rates	-	(23)
Adjustment to deferred tax in respect of prior periods	7	(1)
Total deferred tax charge/(credit)	408	(1)
Total tax charged to profit and loss	12,415	12,224

Reconciliation of total income tax expense

The income tax charged to profit 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 standard rate is explained below:

	2024 £000's	2023 £000's
Profit before tax	47,798	51,665
Corporation tax charge at 25% (2023: 23.5%)	11,950	12,141
Effect of:		
Expenses not deductible for tax purposes	420	106
Adjustments to current tax in respect of prior years	38	1
Effect on deferred tax for changes in tax rates	-	(23)
Adjustments to deferred tax in respect of prior years	7	(1)
Total tax charged to profit and loss	12,415	12,224

The Company's deferred tax assets and liabilities have been recognised at 25%. The Company has recognised deferred tax assets as disclosed in note 13. The Company considers that future years' profits will be sufficient to utilise the tax asset carried forward.

Pillar II Taxes

Pillar II legislation has been substantively enacted in the UK, introducing a Pillar II minimum effective tax rate of 15%. 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%.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

13 DEFERRED TAX ASSETS

Deferred income taxes are calculated on all temporary differences at the tax rate applicable to the jurisdiction in which the timing differences arise.

The following are the deferred tax balances recognised by the Company and the movements thereon, during the current and prior reporting years.

	Accelerated Depreciation	Share based payments	Other temporary differences	Closing deferred tax asset
	£000's	£000's	£000's	£000's
Assets at 1 January 2023	32	378	415	825
Tax (charged)/credited to profit	(6)	(36)	43	1
Tax credited to equity	-	28	-	28
Assets at 31 December 2023	26	370	458	854
Tax (charged) to profit	(4)	(370)	(34)	(408)
Assets at 31 December 2024	22	-	424	446

Deferred tax assets or liabilities are recognised to the extent that temporary differences are expected to reverse in the foreseeable future. The timing of reversals are estimated based on the Company's annual business plan. Deferred tax assets are recognised to the extent that they are supported by the Company's business plan or where appropriate the Group's business plan.

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

14 LOANS AND ADVANCES

	2024 £000's	2023 £000's
Financial asset at amortised cost		
Lending to fellow group undertaking at 1 month LIBOR + 0.5%	24,000	-
	<u>24,000</u>	<u>-</u>

In June 2024 a loan facility with Quilter Holdings Limited, a fellow subsidiary of Quilter plc, was approved and the loan paid. The loan is repayable on demand, but as it is not the intention to demand repayment of the loan within the next 12 months, the loan is classified as non-current.

The interest is accrued on the outstanding balances of the Loan at the Bank of England base rate plus 50 basis points per annum. Interest is payable monthly in arrears. As at the end of 2024 the Company had earned £681k interest from the loan.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

15 INVESTMENTS IN COLLECTIVE INVESTMENT SCHEMES

	2024 £000's	2023 £000's
Financial assets mandatorily at fair value through profit or loss		
Investments in collective investment schemes	<u>3</u>	<u>2</u>

Investments in collective investment schemes are classified as financial investments mandatorily at fair value through profit or loss and are recoverable within 12 months.

16 TRADE AND OTHER RECEIVABLES

	2024 £000's	2023 £000's
Due from Group undertakings	26,764	49,925
Trade debtors	34,197	58,097
Investment management fees receivable	12,774	11,899
Other receivables	<u>3,174</u>	<u>1,840</u>
	<u>76,909</u>	<u>121,761</u>

All amounts due from Group undertakings are short-term and interest-free with the carrying amount approximating to fair value and are subject to the 12-month ECL model. There have been no non-performing receivables. The £24k ECL impairment in 2024 of aged balances related to prefunding withholding tax for closed funds (2023: £33k).

None of the receivables reflected above have been subject to the renegotiation of terms. Other receivables are short term and interest free and are carrying at amounts that approximate their fair value. Other assets due after more than 12 months for 2024 are £198k (2023: £659k). All trade and other receivables are deemed to be financial assets at amortised cost except £1,506k (2023: £1,206k) of prepayments deemed to be non-financial assets.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

17 CASH AND CASH EQUIVALENTS

	2024 £000's	2023 £000's
Financial assets at amortised cost		
Cash held at bank	16,172	26,304
Financial assets designated at fair value through the profit or loss		
Cash held in money market funds	58,600	52,700
Total cash and cash equivalents	<u>74,772</u>	<u>79,004</u>

The cash and cash equivalents comprised of balances held in current bank accounts and sterling liquidity funds.

Cash held at bank is held with A rated counterparties and is subject to the 12-month ECL model. Cash held in money market funds are held with AAA rated counterparties.

18 TRADE AND OTHER PAYABLES

	2024 £000's	2023 £000's
Due to Group undertakings	14,995	20,448
Trade creditors	53,536	85,943
Accrued expenses	3,085	4,666
Other creditors	598	2,901
	<u>72,214</u>	<u>113,958</u>

Trade creditors principally comprise amounts due to clients and investment settlements outstanding. The Directors consider that the carrying amount of trade and other payables approximates to their fair value. All trade and other payables are short-term and interest-free. Amounts due to Group undertakings are unsecured, interest-free and current.

£706k of the total is classified as a non-financial liability (2023: £5,262k). The remaining balance is recognised at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

19 FINANCIAL INSTRUMENTS**Fair value hierarchy**

The table below analyses financial instruments into a hierarchy based in the valuation technique used to determine fair value.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 31 December 2024	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
Investments in collective investment schemes	3	-	-	3
Investments in money market funds	58,600	-	-	58,600
	<u>58,603</u>	<u>-</u>	<u>-</u>	<u>58,603</u>

As at 31 December 2023	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
Investments in collective investment schemes	2	-	-	2
Investments in money market funds	52,700	-	-	52,700
	<u>52,702</u>	<u>-</u>	<u>-</u>	<u>52,702</u>

Level 1 to 2 transfers

There have been no changes in valuation techniques during the year under review. There have been no transfers between Level 1 and Level 2 during the year under review.

Master netting or similar agreements

The Company may from time to time offset financial assets and liabilities in the statement of financial position when it has a legal enforceable right to do so and intends to settle on a net basis or at a simultaneous time. The Company did not offset any financial assets or liabilities under any master netting or similar agreement during the 2024 or 2023 financial year.

Unconsolidated structured entities

The Company manages several investment funds, which are unconsolidated structured entities. This note provides additional information on these funds. The Company holds interests in these funds through the receipt of management and other fees and an equity holding in certain of these funds. The investment funds are open-ended investment companies and professional investment funds, and are beneficially owned by third party investors.

The Company has interest in unconsolidated structured entities relating to cash and cash equivalents held in money market OEIC investments. This represents the ownership of collective investment vehicles that have a narrow and well defined objective. The maximum exposure to losses is equal to the carrying amount of assets held.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

20 CALLED -UP SHARE CAPITAL

	2024 £000's	2023 £000's
Allotted, called-up and fully paid		
12,600,000 ordinary shares of £1 each (2023: 12,600,000 of £1 each)	12,600	12,600

There were no issuances during the current or prior year. The shares have full voting rights attached. There is no limit on the number of authorised shares.

21 CAPITAL CONTRIBUTION RELATED TO SHARE-BASED PAYMENT SCHEMES

During the year ended 31 December 2024, the Company participated in a number of share-based payment arrangements. This note describes the nature of the plans and how the share options and awards are valued.

From 1 May 2024 all staff employed by Quilter Investment Limited were transferred to a fellow group undertaking, Quilter Business Services Limited. The share-based payment reserve in Quilter Investors Limited, representing the cumulative value of the past services rendered by employees up to the date of the transfer, will reduce at each vesting date until all schemes have vested.

The delivery of shares at the vesting dates will be arranged by Quilter Business Services Limited, therefore no shares outstanding will be reported in Quilter Investors Limited.

Description of share-based payment arrangements

The Company operated the following share-based payment schemes with awards over Quilter plc shares prior to May 2024:

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

¹Participants are entitled to dividend equivalents.

²Adjusted Profit compound annual growth rate ("CAGR").

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

At 31 December 2023 Quilter Investors Limited had 944,902 share options and 1,851,882 conditional share awards outstanding. All options and awards had a £nil exercise price except the Quilter plc Sharesave Plans which had exercise prices of between £0.69 and £1.17.

22 FINANCIAL AND CAPITAL COMMITMENTS

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

23 CONTINGENT LIABILITIES

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

24 ULTIMATE PARENT COMPANY

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

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

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

25 EVENTS AFTER THE REPORTING DATE

Effective 1 January 2025, the investment management and distribution of the Company's UK funds has been delegated to Quilter Investment Platform Limited (the "**Investment Manager**"), by way of an Investment Management Agreement and a Distribution Agreement.

In 2023, the board and management governance structures of the Affluent segment were simplified to support robust and efficient governance and allow for more agile and rapid decision making. The delegation of investment management for the UK funds to the Investment Manager has completed this simplification. The delegation will enable the Company to focus solely on activities as the authorised fund manager of the UK funds and to focus on delivering positive customer outcomes.

The anticipated impact on the financial statements in 2025, will be an increase in the investment adviser fees which will now apply to all UK funds, not just Global Partner funds, and a new distribution fee for all UK funds. These fees will be payable to the Investment Manager, thereby making such payments intergroup transactions. There are no additional charges to investors.

The increase in investment adviser fees will be partially offset by a reduction in the administration expenses charged to the Company, as the cost of staff and other costs associated with investment management activity will be charged to the Investment Manager.

The investment adviser fees payable to the Investment Manager have been determined based on market benchmarking and existing investment adviser agreements.

The impact of this change for the full year 2024 would have been a reduction in Profit before tax of c.£35.4m for the Company. The Investment Manager would have experienced a similar increase in its Profit before tax, with a net nil impact for the Group.

There were no events subsequent to the year-end, including the above, which require amendment to the financial statements.