Registered in England and Wales No. 01579311

Quilter Business Services Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 December 2024

CONTENTS

COMPANY INFORMATION

Directors	S M M Houlston M O Satchel R Wiseman
Secretary	Quilter CoSec Services Limited
Banker	National Westminster Bank Plc 68 Above Bar Street Southampton SO14 7DS
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants Savannah House 3 Ocean Way Southampton Hampshire SO14 3TJ
Registered office	Senator House 85 Queen Victoria Street London EC4V 4AB Telephone: 0808 171 2626 Website: www.quilter.com Registered in England and Wales No. 01579311

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 Business Services Limited (the "Company") during the year was the provision of management and administrative services to the Quilter plc Group (hereafter "Quilter" or the "Group"). The principal activity of the Company is expected to continue, with no plans for these activities to change.

The Company is part of the Group, consisting of Quilter plc and its direct and indirect subsidiaries. Quilter plc's ordinary shares are listed on the London and Johannesburg Stock Exchanges. Quilter plc provides the Company with strategic and governance oversight.

GROUP STRATEGY

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

Quilter Business Services Limited is the management services company for the majority of entities within the Group. The Company pays for a significant portion of the expenses for the Group, and then recharges them on to the applicable operating entities by way of a management fee. Management fees are charged at a mark-up except to fellow subsidiary undertaking Quilter Life & Pensions Limited, which due to being a life assurance entity, is recharged fees at cost.

KEY PERFORMANCE INDICATORS ("KPIs")

The table below shows the KPIs that the Company uses to manage its business performance.

An important KPI for the Company is the control and management of administrative expenses. In 2024, the Company incurred administrative expenses amounting to £324,818,000 (2023: £272,520,000). The increase in administrative expenses and corresponding management fee income was primarily due to the further centralisation of staff and third-party costs into the Company from other entities within the Group. This increase was also influenced by continued inflationary pressures and investment in strategic project delivery, partially offset by savings from further business simplification initiatives.

Third-party income increased due to the commencement of a new strategic partnering agreement during the current year, partially offset by a reduction in income following the conclusion of the transitional services agreement with Utmost Group in November 2023.

Management fee income for the year was £316,449,000 (2023: £273,724,000). The profit for the year, before taxation, amounted to £17,199,000 (2023: £14,727,000).

Key performance indicators table	2024 £'000	2023 £'000
Management fee income	316,449	273,724
Administrative expenses	324,818	272,520
Profit for the financial year before taxation	17,199	14,727
Total equity	139,053	131,294
Cash and cash equivalents	67,778	113,419
Average number of employees	2,022	1,735

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 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. As the management services company for the majority of the Group, the Company has a key role in the provision of operational support services to the trading subsidiaries within the Group. Quilter has continued to progress the enhancement of its operational environment and improving resilience across the business to ensure compliance with our 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.

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. We seek to proactively identify talent gaps to support the future capabilities required to implement Quilter's strategy.

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 nature 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 customer's 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.

STRATEGIC REPORT (continued)

SECTION 172 (1) STATEMENT

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

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

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

On behalf of the Board

M O Satchel
Director
03 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, 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:

K A Cook	(resigned 30 September 2024)
S M M Houlston	(appointed 10 October 2024)
M O Satchel	
L H Williams	(resigned 31 December 2024)
R Wiseman	(appointed 10 February 2025)

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

DIVIDENDS
During the year dividends of £17,000,000 (2023: £11,700,000) were paid.

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.

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

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 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 for 2024, which does not form part of this report. There are no further considerations which would be relevant for the Company.

EMPLOYEES
Our people policies support our aim to create an inclusive culture that embraces diversity and enables our people to thrive. They also reflect relevant employment laws and principles, including the Universal Declaration of Human Rights and the International Labour Organisation Declaration on Fundamental Principles and Rights at Work. All employees and suppliers providing on-site services in the UK are paid no less than the real Living Wage, a voluntary initiative run by the Living Wage Foundation.

We promote equal opportunities and ensure that no job applicant or colleague is subject to discrimination or less favourable treatment on the grounds of age, gender reassignment, marital status, nationality, ethnicity, sex or sexual orientation, responsibilities for dependents, physical or mental disability or religion or belief. We are committed to continuing the employment of, and for arranging training for, employees who have become disabled while employed by Quilter. We select candidates for interview, career development and promotion based on their skills, qualifications, experience and potential.

DIRECTORS' REPORT (continued)

A grievance procedure is in place to provide a clear and secure route for employees to raise a complaint or problem about any issue relating to their work, working environment, pay and benefits, working hours or is concerned about any other issue affecting their employment. In line with our whistleblowing policy, colleagues are required to report knowledge or suspicion of malpractice or actions that endanger Quilter's employees or assets. The whistleblowing policy provides employees who raise concerns in good faith with protection from detriment to their future employment opportunities. Concerns can be reported to line managers, HR, Risk and Compliance or via the independent confidential ethics hotline which is available all year round.

The Company seeks the views of colleagues through the Peakon Employee Voice tool. Through this tool, we survey colleagues on a regular basis, which provides senior leaders and managers with real-time insights and feedback from colleagues. The Employee Forum represents colleagues across Quilter and meets with senior leaders on a monthly basis to discuss key issues that impact the interests of our people. The views of the Employee Forum, together with views and feedback from the regular surveys, are taken into account and support management decision making.

As part of the Group governance framework, the Company relies upon Group practices and processes to support employees. Further details are described in full in the Quilter plc Annual Report for 2024.

CLIMATE CHANGE

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

ENERGY AND CARBON REPORTING

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

INVESTING RESPONSIBLY

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

CORPORATE GOVERNANCE STATEMENT

Quilter plc is subject to the requirements of the 2024 UK Corporate Governance Code (the "Code") and sets out its compliance with the Code's provisions during the year in the Quilter plc Annual Report 2024. The Company has chosen not to apply a governance code during the year. As a wholly owned subsidiary of Quilter plc, the Company has instead complied with the Quilter plc Group Governance Manual which sets out certain minimum standards and guidance for the governance framework of Quilter plc's subsidiaries. The Board's composition is comprised of Executive Directors and is consistent with the Quilter plc Group Governance Manual's requirements. The Group Governance Manual is updated on a regular basis, ensuring that it takes into account all relevant statutory, regulatory and governance matters affecting Quilter.

DISCLOSURE OF INFORMATION TO AUDITORS

Each 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 a 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.

This confirmation is given in accordance with the provisions of the Companies Act 2006.

DIRECTORS' REPORT (continued)

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, which require disclosure.

STATEMENT OF 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. As part of the going concern assessment, the Company took into consideration the current position of the UK economy including the impact of inflation and increases in the cost of living. The Group also took into consideration risks related to climate change. Based on the assessment, the Directors believe that the Company 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 Company 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 for the 2024 financial year and have indicated their willingness to continue in office.

On behalf of the Board

M O Satchel
Director
03 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 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.

Independent auditors' report to the members of Quilter Business Services Limited

Report on the audit of the financial statements

Opinion

In our opinion, Quilter Business Services 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, as applicable to other entities of public interest, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the company in the period under audit.

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.

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.

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 U.K. regulatory requirements and unethical and prohibited business practices, 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 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 posting inappropriate journal entries to manipulate expenditure of the company and management bias in accounting estimates and judgemental areas of the financial statements, such as the provisions. Audit procedures performed by the engagement team included:

- Discussions with the Board, management, internal audit, senior management involved in the Quilter Group's Risk and Compliance function and the Quilter Group's legal function, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Assessment of matters reported on the Quilter Group's whistleblowing register that relate to the company, including the quality and results of management's investigation of such matters;
- Reviewing any key correspondence between the Company and HMRC in relation to compliance with laws and regulations;
- Reviewing relevant meeting minutes, including those of the Board of Directors, for matters of relevance to the audit;
- Identifying and testing journal entries with unusual account combinations, such as unusual debits to expense items;

- Designing 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.

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.

Helen Grainger (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton
03 March 2025

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Revenue			
Management fees		316,449	273,724
Third-party income	3	19,670	8,401
Investment return	4	8,354	7,698
Total revenue		344,473	289,823
Expenses			
Administrative expenses	5	(324,818)	(272,520)
Financing costs	8	(2,456)	(2,576)
Total expenses		(327,274)	(275,096)
Profit before tax		17,199	14,727
Income tax charge	10	(3,709)	(4,339)
Profit for the year after tax		13,490	10,388
Total comprehensive income for the financial year		13,490	10,388

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

The notes on pages 15 to 33 are an integral part of these financial statements.

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

	Note	Ordinary Share capital £'000	Capital contribution related to share-based payment schemes £'000	Retained earnings £'000	Total shareholder equity £'000
Balance at 1 January 2024		700	16,487	114,107	131,294
Profit and total comprehensive income		-	-	13,490	13,490
Share-based payments		-	4,152	7,117	11,269
Dividends paid	9	-	-	(17,000)	(17,000)
Balance at 31 December 2024		700	20,639	117,714	139,053

	Note	Ordinary Share capital £'000	Capital contribution related to share-based payment schemes £'000	Retained earnings £'000	Total shareholder equity £'000
Balance at 1 January 2023		700	15,963	109,676	126,339
Profit and total comprehensive income		-	-	10,388	10,388
Share-based payments		-	524	5,743	6,267
Dividends paid	9	-	-	(11,700)	(11,700)
Balance at 31 December 2023		700	16,487	114,107	131,294

The notes on pages 15 to 33 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
at 31 December 2024

	Note	2024 £'000	2023 £'000
Non-current assets			
Property, plant and equipment	11	86,434	83,725
Investment property	12	8,821	9,725
Loans and advances	15	80,000	60,000
Deferred tax assets	13	20,471	21,776
Investments in collective investment schemes	14	-	220
Total non-current assets		195,726	175,446
Current assets			
Current tax assets		-	167
Trade and other receivables	16	47,937	25,779
Cash and cash equivalents	17	67,778	113,419
Total current assets		115,715	139,365
Current liabilities			
Provisions due within one year	19	2,036	7,482
Lease liabilities due within one year	20	4,864	4,943
Current tax liabilities		4,623	5,009
Trade and other payables	21	87,991	90,804
Total current liabilities		99,514	108,238
Net current assets		16,201	31,127
Non-current liabilities			
Provisions due in more than one year	19	5,055	4,609
Lease liabilities due in more than one year	20	67,819	70,670
Total non-current liabilities		72,874	75,279
Net assets		139,053	131,294
Equity			
Share capital	18	700	700
Capital contribution related to share-based payment schemes		20,639	16,487
Retained earnings		117,714	114,107
Total equity		139,053	131,294

The notes on pages 15 to 33 are an integral part of these financial statements.

The financial statements on pages 12 to 33 were approved by the Board of Directors on 03 March 2025 and signed on its behalf by:

M O Satchel
Director

Company registered number: 01579311

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

1 GENERAL INFORMATION

Quilter Business Services Limited (the “Company") is a private limited company, that is limited by shares, incorporated in England and Wales and domiciled in the United Kingdom (“UK”). The principal activities of the Company are disclosed in the strategic report on pages 2 to 4.

The address of its registered office is disclosed in the Company information section on page 1.

2 MATERIAL ACCOUNTING POLICIES

Basis of preparation
The financial statements of Quilter Business Services Limited 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 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.

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, as modified by the revaluation of certain financial instruments which have been recognised at fair value through profit or loss (FVTPL), 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 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 15 and 16.

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, contracts with customers, fair value measurement, financial instruments, 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.

The Company is a wholly owned subsidiary of Quilter plc and it is included in the consolidated financial statements, which are publicly available. Therefore, the Company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements. The address of the ultimate parent’s registered office can be found in note 26.

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. As part of the going concern assessment, the Company took into consideration the current position of the UK economy including the impact of inflation and increases in the cost of living. The Group also took into consideration the risks related to climate change. Based on the assessment, the Directors believe that the Company 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 Company 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 issued in the current period. In doing so, the Company has applied the exception in IAS12.4A and will neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar II income taxes. There were no amendments to IFRIC interpretations that have a material impact on the Company’s financial statements.

Liquidity analysis of the statement of financial position
The Company’s statement of financial position is in order of liquidity as is permitted by IAS 1 Presentation of 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 net 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.

2 MATERIAL ACCOUNTING POLICIES (continued)

Critical accounting judgements
The Company's critical accounting judgements are those that management makes when applying its material accounting policies and that have the most effect on the net profit and net assets recognised in the Company's financial statements. 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 involve the most complex or subjective assessments and assumptions, which have a significant risk of resulting in a 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.

Area	Critical accounting estimates	Notes
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 market 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.	13

Significant changes in the year
There are no significant changes in the current reporting period.

Financial instruments
Financial instruments cover a wide range of financial assets, including financial investments, trade and other receivables and cash and cash equivalents and trade and 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 which financial assets should be measured at 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.

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.

2 MATERIAL ACCOUNTING POLICIES (continued)

Amortised cost

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

– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

For the purposes of this assessment, principal is defined as the fair value of the financial asset on initial recognition. Interest is defined as consideration 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 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.

The fair value of quoted financial investments, which represents the vast majority of the Company's investments, are based on the value within the bid-ask spread that is most representative of fair value. If the market for a financial investment is not active, the Company establishes fair value by using valuation techniques such as recent arm's length transactions, reference to similar listed investments, discounted cash flow or option pricing models.

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.

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 fair value 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, money market collective investment funds and other short-term deposits with an original maturity of three months or less.

Cash and cash equivalents held within money market collective investment funds are classified as FVTPL. All other 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, other than money market collective investment funds which are measured at fair value, approximates to their fair value.

Investments in collective investment schemes

Investments in collective investment schemes are designated at FVTPL at initial recognition and are subsequently measured at fair value, with any resultant gain or loss recognised in profit or loss.

Holdings in unit trusts are valued at quoted bid price. Open Ended Investment Company ("OEIC") assets are single priced funds and are valued at the quoted net asset value per share. Any holdings in dual priced unit trusts are priced at the mid-price of the creation and cancellation prices. Purchases and sales of securities and currencies are recognised on the trade date.

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.

2 MATERIAL ACCOUNTING POLICIES (continued)

Trade payables and receivables
Trade payables and receivables are classified as 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 trade and other receivables, cash and cash equivalents (excluding money market collective investment funds which are measured at fair value) and loans and advances.

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

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

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

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

Impaired financial assets:
Stage 3
When a financial asset is considered to be credit-impaired, the allowance for credit losses (“ACL”) continues to represent lifetime expected credit losses. However, interest income is calculated based on the amortised cost of the asset, net of the loss allowance, rather than its gross carrying amount.

Application of the impairment model
The Company applies the ECL model to three main types of financial asset 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.
– Intercompany receivables (including loans and advances) 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.

2 MATERIAL ACCOUNTING POLICIES (continued)

Intercompany balances are assessed for expected credit loss, but due to the value of cash within the Group, which could be transferred between Quilter entities and the fact that no historical losses have been incurred on intercompany balances by the Company, no ECL has been recognised on intercompany balances.

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.

Employee benefits
The Company operates a defined contribution pension scheme. Contributions to defined contribution pension plans are charged to profit and loss as they become payable in accordance with the rules of the scheme. The assets of the plans are held separately from those of the Company and are independently administered.

Employee share-based payments
The Company operates a number of share incentive plans for its employees. These involve an award of shares or options in the Company's ultimate Parent Company, Quilter plc (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-based 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.

The fair value of share-based payment awards granted is recognised as an expense over the vesting period which accords with the period for which related services are provided by the employee. A corresponding increase in equity is 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 profit or loss with a corresponding adjustment to capital contribution related to share-based payment schemes in equity.

2 MATERIAL ACCOUNTING POLICIES (continued)

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

Property, plant and equipment
Aside from right-of-use assets, property, plant and equipment consist principally of computer equipment and fixtures and fittings. Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment losses. Cost includes the original purchase price of the asset and the costs of bringing the asset to its working condition for its intended use. Depreciation is charged to profit and loss on a straight-line basis to write down the cost of the asset to its residual value over its estimated useful life. The following maximum useful lives are applied:

- Leasehold property length of the lease
- Plant and equipment 5 to 10 years

Leased plant and equipment is never depreciated over a period longer than the term of the lease. Assets under construction are not depreciated.

Management determines useful lives and residual values for assets when they are acquired, based on experience of similar assets and taking into account other relevant factors such as any expected changes in technology. The Company assesses and, where appropriate, adjusts the useful life, residual value and depreciation method for property plant and equipment on an annual basis.

Items of property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Where the carrying amount of an asset is greater than its estimated recoverable amount, which represents the higher of the asset's fair value less costs of disposal and value in use, it is written down immediately to its recoverable amount and an impairment loss is recognised in the profit and loss. Impaired non-financial assets are reviewed for possible reversal of the impairment at each reporting date. On derecognition of an item of equipment, any gain or loss on disposal, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is included in profit and loss in the period of the derecognition. Items of property and equipment that are not owned by the Company but are held under lease arrangements are accounted for in accordance with the accounting policy on leases.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset. This gain or loss is recognised in profit and loss.

Depreciation on property, plant and equipment features as part of administrative expenses.

Investment property
Investment properties are valued under the cost model. Depreciation is recognised as an expense on a straight-line basis to write down the cost of the right-of-use asset to its residual value over its estimated useful life which is dependent on the length of the lease. Lease income from operating leases where the Company is a lessor, is recognised in income on a straight-line basis over the sublease term.

Leases
Under IFRS 16, the Company assesses whether a contract is or contains a lease at inception of the contract. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess where a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset which may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset.

For lessee contracts, the right-of-use asset is initially measured at cost, which comprises the initial amount of lease liability, adjusted for any lease payments made at or before the commencement date, and any initial direct costs incurred. Adjustments are also made, where appropriate, to recognise provisions for property restoration costs and lease incentives received such as rent-

2 MATERIAL ACCOUNTING POLICIES (continued)

free periods. The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the asset-specific incremental borrowing rates.

Subsequent to lease commencement, the Company measures the right-of-use asset using a cost model, whereby the asset is held at cost less accumulated depreciation and any accumulated impairment. Depreciation is charged to profit and loss on a straight-line basis to write down the cost of the right-of-use asset to its residual value over its estimated useful life which is dependent on the length of the lease. In addition, the carrying amount of the right-of-use asset may be adjusted for certain remeasurements of the lease liability. The lease liability is subsequently measured at amortised cost using the effective interest method and also reflects any lease modifications or reassessments.

The Company presents its right-of-use assets within “Property, plant and equipment” and lease liabilities within “Borrowings and lease liabilities” in the statement of financial position.

The Company currently has material lease commitments of varying durations for the rental of a number of office buildings. The Company’s future lease cash outflows are not materially exposed to variable lease payments, low value or short-term leases, residual value guarantees, or restrictions imposed by a lease contract or sale and leaseback transactions.

Subleases
Where the Company sublets a leased asset to a third party, it accounts for its interest in the sublease separately from the head lease. In determining whether a sublease is a finance or operating lease, the Company assesses whether the sublease has transferred substantially all the risk and rewards of the right-of-use asset arising from the head lease to the sublessee.

Where the sublease does transfer substantially all the risk and rewards of the right-of-use asset to the sublessee, the Company derecognises the right-of-use asset and a net investment in finance leases is recognised, calculated as the present value of the future lease payments receivable under the sublease. Any difference between the initial value of the net investment in finance leases and the right-of-use asset derecognised is recognised immediately in profit and loss. Interest is calculated on the net investment in finance lease using the discount rate and is recognised as finance income.

Where the sublease does not transfer substantially all the risk and rewards of the right-of-use asset to the sublessee, the Company continues to recognise the right-of-use asset. The sublease is accounted for as an operating lease with the lease payments received recognised as other income. Lease incentives granted are recognised as part of the rental income and are spread over the lease term.

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. 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.

Other payables
Other payables are short-term, not interest-bearing and are stated as either non-financial liabilities or at amortised cost, which is not materially different to cost and approximates to fair value.

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

Management fee income
Management fee income represents management fees from group undertakings for the provision of management and administrative services. Management fees are charged including a mark-up on certain costs, except to fellow subsidiary undertaking Quilter Life & Pensions Limited, which due to being a life assurance entity, is recharged fees at cost. Management fee income is recognised in the same period the expenditure is incurred.

2 MATERIAL ACCOUNTING POLICIES (continued)

Third-party income

Third-party income comprises amounts recharged to a new strategic partner, with an element in both the current and prior years relating to the TSA arrangement following the sale of Quilter International. It represents business services and IT and third-party costs, which are predominantly fixed, but with scope to change if any of the costs vary materially. Third-party income is recognised in the period the expenditure is incurred.

Investment income

Investment income relates predominantly to interest income and investment property lease 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. Lease income is recognised on a straight-line basis over the sublease term.

Expense recognition

All expenses are recognised as a cost when incurred.

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 and loss, except when it relates to items recognised directly in equity or in other comprehensive income.

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 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. 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 and 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 13 includes further detail of circumstances in which the Company does not recognise temporary differences.

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 profit and loss as foreign exchange gains/losses.

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

3 THIRD-PARTY INCOME

Third-party income has increased by £11,269,000 from £8,401,000 in 2023 to £19,670,000 in 2024, due to the commencement of a new strategic partnering agreement, provided to third parties, partially offset by the reduction in income due to the end of the transitional services arrangement with Utmost in November 2023.

4 INVESTMENT RETURN

	2024 £'000	2023 £'000
Interest and similar income		
Interest receivable from fellow subsidiary	3,493	3,057
Interest on short term bank deposits (amortised cost)	4,249	4,561
	7,742	7,618
Gain/(loss) on financial instruments at FVTPL	8	(9)
Investment property income	1,000	637
Loss on sale of tangible assets	(396)	(548)
	8,354	7,698

There has been no interest income earned on impaired financial assets.

5 ADMINISTRATIVE EXPENSES

	2024 £'000	2023 £'000
Staff costs	182,367	143,390
Depreciation charge on plant and equipment	4,134	4,709
Depreciation charge for right-of-use assets	4,682	5,048
Depreciation charge for sub-let property	904	528
Auditors' remuneration: audit services paid	63	60
Other expenses	132,668	118,785
Administrative expenses	324,818	272,520

Auditors' remuneration for audit services consists of fees in respect of the statutory audit. There are no non-audit fees (2023: £nil).

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

6 EMPLOYEE BENEFITS

	2024 £'000	2023 £'000
Salaries and bonus remuneration	138,399	109,637
Share-based payments	8,558	6,053
Social security costs	17,802	13,410
Pension costs	11,211	9,066
	175,970	138,166
The average number of employees was as follows:	2,022	1,735

The monthly average number of persons employed by the Company is based on permanent employees and fixed-term contractors. All staff are employed to support activities of Quilter plc entities.

Included within the wages and salaries costs for the current year are termination benefits of £2,390,000 (2023: £1,653,000).

The above costs are included within the staff costs line in administrative expenses. The benefits quoted above differ to the total in the staff costs within administrative expenses, which include training and recruiting, other personnel expenses and car expenses.

All employees were involved in the administration of the Group's activities in the current and prior year. The pension costs shown above are the Company's contributions into defined contribution pension plans. The additional cost of providing death in service benefits in the year was £400,000 (2023: £270,000).

7 REMUNERATION OF KEY MANAGEMENT PERSONNEL

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the entity and as such, only Directors are considered to meet this definition.

The remuneration of the Directors is recharged to other companies in the Group. The Directors' services to this Company are of a non-executive nature and remuneration is deemed to be wholly attributable to services to the other companies within the Group.

8 FINANCING COSTS

	2024 £'000	2023 £'000
Interest charge on lease liabilities (see note 20)	2,456	2,576
Total financing costs	2,456	2,576

9 DIVIDENDS PAID

	2024 £'000	2023 £'000
Dividends paid		
Dividends paid to Quilter plc 2,428.57p per share (2023: 1,671.43p per share)	17,000	11,700
Dividends paid to immediate parent	17,000	11,700

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

10 TAXATION

Tax charged to profit and loss	2024 £'000	2023 £'000
Current tax		
United Kingdom	3,325	5,010
Adjustments to current tax in respect of prior periods	(3,396)	(518)
Total current tax (credit)/charge	(71)	4,492
Deferred tax		
Origination and reversal of temporary differences	(85)	(1,018)
Effect on deferred tax of changes in tax rates	-	(339)
Adjustments to deferred tax in respect of prior periods	3,865	1,204
Total deferred tax charge/(credit)	3,780	(153)
Total tax charged to profit	3,709	4,339

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	17,199	14,727
Corporation Tax charge at 25% (2023: 23.5%)	4,300	3,461
Effect of:		
Expenses not deductible for tax purposes	2	531
Non-deductible share-based payment (reversal)	(1,062)	-
Adjustments to current tax in respect of prior years	(3,396)	(518)
Effect on deferred tax for changes in tax rates	-	(339)
Adjustments to deferred tax in respect of prior years	3,865	1,204
Total tax charged to profit or loss	3,709	4,339

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 Company 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

11 PROPERTY, PLANT AND EQUIPMENT

	Right-of-use asset £'000	Plant and equipment £'000	Assets under the course of construction[1] £'000	Total £'000
Cost or valuation				
At 1 January 2024	85,352	46,963	-	132,315
Disposals	-	(2,271)	-	(2,271)
Additions	3,776	4,271	3,849	11,896
At 31 December 2024	89,128	48,963	3,849	141,940
Accumulated depreciation and impairment				
At 1 January 2024	35,972	12,618	-	48,590
Disposals	-	(1,901)	-	(1,901)
Depreciation charge for the year	4,682	4,135	-	8,817
At 31 December 2024	40,654	14,852	-	55,506
Carrying amount				
At 31 December 2023	49,380	34,345	-	83,725
At 31 December 2024	48,474	34,111	3,849	86,434

[1]The Company recognised £3,849,000 of assets that were under construction at 31 December 2024 (31 December 2023: £nil). These assets, relating to improvements to leased office property, are expected to be completed and brought into use during 2025.

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

12 INVESTMENT PROPERTY

	2024 £'000	2023 £'000
Opening balance at 1 January	9,725	-
Transfer from owner-occupied property	-	10,253
Depreciation	(904)	(528)
Total investment property	8,821	9,725

In June 2023, the Company entered into a contract to sublet a property to one tenant under an operating lease with rentals payable monthly. The sublet relates to one floor of a leased property which has a useful economic life of eleven years. There is a break clause in the sublease agreement after five years and the Company cannot reasonably expect the tenant to continue to lease beyond 2028.

The fair value of the sublet floor can only be reliably measured with the use of a surveyor. The Company believes the cost of measuring the fair value would be uneconomical when compared to the value of the sublet and therefore the investment property is valued under the cost model. This is consistent with the valuation of all of the Group’s leased properties. Given the short nature of the sublease and arm’s length nature of the sublease agreement the Directors consider that the carrying amount of the investment property is likely to approximate to the fair value.

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the sublease term. Lease income for 2024 is £1,092,000 (2023: £637,000). Expenses relating to the property are immaterial to the Company.

Undiscounted cash flows under the sublease are £1,392,000 per annum for each of the five years to the end of 2028.

There are no contractual obligations to purchase, construct, develop or dispose of investment property. Standard terms and conditions of leasing are included in the sublease arrangements.

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

13 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 reporting period.

	Accelerated depreciation £'000	Share-based payments £'000	Other temporary differences £'000	Closing deferred tax asset £'000
Assets at 1 January 2023	18,043	2,746	628	21,417
Tax (charged)/credited to profit or loss	151	(72)	74	153
Equity credit	-	206	-	206
Assets at 31 December 2023	18,194	2,880	702	21,776
Tax (charged)/credited to profit or loss	(5,891)	2,081	30	(3,780)
Equity credit	-	2,475	-	2,475
Assets at 31 December 2024	12,303	7,436	732	20,471

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 business plan period. The impacts of a 20% decrease in profitability have been assessed and do not give rise to concerns over recoverability.

Unrecognised deferred tax assets

The amounts for which no deferred tax asset has been recognised comprises:

	31 December 2024		31 December 2023	
	Gross amount £'000	Tax £'000	Gross amount £'000	Tax £'000
Pre-April 2017 UK tax losses	113	28	113	28
Total unrecognised deferred tax assets	113	28	113	28

A deferred tax asset has not been recognised in respect of ringfenced pre-1 April 2017 losses as there is sufficient uncertainty to the extent it is probable there will be future taxable profits to utilise the losses. Unrecognised losses are available to carry forward with no expiry date, subject only to the continuation of the business.

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

14 INVESTMENTS IN COLLECTIVE INVESTMENT SCHEMES

	2024	2023
	£'000	£'000
At fair value through profit and loss		
Investments in collective investment schemes	-	220

These investments are individually insignificant and short term.

15 LOANS AND ADVANCES

	2024	2023
	£'000	£'000
Lending to subsidiary undertaking at BoE base rate + 0.5%	80,000	60,000
	80,000	60,000

All loans are recognised at amortised cost, with their carrying amount approximating to fair value. The Bank of England (BoE) base rate was 4.75% (2023: 5.25%) at the accounting date.

All loans are repayable on demand. There have been no non-performing loans, loans subject to renegotiations or material impairments on loans and advances in either period assessed.

16 TRADE AND OTHER RECEIVABLES

	2024	2023
	£'000	£'000
Due from fellow subsidiary undertakings	4,366	275
Prepayments and accrued income	24,121	23,084
Other receivables	19,450	2,420
Total trade and other receivables	47,937	25,779

Amounts due from group undertakings are unsecured, current and interest free. All other receivables are unsecured, current and interest free. All amounts are classified as either at amortised cost or non-financial assets.

17 CASH AND CASH EQUIVALENTS

	2024	2023
	£'000	£'000
Bank balances	7,578	6,378
Money market funds	60,200	107,041
Cash and cash equivalents	67,778	113,419

Bank balances are current and recognised at amortised cost. Money market investments are current and are recognised mandatorily at FVTPL.

Bank balances are subject to a 12-month ECL, and are credit rated A. Cash held in money market funds are held with AAA rated counterparties.

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

18 SHARE CAPITAL

	2024	2023
	£'000	£'000
Allotted, called up and fully paid		
700,000 (2023: 700,000) Ordinary Shares of £1 each	700	700

The Company has elected under the Companies Act 2006 to remove authorised share capital limits.

19 PROVISIONS

	Sale of Quilter International	Legal	IT licences	Provision for onerous contracts	Property provisions	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2023	10,800	-	1,690	2,806	5,708	21,004
Additions in the year	-	-	372	-	227	599
Release of unused provisions	-	-	(250)	-	-	(250)
Utilisation	(8,659)	-	(17)	(586)	-	(9,262)
Balance at 31 December 2023	2,141	-	1,795	2,220	5,935	12,091
Additions in the year	-	57	380	84	459	980
Release of unused provisions	(281)	-	(1,140)	(519)	(239)	(2,179)
Utilisation	(1,860)	-	(59)	(1,785)	(97)	(3,801)
Balance at 31 December 2024	-	57	976	-	6,058	7,091

Of the total provisions recorded above, £5,055,000 (2023: £4,609,000) is estimated to be payable after more than one year.

Provisions arising on the disposal of Quilter International of £nil (2023: £2,141,000)
Quilter International was sold in November 2021, resulting in provisions totalling £16,665,000 being established in respect of costs related to the disposal including the costs of business separation and data migration activities.

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

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

During the year, £1,860,000 (2023: £8,659,000) of the provision relating to decommissioning works has been utilised, with £281,000 released unused (2023: nil) The project has now been completed.

IT licences of £976,000 (2023: £1,795,000)
IT provisions relate to providing for underpayments upon IT licences. The remaining balance is estimated to be payable within one year.

Property and onerous contract provisions of £6,058,000 (2023: £8,155,000)
Property provisions represent the discounted value of expected future costs of reinstating leased property to its original condition at the end of the lease term, and any onerous commitments which may arise in cases where a leased property is no longer fully used by the Group. The estimate is based upon property location, size of property and an estimate of the cost per square foot. Property provisions are used or released when the reinstatement obligations are satisfied. The associated asset for the property provisions relating to the cost of reinstating property is included within Property, plant and equipment.

Of the £6,058,000 provision outstanding, £5,055,000 (2023: £4,609,000) is estimated to be payable after one year. The majority of the balance relates to leased properties which have a lease term maturity of more than five years.

20 LEASE LIABILITIES

	2024 £'000	2023 £'000
Opening balance at 1 January	75,613	82,575
Additions	3,488	182
Disposals	-	-
Finance interest charge for the year	2,456	2,576
Lease liability payments for the year	(8,874)	(9,720)
Closing balance at 31 December	72,683	75,613
Lease liability to be settled within 12 months	4,864	4,943
Lease liability to be settled after 12 months	67,819	70,670
Total discounted lease liability at 31 December	72,683	75,613
Maturity analysis - contractual undiscounted cash flows		
Less than one year	8,556	8,985
One to five years	35,588	33,181
More than five years	43,975	49,832
Total undiscounted lease liability at 31 December	88,119	91,998

Termination options are included in a number of the Company's property leases. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations.

The lease term is reassessed if an option is actually exercised, if the option can no longer be exercised or if the Company becomes obliged to exercise the option.

The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

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

21 TRADE AND OTHER PAYABLES

	2024 £'000	2023 £'000
Due to fellow subsidiary undertakings	31,925	45,413
Other taxes and social security costs	6,591	4,815
Trade creditors and accruals	49,475	40,576
Total trade and other payables	87,991	90,804

Amounts due to Group companies are current, unsecured and interest free. All other amounts within trade and other payables are also current, unsecured and interest free. All amounts are recognised as either at amortised cost or non-financial assets.

Trade creditors and accruals include accruals covering the incentive bonus scheme which fluctuates year-on-year in line with set performance targets.

22 FINANCIAL AND CAPITAL COMMITMENTS

£2,193,000 of capital expenditure is contracted for property refurbishments at the end of the reporting period, but has not been recognised within liabilities at 31 December 2024 (2023: £nil).

23 SHARE-BASED PAYMENTS

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.

Description of share-based payment arrangements
The Company operates the following share-based payment schemes with awards over Quilter plc shares:

	Description of award						Vesting conditions	
Scheme	**Restricted shares**	**Conditional shares**	**Options**	**Other**	**Dividend Entitlement[1]**	**Contractual Life (years)**	**Typical Service (years)**	**Performance (measure)**
Quilter plc Performance Share Plan - Share Options (Nil cost options)	-	-	✓	-	✓	Up to 10	3	AP EPS CAGR[2] and Relative Total Shareholder Return
Quilter plc Performance Share Plan - Conditional Shares	-	✓	-	-	✓	Not less than 3	3	Conduct, Risk and Compliance Underpins
Quilter plc Share Reward Plan - Conditional Shares	-	✓	-	-	✓	Typically 3	3	-
Quilter plc Sharesave Plan[3]	-	-	✓	✓	-	$3^{1/2}$ - $5^{1/2}$	3 & 5	-

[1]Participants are entitled to dividend equivalents.
[2]Adjusted profit compound annual growth rate ('**CAGR**').
[3]The Quilter plc Sharesave Plan is linked to a savings plan.

Options and awards
The weighted average share price at the dates of exercise for options exercised during the year was £1.07. 23,546,502 options outstanding at 31 December 2024 (2023: 18,035,572) have an exercise price of £nil for the Quilter plc Performance Share Plan, and between £0.69 and £1.31 for the Quilter plc Sharesave Plan, with a weighted average remaining contractual life of 1.7 years. At 31 December 2023, the exercise price was £nil for the Quilter plc Performance Share Plan, and between £0.69 and £1.17 for the Quilter plc Sharesave Plan, with a weighted average remaining contractual life of 2.2 years.

The weighted average share price at the dates of exercise for share awards exercised during the year was £1.05. At 31 December 2024, 14,495,649 (2023: 9,329,781) conditional share awards were outstanding. The average remaining contractual life of awards outstanding is 0.9 years (2023: 1.2 years).

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

24 CONTINGENT LIABILITIES

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

25 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.

26 ULTIMATE PARENT COMPANY

The Company’s immediate and 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. The financial statements are available from:

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