

Quilter Perimeter (GGP) Limited

UNAUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 December 2024

CONTENTS

Company information	1
Strategic report	2
Directors' report	4
Statement of Directors' responsibilities in respect of the financial statements	6
Statement of comprehensive income	7
Statement of changes in equity	8
Statement of financial position	9
Notes to the financial statements	10

COMPANY INFORMATION

DIRECTORS

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

COMPANY SECRETARY

Quilter CoSec Services Limited

BANKER

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

REGISTERED OFFICE

Senator House
85 Queen Victoria Street
London
EC4V 4AB
United Kingdom

Telephone: 0808 171 2626
Website: www.quilter.com

Registered in England and Wales
No. 02019022

STRATEGIC REPORT

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

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

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

The principal activity of the Company is that of a financing company and the administration of the healthcare obligations provided to the retirees of the Gerrard & National business which was sold by the Company in 2002. No significant change in the nature of its activities has occurred during the year and the Directors believe that the activities of the Company will remain unchanged for the foreseeable future.

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

GROUP STRATEGY

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

KEY PERFORMANCE INDICATORS (“KPIs”)

The table below shows the KPIs that the Company uses to manage its business performance. The Company’s primary KPIs are net assets and cash and cash equivalents. Net assets have increased in the year as a consequence of profits exceeding dividend distributions.

	2024 £000	2023 £000
Net assets	571,928	570,044
Cash and cash equivalents	12,602	12,168

DIVIDEND DISTRIBUTIONS

During the year, the Company’s Board approved dividend payments of £24,017,000 (2023: £12,164,000), in aggregate, to its immediate parent and majority equity holder Quilter Perimeter Holdings Limited, and to its minority equity holder Quilter Perimeter Limited.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties of the Company arise from the ability of its immediate parent undertaking to repay its outstanding loan. In addition, risks and uncertainties affecting the Company also arise from the orderly administration of the outstanding obligations in respect of the healthcare scheme covering retirees of former Group companies.

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

Credit risk

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

Liquidity risk

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

STRATEGIC REPORT

STRATEGIC REPORT (continued)

Emerging risks

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

Climate change

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

Cyber threat

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

Geopolitical landscape

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

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


SECTION 172(1) STATEMENT

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

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

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

On behalf of the Board



M O Satchel
Director
17 June 2025

DIRECTORS' REPORT

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

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

DIRECTORS

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

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

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

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

DIRECTORS' THIRD-PARTY INDEMNITIES

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

DIVIDENDS

During the year, dividends totalling £24,017,000 were declared and paid (2023: £12,164,000).

EMPLOYEES

The Company had no employees during or at the end of the year (2023: none).

FINANCIAL INSTRUMENTS

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

POLITICAL DONATIONS

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

BUSINESS RELATIONSHIP STATEMENT

The Company forms part of the 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.

An explanation of how the Directors have had regard to the need to foster the Company's business relationships with suppliers, customers and others, 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 for 2024, which does not form part of this report. There are no further considerations which would be relevant for the Company.

CLIMATE CHANGE

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

ENERGY AND CARBON REPORTING

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

DIRECTORS' REPORT

DIRECTORS' REPORT (continued)

STATEMENT OF GOING CONCERN

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

EVENTS AFTER THE REPORTING DATE

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

AUDIT EXEMPTION

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

On behalf of the Board



M O Satchel
Director
17 June 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 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 also responsible for the maintenance and integrity of the Company's financial statements published on the ultimate parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2024

	Notes	2024 £000	2023 £000
Income			
Investment return	3	34,917	19,993
Expenses			
Administrative (expense)/credit	4	(383)	364
Profit before tax		<u>34,534</u>	<u>20,357</u>
Income tax charge	5	(8,633)	(4,789)
Profit for the year after tax		<u>25,901</u>	<u>15,568</u>
Total comprehensive income for the financial year		<u>25,901</u>	<u>15,568</u>

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

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

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2024

	Notes	Ordinary Share capital £000	Ordinary Share premium account £000	Capital redemption reserve £000	Retained earnings £000	Total shareholder equity £000
Balance at 1 January 2024		141,732	406,698	6,300	15,314	570,044
Total comprehensive income		-	-	-	25,901	25,901
Dividends paid	6	-	-	-	(24,017)	(24,017)
Balance at 31 December 2024		141,732	406,698	6,300	17,198	571,928

	Notes	Ordinary Share capital £000	Ordinary Share premium account £000	Capital redemption reserve £000	Retained earnings £000	Total shareholder equity £000
Balance at 1 January 2023		141,732	406,698	6,300	11,910	566,640
Total comprehensive income		-	-	-	15,568	15,568
Dividends paid	6	-	-	-	(12,164)	(12,164)
Balance at 31 December 2023		141,732	406,698	6,300	15,314	570,044

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

STATEMENT OF FINANCIAL POSITION

at 31 December 2024

	Notes	2024 £000	2023 £000
Non-current assets			
Investments	7	601	484
Loans and advances	8	565,873	563,566
Deferred tax assets	9	598	578
Total non-current assets		567,072	564,628
Current assets			
Other receivables	10	7,752	1,443
Cash and cash equivalents	11	12,602	12,168
Total current assets		20,354	13,611
Current liabilities			
Current tax liabilities		13,279	6,360
Total current liabilities		13,279	6,360
Net current assets		7,075	7,251
Non-current liabilities			
Other payables	13	617	484
Provisions	14	1,602	1,351
Total non-current liabilities		2,219	1,835
Net assets		571,928	570,044
Equity			
Ordinary Share capital	12	141,732	141,732
Ordinary Share premium account		406,698	406,698
Capital redemption reserve		6,300	6,300
Retained earnings		17,198	15,314
Total equity		571,928	570,044

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

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

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

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

The financial statements on pages 7 to 20 were approved by the Board of Directors on 17 June 2025 and signed on its behalf by:



M O Satchel
Director

Company registered number: 02019022

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

1 GENERAL INFORMATION

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

2 MATERIAL ACCOUNTING POLICIES

Basis of preparation

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

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

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

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

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

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

Going concern

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

Liquidity analysis of the statement of financial position

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

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

The Company has applied the narrow scope amendment to IAS 12 in respect of the OECD Pillar II international tax rules. In doing so, the Company has applied the exception in IAS 12.4A and shall neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar II income taxes. There were no further amendments to IFRIC interpretations that have a material impact on the Company's financial statements.

Critical accounting estimates and judgements

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

Critical accounting judgements

Critical accounting judgements, shown below, are those that management makes when applying its material accounting policies and that have the most effect on the net profit and net assets recognised in the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

2 MATERIAL ACCOUNTING POLICIES (continued)

Area	Critical accounting judgements	Note
Provisions – recognition	In assessing whether a provision should be recognised, the Company evaluates the likelihood of a constructive or legal obligation to settle an event that took place in the past and whether a reliable estimate can be made. The provision is in respect of healthcare cover obligations provided to retirees of the Gerrard & National business for whom a legacy benefit of private medical insurance cover is still in existence.	14

Critical accounting estimates

The Company's critical accounting estimates are shown below and involve the most complex or subjective assessments and assumptions, which have a significant risk of resulting in material adjustment to the carrying amounts of assets and liabilities 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. Actual results may differ from those estimates. There are no critical accounting estimates for the Company for the current or prior year, however set out below are two other accounting estimates which are relevant for the Company.

Area	Other accounting estimates	Note
Provisions – measurement	The provision has been determined with regards to forecast premiums and claims costs. The provision will be utilised over the remaining lives of the retirees. The key assumptions in respect of determining the present value of the healthcare provision are the discount rate and the future premium inflation rate. Management applied a premium inflation rate of 8% (2023: 8%) and used the UK Solvency II risk-free curve as the discount rate (2023: UK Solvency II risk-free curve). Risk-free rates reduced over 2024, leading to a smaller discounting impact than prior year.	14
Deferred tax – measurement	The estimation of future taxable profits is performed as part of the annual business planning process and is based on estimated levels of assets under management, which are subject to a large number of factors including global stock movements, related movements in foreign exchange rates and net client cash flows, together with estimates of expenses and other charges. The Group Business Plan is used to determine the extent to which deferred tax assets are recognised. In general, the Company assesses the recoverability of assets based on the Group's estimated taxable profits over a three-year planning horizon.	9

A sensitivity analysis has been undertaken in respect of the assumptions related to provisions and these are provided in the table below:

Assumption	Change in estimate	Change in provision
Discount rate	+/- 1%	- £0.1 million / + £0.2 million
Premium inflation rate	+/- 2%	+ £0.3 million / - £0.2 million

Significant changes in the year

There are no significant changes in the current reporting period.

Material accounting policies

There have been no changes to the Company's material accounting policies as a result of changes in accounting standards during the year.

The accounting policies disclosed in these notes have been consistently applied throughout the current and prior financial year.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

2 MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments

Financial instruments cover a wide range of financial assets, including financial investments, loans and advances, cash and cash equivalents and other receivables and financial liabilities including other payables and borrowings. 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.

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

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

Gold and silver

Gold and silver do not meet the IFRS definition of financial assets and are therefore accounted for as commodities and held at fair value. Gains and losses on the valuation of gold and silver are recognised in the statement of comprehensive income except to the extent that they are offset by corresponding movements in obligations to third parties

Measurement

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

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 derecognition is recognised in profit or loss.

Amortised cost

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

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

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

Financial investments

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

Financial assets that are held for trading or whose performance is evaluated on a fair value basis are measured at FVTPL because this best reflects the way they are managed.

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 statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

2 MATERIAL ACCOUNTING POLICIES (continued)

Loans and advances

Loans and advances are non-derivative financial instruments with fixed or determinable terms of repayment that are not quoted in an active market.

Loans to Group companies are initially recorded at cost including transaction costs and are recognised on the date the funds are transferred. Subsequently, loans are stated at amortised cost using the effective interest rate method less any deduction for possible impairment. Loans are valued on an individual basis.

Cash and cash equivalents

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

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

Financial liabilities and equity

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

Payables and receivables

Payables relating to the Company's investments are non-current and designated at FVTPL. All other payables and receivables are classified at amortised cost. Due to their short-term nature, their carrying amount is considered to be the same as their fair value.

Impairment of financial assets

The expected loss accounting model for credit losses applies to financial assets measured at amortised cost, but not to financial assets at FVTPL. Financial assets at amortised cost include loans and advances, other receivables and cash and cash equivalents.

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

Performing financial assets:

Stage 1

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

Stage 2

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

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

Impaired financial assets:

Stage 3

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

2 MATERIAL ACCOUNTING POLICIES (continued)

Application of the impairment model

The Company applies the ECL model to all financial assets which are measured at amortised cost:

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

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

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

Credit-impaired financial assets

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

Presentation of impairment

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

Write-offs

Loans are written off (either partially or in full) 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.

Provisions

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. Where the Company expects some or all of a provision to be reimbursed, for example under the Company's insurance arrangements, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement. If the effect of discounting is material, provisions are discounted. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Provision is made for the expected future obligations of the healthcare cover provided to retirees of the Gerrard & National business for whom a legacy benefit of private medical insurance cover is still in existence. The provision has been determined in respect of forecast premiums. The provision will be utilised over the remaining lives of the retirees.

Interest income

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

Taxation

Current tax

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

2 MATERIAL ACCOUNTING POLICIES (continued)

Deferred tax

Deferred tax is 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 year 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. For the Company, the recognition of deferred tax assets is subject to the estimation of future taxable profits, which is based on the flows of the Company and the Group, and in particular on estimated levels of assets under management, which are subject to a large number of factors including worldwide stock market movements and related movements in foreign exchange rates, together with estimates of net client cash flow, expenses and other charges.

Deferred tax is charged or credited to profit or loss, except when it relates to items recognised directly in equity or in other comprehensive income. In certain circumstances, as permitted by accounting standards, deferred tax balances are not recognised. In particular, where the liability relates to the initial recognition of goodwill, or transactions that are not a business combination and at the time of their occurrence affect neither accounting nor taxable profit. Note 9 includes further detail of the circumstances in which the Company does not recognise temporary differences.

3 INVESTMENT RETURN

	2024 £000	2023 £000
Interest received on loan to parent undertaking	34,326	19,631
Interest on short-term bank deposits (amortised cost)	591	362
	<u>34,917</u>	<u>19,993</u>

4 ADMINISTRATIVE EXPENSES

	2024 £000	2023 £000
Post-retirement healthcare provision increase/(release) during the year	365	(366)
Expenses relating to the storage and handling of gold and silver bullion	2	2
Other expenses relating to legacy obligations	16	-
	<u>383</u>	<u>(364)</u>

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

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

5 TAXATION

	2024 £000	2023 £000
Tax charged to profit		
Current tax		
United Kingdom	8,653	4,625
Total current tax charge	<u>8,653</u>	<u>4,625</u>
Deferred tax		
Origination and reversal of temporary differences	(20)	159
Effect on deferred tax of changes in tax rates	-	5
Total deferred tax (credit)/charge	<u>(20)</u>	<u>164</u>
Total tax charged to profit	<u>8,633</u>	<u>4,789</u>

Reconciliation of total income tax expense

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

	2024 £000	2023 £000
Profit before tax	34,534	20,357
Corporation tax charge at 25.0% (2023: 23.5%)	8,633	4,784
Effect of:		
Net movement on unrecognised deferred tax assets	-	5
Total tax charged to profit	<u>8,633</u>	<u>4,789</u>

The Company has recognised deferred tax assets as disclosed in note 9. 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

6 DIVIDENDS PAID

	2024 £000	2023 £000
Dividends paid		
Dividend paid to Quilter Perimeter Holdings Limited 4.24 pence per share (2023: 2.15 pence per share)	21,709	10,995
Dividend paid to Quilter Perimeter Limited 4.24 pence per share (2023: 2.15 pence per share)	2,308	1,169
	<u>24,017</u>	<u>12,164</u>

7 INVESTMENTS

	2024 £000	2023 £000
Investments held at fair value through profit or loss		
At 1 January	484	468
Unrealised gains on investments	117	16
At 31 December	<u>601</u>	<u>484</u>

The investments represent gold and silver bullion and are categorised as level 1 investments. These investments are valued using quoted prices in active markets. There have been no transfers between level 1 and 2, or level 2 and 3, in the year.

The investments are designated at FVTPL.

8 LOANS AND ADVANCES

	2024 £000	2023 £000
Lending to immediate parent company at fixed rate of 5.75% ¹	488,542	488,542
Lending to immediate parent company at fixed rate of 5.75% ²	77,331	75,024
	<u>565,873</u>	<u>563,566</u>

¹ The Company has a term loan of £488,542,000 (2023: 488,542,000) with Quilter Perimeter Holdings Limited that expires on 30 September 2025. Interest is charged at a fixed rate of 5.75% (Bank of England (BoE) base rate plus 0.5% set as at 30 September 2023) (2023: 5.75%).

² The Company has a £300,000,000 revolving credit facility with Quilter Perimeter Holdings Limited. The facility is callable on demand. Interest is charged at a fixed rate of 5.75% (BoE base rate plus 0.5% set as at 30 September 2024) (2023: 5.75%).

The carrying amount of loans approximates to their fair value which is measured as the principal amounts receivable under the loan agreements.

All loans are repayable on demand, or by 30 September 2025 and are recognised at amortised cost. The loans have been classified as non-current as they are not expected to be repaid to the Company within 12 months of the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

9 DEFERRED TAX ASSETS

Recognised deferred tax assets and liabilities

Deferred income taxes are calculated on all temporary differences at the tax rate applicable to the country 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 financial year.

	Deferred tax due to accelerated depreciation	Deferred tax due to deferred expenses	Closing deferred tax asset
	£000	£000	£000
Assets at 1 January 2023	290	452	742
Income statement charge	(50)	(114)	(164)
Assets at 31 December 2023	240	338	578
Income statement (charge)/credit	(43)	63	20
Assets at 31 December 2024	197	401	598

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 is 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.

Deferred tax assets are recognised for tax losses carried forward only to the extent that realisation of the related tax benefit is probable, being where, on the basis of all available evidence, it is considered more likely than not that there will be suitable taxable profits against which the reversal of the deferred tax asset can be deducted.

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

10 OTHER RECEIVABLES

	2024 £000	2023 £000
Due from immediate parent	7,711	1,443
Accrued bank interest	41	-
	<u>7,752</u>	<u>1,443</u>

All amounts are current, unsecured, interest free and recognised at amortised cost.

11 CASH AND CASH EQUIVALENTS

	2024 £000	2023 £000
Bank balances	<u>12,602</u>	<u>12,168</u>

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

12 ORDINARY SHARE CAPITAL

	2024 £000	2023 £000
Issued and fully paid:		
566,926,412 (2023: 566,926,412) Ordinary Shares of 25p each	<u>141,732</u>	<u>141,732</u>

13 OTHER PAYABLES

	2024 £000	2023 £000
Other payables	<u>617</u>	<u>484</u>

Other payables relate to amounts payable in respect of legacy obligations to former customers of entities that were previously in the same group as the Company. All amounts are non-current and designated at FVTPL.

14 PROVISIONS

	2024 £000	2023 £000
Brought forward at 1 January	1,351	1,814
Utilised during the year	(114)	(97)
Increase/(release) of provision	<u>365</u>	<u>(366)</u>
Balance carried forward at 31 December	<u>1,602</u>	<u>1,351</u>

The provision is in respect of healthcare cover obligations provided to retirees of the Gerrard & National business for whom a legacy benefit of private medical insurance cover is still in existence. The provision has been determined in respect of forecast premiums and claims costs. The provision will be utilised over the remaining lives of the retirees.

15 CONTINGENT LIABILITIES

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

16 FINANCIAL AND CAPITAL COMMITMENTS

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

17 CAPITAL MANAGEMENT

Total equity attributable to the equity holders is managed as capital and there are no externally imposed capital requirements on the Company at entity level. The Quilter plc Group is subject to group-level capital requirements under the UK Solvency II rules. The Company reviews its obligations to ensure it has sufficient capital to fulfil its purpose as a holding company.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

18 EVENTS AFTER THE REPORTING DATE

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

19 ULTIMATE PARENT COMPANY

The Company's immediate parent is Quilter Perimeter Holdings Limited, a company registered in England and Wales.

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

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