Registered in England and Wales No. 06784783

Quilter Financial Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 December 2021

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Quilter Financial Limited

COMPANY INFORMATION

Directors	M Dean S C Gazard
Secretary	Quilter CoSec Services Limited
Independent Auditors	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT
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: 06784783

STRATEGIC REPORT

The Directors present their strategic report for the year ended 31 December 2021.

REVIEW OF THE BUSINESS AND PRINCIPAL ACTIVITIES

The principal activity of Quilter Financial Limited ("**the Company**") during the year under review was the provision of support services to independent and restricted financial advisers. The Company is incorporated and domiciled in England and Wales.

The Company is authorised and regulated by the Financial Conduct Authority ("**FCA**"). The Company is part of the Quilter plc Group ("**the Group**" or "**Quilter**"). Quilter plc's ordinary shares are listed on the London and Johannesburg Stock Exchanges. Quilter plc provides the Company with strategic and governance oversight.

QUILTER PLC STRATEGY

Quilter plc strategy is focused on growing with its clients and advisers, enhancing the efficiency of its operations, increasing digitalisation across the business and being a responsible wealth manager. This will enable Quilter to increase flows from both its own advisers and independent financial advisers, manage more of those flows in investment solutions and increase 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 cultural values of being pioneering, dependable and stronger together which aids achieving Quilter's goals and benefits all of stakeholders.

QUILTER FINANCIAL LIMITED STRATEGY

Quilter Financial Limited forms part of the Quilter Financial Planning Group ("**QFP Group**"), a network of over 2,800 financial advisers, including over 1,600 restricted financial planners, who deliver personalised financial advice tailored to meet specific needs of the customer to deliver positive customer outcomes. The strategic aim of the QFP Group is to provide a market leading customer experience through controlled distribution and a focus upon the delivery of full financial planning within our target markets. The QFP Group is committed to offering a controlled advice proposition that delivers excellent customer outcomes, with a structure which ensures strong leadership and a strategic focus for advisers and clients in different market segments. The QFP Group operates a business model with two core channels, National and Network.

The Company is aligned with the Network channel and the Company will continue to support its existing adviser population with a whole of market financial planning proposition.

Key performance indicators

Management evaluates the performance of the business using a number of measures. Key metrics for the Company were as follows:

	2021	**2020**
Adviser headcount	195	228
	£'000	**£'000**
Fee income and other income from service activities	45,429	44,999
Other operating and administrative expenses	(6,585)	(5,288)
Profit before taxation	145	1,367
Cash and cash equivalents	4,029	114
Net assets	13,256	9,126

Increased revenues reflect the increase in mortgage business driven by the stamp duty holiday, market growth and the general recovery in customer sentiment after the effects of COVID in 2020.
The increase in administrative costs for the year reflects all related costs now being borne by the Company following the realignment of the business in the year ended 31 December 2021.

The increase in Cash and Cash Equivalents and Net Assets reflects an injection of £4m additional share capital in the year.

STRATEGIC REPORT (continued)

The Company remains well capitalised with good levels of regulatory solvency headroom and a strong financial position.

PRINCIPAL RISKS AND UNCERTAINTIES

The key business risks and uncertainties relate to investment market performance, adviser and customer persistency, expense levels and risks within operational activities associated with systems, processes, people and external influences. The Company does not seek market risk from trading securities with its own funds. The Company has limited risk appetite for credit risk via loans to Appointed Representatives and company cash held with counterparties.

Conduct risk management - The delivery of demonstrably suitable customer outcomes continues to be a central focus for the advice businesses. The Company is aware of the customer harm, regulatory and cost implications arising from the provision of unsuitable advice and/or ongoing servicing. It continues to provide adviser supervision and advice assessments through its compliance operations, monitoring arrangements and executive governance arrangements, with oversight of its systems and controls at the core of the Company's control environment. This has been identified as a key strategic priority with investment allocated for the continued strengthening of its risk and control environment.

Customer complaints and redress experience - The controlled distribution model operated by the business benefits from expertise in defining and reviewing the restricted matrices and panels used by the business and strong governance over adherence to the defined advice standards, including file checking. This strategy combined with the operational approach to provide its customers with the right outcomes through process and Root Cause Analysis seeks to mitigate the risk of repeat instances or scenarios requiring client redress.

Financial instruments - The Company's main exposure to risk arising from financial instruments is its exposure to credit risk arising on cash or short-term deposits and trade and other receivables. The Company's cash and cash equivalents are managed to ensure this risk is mitigated.

Emerging risks

Quilter is a long-term business and as such we monitor risks which are less certain in terms of timescales and impact. The emerging risk profile is subject to regular review by management committees and the Board. The identification of these risks contributes to our stress and scenario testing which feeds into our strategic planning process and informs our capital calculations. The following are the emerging risks we feel are the most significant.

Disruptive competition: There continues to be increased competition in the wealth management industry and acceleration in technological advancements. A rapidly shifting external environment brings opportunity for greater competitive disruption with potential to erode Quilter's market share.

Margin pressure: There is increasing competitive pressure to provide wealth management services at a lower overall cost to customers (there is a need to reduce the sum of advice fees, platform costs and fund management costs to remain competitive).

Cyber threat developments: Evolving sophisticated cyber criminality presents a persistent threat of attack, capable of compromising the continuity of operations, or the security and integrity of information. Quilter's cyber risk landscape is made more complex by the current remote working environment.

Generational shifts: The UK is experiencing shifts in generational wealth accumulation with newer generations potentially less able to accumulate wealth and assets from income. Existing intergenerational tensions are being further accelerated by an ageing population and the impact of the COVID-19 pandemic on the economic outlook. Robotics, and in the longer term, artificial intelligence and the increased need to manage natural resources all have the potential to materially change the nature of the future labour force (for example, through mass unemployment), which represents additional challenge to Quilter's target market. There is a risk of strategic failure to adapt to future customer needs.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Economic environment: Quilter is exposed to the condition of global economic markets. Whilst market conditions generally stabilised during 2021 from the COVID-19 pandemic, the evolving Ukraine crisis is having an impact on the economic environment resulting in short term market volatility and creates increasing economic and political uncertainty which could impact consumer confidence. Quilter's NCCF, AuM, profitability and free cash levels could be materially affected by an extended or volatile economic recovery.

Streamlined Energy and Carbon Reporting

The Group is committed to managing its environmental impact and supports the Carbon Disclosure Project ('CDP'), a globally recognised initiative for companies to measure, manage, disclose and reduce their environmental impacts. A full explanation of how the Directors have had regard to the impact on the environment is contained within the Quilter plc Annual Report 2021 as per the requirements of Streamlined Energy and Carbon Reporting. The Company is not required to report Company specific information as it is a subsidiary of the Group.

SECTION 172 (1) STATEMENT

The Company is a wholly owned subsidiary of Quilter plc and therefore operates in line with the strategy, policies and practices that are set by the Quilter plc Board and are described in the Quilter plc Annual Report. The following statement should therefore be read in conjunction with the Quilter plc Annual Report 2021.

In order to ensure decision-making bodies within Quilter plc continue to take their decisions on a fully informed basis, the Group has taken steps to further embed management's and Director's understanding of the responsibilities ascribed to directors under section 172 (1) of the Companies Act 2006 at a Quilter plc level and across its management committees and subsidiaries including the Company. Quilter Corporate Secretariat continue 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. Examples of best practice have been provided and rolled out to the business, with further explanation and guidance on directors' duties to ensure that section 172 (1) considerations remain at the heart of the Group's decision-making at all levels.

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

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Signed on behalf of the Board

M Dean
Director
30 June 2022

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DIRECTORS' REPORT

The Directors present their report and audited financial statements for the year ended 31 December 2021.

The review of the business and principal risks and uncertainties are disclosed within the strategic report.

DIRECTORS

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

S C Gazard
M Dean

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

Qualifying third-party indemnities were in force (as defined by section 234 of the Companies Act 2006) during the course of the financial year ended 31 December 2021 for the benefit of the then Directors, and at the date of this report, are in force for the benefit of the Directors in relation to certain losses and liabilities which may occur (or have occurred) in connection with their duties/powers or office.

DIVIDENDS

The Directors do not recommend the payment of a dividend (2020: £nil).

EMPLOYEES

The Company has no employees. Quilter Financial Planning Limited employs all staff and the related disclosures are shown in those financial statements.

POLITICAL DONATIONS

No political donations were made during the year (2020: £nil).

MANAGED CAPITAL

The Company's objectives in managing its capital are to ensure that there are adequate resources to meet the Company's liabilities as they fall due, to meet external capital requirements set by the Financial Conduct Authority, and to allocate capital efficiently to support growth and repatriate excess capital where appropriate. The Company manages its capital by measuring its resources and cash available on a regular basis, and through regular monitoring of excess regulatory capital. The Company's capital position and the movement in this from the prior year are disclosed within the statement of changes in equity. The Company met all external regulatory capital requirements during the year.

DISCLOSURE OF INFORMATION TO AUDITORS

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

- so far as the Directors are each aware, there is no relevant audit information of which the Company's auditors are unaware; and
- each Director has taken all the steps that they ought to have taken as 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)

STATEMENT OF GOING CONCERN

The use of the going concern basis of accounting is considered appropriate, reflecting the intention of the Company's indirect parent company, Quilter Financial Planning Limited, to provide continued capital support to the Company for at least the three years to 31 December 2024

In turn, Quilter Financial Planning Limited has received a capital commitment from its ultimate parent, Quilter plc, for the same period, reflecting the strategic importance of the Quilter Financial Planning Group in the wider group.

In light of the above there are no material uncertainties, related events or conditions that may cast significant doubt over the ability of the Company to meet its liabilities as they fall due, for at least 12 months from the date of approving these financial statements.

CLIMATE CHANGE

In 2021, the Quilter climate change strategy was formalised with the objective to reduce Quilter's contribution to climate change and support the transition to a low carbon economy. To achieve this ambition, Quilter has developed a framework which is helping reduce our direct carbon footprint, embed climate considerations in our investment management and stewardship activity, offer clients climate focused investment solutions and align with the Taskforce on Climate-related Financial Disclosures ("TCFD").

INVESTING RESPONSIBLY

Quilter has made a commitment to embed responsible investment principles across the business and is a signatory of the UN backed Principles for Responsible Investment ("PRI"). We are embedding environmental, social and governance ("ESG") into our standard advice process to help clients invest according to their ESG preferences, and we are embedding ESG even more deeply into our standard investment management processes.

INDEPENDENT AUDITORS

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

Signed on behalf of the Board

M Dean

Director
30 June 2022

Statement of Directors’ responsibilities in respect of the Annual report and financial statements

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

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

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

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

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

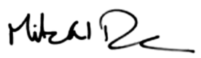
The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company’s transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the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

Directors’ confirmations

In the case of each director in office at the date the directors’ report is approved:

- so far as the director is aware, there is no relevant audit information of which the company’s auditors are unaware; and
- they have 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.

Signed on behalf of the Board



M Dean

Director
30 June 2022

Independent auditors' report to the members of Quilter Financial Limited

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 December 2021 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, comprising 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, which comprise: the statement of financial position as at 31 December 2021; the income statement, the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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 2021 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 Annual report and 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 UK regulatory principles such as those governed by the Financial Conduct Authority ("FCA") and unsuitable or 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 the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to either inflate revenue or reduce expenditure of the Company, and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with the Board of Directors, management, internal audit, management involved in the risk and compliance and legal functions, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud.
- Reviewing key correspondence between the Company and the Financial Conduct Authority in relation to compliance with laws and regulations.
- Reviewing relevant meeting minutes including those of the Board of Directors and the Audit Committee.
- Challenging assumptions made by management in accounting estimates and judgements.
- Identifying and testing journal entries, in particular any journal entries posted with unexpected account combinations which may be indicative of the manipulation of revenue or expenses, containing unusual descriptions or unusual amounts, where any such journals were identified.
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

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.

Shujaat Khan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
30 June 2022

Income statement

For the year ended 31 December 2021

	Note	£'000 2021	£'000 2020 (restated[1])
Income			
Fee income and other income from service activities	5	45,429	44,999
Other income		-	155
Total income		45,429	45,154
Expenses			
Fee and commission expenses		(38,699)	(38,499)
Other operating and administrative expenses		(6,585)	(5,288)
Total expenses	6	(45,284)	(43,787)
Profit before tax		145	1,367
Tax on profit	7	(15)	(260)
Profit for the financial year		130	1,107

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

The notes on pages 16 to 28 form an integral part of these financial statements.

[1] – restatement of Income statement for the year ended 31 December 2020 detailed in Note 3

Statement of comprehensive income
For the year ended 31 December 2021

	£'000 **2021**	£'000 2020
Profit after tax for the financial year	130	1,107
Total comprehensive income for the financial year	130	1,107

The notes on pages 16 to 28 form an integral part of these financial statements.

Statement of changes in equity
For the year ended 31 December 2021

				£'000
	Share capital	**Share premium**	**Retained earnings**	**Total equity**
Balance at 1 January 2021	2,290	200	6,636	9,126
Total comprehensive income	-	-	130	130
Share capital issued	4,000	-	-	4,000
Balance at 31 December 2021	6,290	200	6,766	13,256

				£'000
	Share capital	**Share premium**	**Retained earnings**	**Total equity**
Balance at 1 January 2020	2,290	200	5,529	8,019
Total comprehensive income	-	-	1,107	1,107
Balance at 31 December 2020	2,290	200	6,636	9,126

The notes on pages 16 to 28 form an integral part of these financial statements.

Statement of financial position
At 31 December 2021

	Note	£'000 2021	£'000 2020
Assets			
Deferred tax asset	8	10	-
Contract assets	9	2,068	3,494
Trade, other receivables and other assets	10	17,440	15,584
Cash and cash equivalents	11	4,029	114
Total assets		23,547	19,192
Equity and liabilities			
Equity			
Share capital	12	6,290	2,290
Share premium reserve		200	200
Retained earnings		6,766	6,636
Total equity attributable to equity holders		13,256	9,126
Liabilities			
Provisions	13	1,200	1,235
Current tax payable		284	323
Trade, other payables and other liabilities	14	8,807	8,508
Total liabilities		10,291	10,066
Total equity and liabilities		23,547	19,192

The financial statements on pages 12 to 15 were approved by the Board of Directors and authorised for issue on 30 June 2022 and signed on its behalf by:

The notes on pages 16 to 28 form an integral part of these financial statements.

....
M Dean
Director

Company registered number: 06784783

General information

Quilter Financial Limited (the "Company"), is a private company limited by shares incorporated and domiciled in the United Kingdom ("UK"). The principal activities of the Company are disclosed in the strategic report on page 2.

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

1: Basis of preparation

The financial statements of Quilter Financial Limited for the year ended 31 December 2021 have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of derivative financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006.

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 in note 2.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1, 'Presentation of financial statements' – comparative information requirements in respect of:
  - paragraph 79(a)(iv) of IAS 1;
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d) (statement of cash flows);
  - 16 (statement of compliance with all IFRS);
  - 38A (requirement for minimum of two primary statements, including cash flow statements);
  - 38B-D (additional comparative information);
  - 111 (statement of cash flows information); and
  - 134-136 (capital management disclosures).
- The second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.
- IAS 7, 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a Company.

These financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates.

Change of basis of preparation

For the year ended 31 December 2021, the Company has adopted Financial Reporting Standard 101 ("FRS 101") as the basis of preparation for the Company's financial statements.

Prior to this, the Company's financial statements were prepared under International Financial Reporting Standards ("IFRS"). This includes the audited financial statements for the year ended 31 December 2020.

There has been no change in the accounting policies, assumptions, judgements and estimates applied by the Company resulting from the adoption of FRS 101. Therefore, this change in basis of preparation has had no change to the comparative results or balances brought forward from those previously reported in the Company's audited financial statements for the year ended 31 December 2020.

There has, however, been an alignment of reporting format to that adopted by the Quilter group. This has led to a restatement of the Income statement for the year ended 31 December 2020. This is explained further in Note 3 to these financial statements.

1: Basis of preparation (continued)

In adopting FRS 101 the Company has applied exemptions from disclosure normally required under IFRS. These exemptions applied are listed in the Basis of preparation.

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

There were no new standards or interpretations which became effective from 1 January 2021.

Amendments to standards:

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2021 that have a material impact on the Company's financial statements

Going concern

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

In assessing this, the Directors have considered:

- the liquidity of the Company's assets;
- the projected regulatory capital position of the Company;
- the written commitment of the Company's indirect parent to provide the required level of continued capital support for at least three years to 31 December 2024 along with the managements' consideration of the parent's ability to provide that support.

Quilter Financial Planning Limited, the parent company of the QFP Group, has received confirmation in writing from its ultimate parent, Quilter plc, that it will continue to make funds available to QFPL for at least three years to 31 December 2024, and will not seek repayment of funds provided during that period. The Group's willingness to provide this ongoing support reflects QFP Group's position as being an integral part of the Group strategy and advice solution offerings.

In light of the commitment of support from the Group, the Company has received confirmation of ongoing intent to provide capital support from its indirect parent, QFPL, that it will continue to make funds available to the Company for at least three years to 31 December 2024 and will not seek repayment of funds provided during that period, continuing to recognise the strategic importance of the Company within QFP Group.

On this basis management have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future (being 12 months from the date of this report). Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

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

2: Critical accounting estimates and judgements

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

Critical accounting judgements

The Company's critical accounting judgements are detailed below and are those that management makes when applying its significant accounting policies and that have the most effect on the net profit and net assets recognised in the Company's financial statements.

Recognition of insurance recovery asset in respect of customer complaints

Management have applied judgement in order to determine whether an asset can be reasonably estimated, and the measurement of such asset, in relation to an insurance recovery under the Company's professional indemnity policies ("PI Policies"). Under the PI Policies, the Company is entitled to be indemnified for a "Claim" (and defence costs) in respect of legal liabilities arising in connection with the Company's advice activities. See note 13 for further details.

Recognition of asset recoverable from Advisers in relation to indemnity commission provision

Management have applied judgement in order to recognise that an element of indemnity commission repayable will be recoverable from Adviser firms with the proportion recoverable reflecting the average commission rate paid.

The recoverability judgement is based on the ability to offset amounts receivable on income that continues to be generated by the advisors.

Critical accounting estimates

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

Indemnity commission provision and related recoverable balance

Provision is made for repayment of indemnity commission to the product provider in the event that a policy may lapse within the indemnity period. Given the nature of these policies it is uncertain what the number and monetary value will be of any such lapses.
In calculating the provision for this clawback of commissions management have assumed the future pattern of policies lapsing within the indemnity period will reflect historic experience.
In calculating the proportion of indemnity commission repayments that can then be recovered from advisers, management have used the average commission rate paid to advisers.

Per Note 13, the provision amounted to £968,000 as at December 2021. An increase of 1% to the average indemnity rate and 1% reduction to the weighted average cost of capital used would increase the provision by £299,070. A decrease of 1% to the average indemnity rate and 1% increase to the weighted average cost of capital used would decrease the provision by £296,268.

Contract assets

Contract assets are calculated as the expected outstanding commission/fee receivable in respect of investment or pension transfer advice given in the last six months of the year adjusted for the proportion of advice that is not expected to proceed and therefore will not result in additional revenue. This is based on historic experience of advice that is not proceeded with.

As at December 2021 this asset amounted to £1,779,987. An increase of 1% to the expected proportion of advice expected to result in a new investment or pension transfer would increase the asset by £19,027. A decrease of 1% to the expected proportion of advice expected to result in a new investment or pension transfer would decrease the asset by £19,027.

3: Significant changes in the year

Prior year restatements

As noted in Note 1, the Company has adopted FRS101 for the first time in the year ended 31 December 2021. This has had no impact on previously reported results.

At the same time, the Company has aligned its financial reporting format with that of the Group. The only impact is to regroup revenue and costs to Income and Expenses within the Income statement for the year ended 31 December 2020, as shown below:

As previously reported		Reclassifications: Cost of sales	Reclassifications: Interest income	Restated to align with Group presentation	
					Income
Revenue	44,999			44,999	Fee income and other income from service activities
Cost of sales	(38,499)	38,499			
			155	155	Other income
Gross profit	6,500			45,154	**Total income**
					Expenses
		(38,499)		(38,499)	Fee and commission expenses
Administrative expenses	(5,288)			(5,288)	Other operating and administrative expenses
Other operating income	155		(155)		
				(43,787)	**Total expenses**
Profit before tax	1,367	-	-	1,367	**Profit before tax**
Taxation	(260)			(260)	Tax on profit
Profit after tax	1,107	-	-	1,107	**Profit for the financial year**

There has been no impact to the Company’s Statement of financial position.

4: Significant accounting policies

The Company's significant accounting policies are described below. There have been no changes to the Company's significant accounting policies as a result of changes in accounting standards during the year.

Fee income from service activities

Fee income and other income from service activities represent the fair value of services provided, net of value added tax. Revenue is only recognised to the extent that management is satisfied that it is highly probable that no significant reversal of the revenue recognised will be required when uncertainties are resolved. In circumstances where refunds are expected on a portion of the income, including indemnity commission on policies sold, an estimate of the reduction of revenue is made and charged to the Income statement at the point of sale, based upon assumptions determined from historical experience.

Premium-based fees

This includes fees in respect of advice provided to clients when the advice has been provided to the client and the financial adviser's performance obligation has been fully delivered. Accordingly, fee income is recognised at the inception of the financial product sold.

Financial instruments (other than derivatives)

Financial instruments cover a wide range of financial assets, including financial investments, trade and intercompany receivables and cash and cash equivalents and certain financial liabilities, including investment contract liabilities, trade 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 fair value through the profit and loss ("FVTPL").

Initial measurement

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus (for an item not at FVTPL) transaction costs that are directly attributable to its acquisition.

Subsequent 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. The standard has four categories, of which two are applicable within 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 de-recognition is recognised in profit or loss.

4: Significant accounting policies (continued)

Amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and unless recognised as FVTPL on initial recognition applying the Fair Value Option (see below):

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

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

All other financial assets that are not measured at amortised cost are classified and measured at FVTPL.

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.

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

Financial liabilities and equity

Financial liabilities, being the Company's trade payables, are measured at amortised cost using the effective interest method.

Trade payables and receivables

Trade payables and receivables are classified at amortised cost. Due to their short-term nature, their carrying amount is considered to be the same as their fair value.

Impairment of financial assets

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

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

Performing financial assets:

Stage 1

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

Stage 2

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

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

Impaired financial assets:

Stage 3

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

4: Significant accounting policies (continued)

Application of the impairment model

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

- Trade 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.

ECLs are probability-weighted estimates 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.

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 and debt securities 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.

Contract assets

Contract assets are classified as non-financial instruments. Due to their short-term nature, their carrying amount is considered to be the same as their fair value

The expected loss accounting model for credit losses applies to contract assets, The Company applies the ECL model to contract assets, which are measured at amortised cost. The simplified approach prescribed by IFRS 9 is applied to contract assets. This approach requires the recognition of a Lifetime ECL allowance on day one and thereafter.

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

Deferred tax

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

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

Deferred tax is charged or credited to the Income statement, 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.

4: Significant accounting policies (continued)

Provisions and contingent liabilities

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

The Company recognises specific provisions where they arise for the situations outlined below:

- Client compensation and related costs, when the Company compensates clients in the context of providing fair customer outcomes.
- Legal uncertainties and the settlement of other claims.

Contingent liabilities are possible obligations of the Company of which the timing and amount are subject to significant uncertainty. Contingent liabilities are not recognised in the Statement of financial position, unless they are assumed by the Company as part of a business combination. They are however disclosed, unless they are considered to be remote. If a contingent liability becomes probable and the amount can be reliably measured it is no longer treated as contingent and recognised as a liability.

Contingent assets, which are possible benefits to the Company, are only disclosed if it is probable that the Company will receive the benefit. If such a benefit becomes virtually certain, it is no longer considered contingent and is recognised on the Statement of financial position as an asset.

5: Fee income and other income from service activities

Fee income and other income from service activities represents income receivable on advice provided by financial advisers and is derived from continuing operations in the United Kingdom.

6 Total expenses

This note provides further details in respect of the items appearing in the expenses section of the income statement.

Operating profit

Operating profit is stated after charging.

	£'000 2021	**£'000** 2020
Fee and commission expenses	**38,699**	**38,499**
Management recharges from group companies	1,924	2,159
FCA levies	1,251	1,255
Complaints, remediations and bad debts	97	285
Other directly incurred costs	3,313	1,589
Total other operating and administrative expenses	**6,585**	**5,288**
Total expenses	**45,284**	**43,787**

Fee and commission expenses represent sums payable to advisers in respect of the fee income and other incomes from service activities.

6 Total expenses (continued)

Directors' remuneration

	£'000 **2021**	£'000 2020
Proportion of Directors' emoluments paid by third parties attributable to the company		
Remuneration	59	70
Pension	0	2
Total share based payments	17	29

2 Directors had money paid to money purchase schemes during the year (2020: 4).
2 Directors received, or were due to receive, shares or share options under a long-term incentive scheme (2020: 4).
2 Directors exercised options during the year (2020: 4).

During the year there was no compensation for loss of office paid to Directors (2020: £nil); this includes the estimated money value of the following benefits: payment in lieu of notice, loss of participation in the Save As You Earn scheme, pay-out of contractual long term incentive, pension contributions, bonus and statutory redundancy.

The Directors' remuneration was paid by other QFP Group entities and included in the management recharges made to the Company.

Auditor's remuneration

Audit fees were paid by Quilter Financial Planning Limited on behalf of the company and included within the 'Management recharge from group companies'.

	£'000 **2021**	**£'000** 2020
Fees payable for audit services	24	15
Fees for non-audit services	12	-
Total Company auditor's remuneration	36	15

7: Tax

Tax charged to the Income statement

	Note	**£'000** **2021**	**£'000** 2020
Current tax			
Current year corporation tax charge		**28**	260
Adjustments to current tax in respect of prior periods		**(2)**	-
Total current tax charge		**26**	260
Current year deferred tax credit		**(11)**	-
Total tax (credited)/charged to Income statement		**15**	**260**

7: Tax (continued)

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 from the different tax jurisdictions had been taxed at the UK standard corporation tax rate. The difference in the effective rate is explained below:

		£'000	£'000
	Note	**2021**	2020
Profit before tax from continuing operations		**146**	1,367
Tax on profit before tax at UK standard rate of 19% (2020: 19%)		**28**	260
Movement in previously unrecognised deferred tax		**(11)**	-
Prior year adjustment - current tax		**(2)**	-
Total tax (credited)/charged to income statement		**15**	260

The main rate of corporation tax is 19%. On the 3 March 2021, the Chancellor of the Exchequer announced in the Budget a future increase in the corporation tax rate from 19% to 25%, effective from 1 April 2023, which change in rate having been substantially enacted by 31 December 2021 has been used in recognising the Company's deferred tax assets and liabilities should the reversal be expected to take place after 1 April 2023.

8: Deferred tax asset

	£'000	£'000
	2021	2020
Recognised	**10**	**-**
Not recognised	-	11

A deferred tax asset or liability is recognised to the extent that there are other temporary differences expected to reverse in the foreseeable future.

9: Contract assets

Contract assets represent commissions earned but not yet received from investment and pension providers.

10: Trade, other receivables and other assets

This note analyses total trade, other receivables and other assets.

	£'000	£'000
	2021	2020
Due from Group undertakings	16,672	14,516
Other receivables	730	985
Fee income receivable	-	27
Other accruals and prepayments	38	56
Total trade, other receivables and other assets	17,440	15,584

All balances are expected to be settled within 12 months.

Other receivables mainly relate to trade debtors, tax debtors and other debtors.

10: Trade, other receivables and other assets (continued)

All amounts due from Group undertakings are short-term and interest-free with the carrying amount approximating to fair value and are subject to the 12-month ECL model. There have been no non-performing receivables or material impairments in the financial year that require disclosure. None of the receivables reflected above have been subject to the renegotiation of terms. All other receivables are also current, short term and interest free and are carrying at fair value.

There have been no non-performing receivables or material impairments in the financial year that require disclosure. None of the receivables reflected above have been subject to the renegotiation of terms.

11: Cash and cash equivalents

	£'000	**£'000**
	2021	2020
Cash at bank	29	114
Money market funds	4,000	-
Total cash and cash equivalents	4,029	114

Management do not consider that there are any material amounts of cash and cash equivalents which are not available for use in the Company's day-to-day operations.
Money market funds have a maturity of less than three months.

12: Share capital

The Company's Ordinary Share capital at the end of the year is a follows:

	£'000	£'000
	2021	2020
6,260,075 (2020: 2,260,075) ordinary 'A' shares of £1 each	6,260	2,260
30,025 (2020: 30,025) ordinary 'B' shares of £1 each	30	30
Shares classified in shareholders' funds	6,290	2,290

Each ordinary A share carries one voting right, an entitlement to receive a dividend, and a return of capital on liquidation or otherwise up to £10,000,000, after the payment of any unpaid creditors, in priority to the ordinary B shares.

During the year 4,000,000 A shares of £1 each were issued to the company's parent undertaking and fully paid up.

The ordinary B shares do not have any voting or dividend rights but rank pari passu on return of capital after the priority payment noted above.

13: Provisions

	£'000 ***Indemnity commission provision***	**£'000** ***Complaints provision***	**£'000 Total**
Balance at beginning of the year	954	281	1,235
Charge to Income statement	14	97	111
Utilised during the year	-	(146)	(146)
Balance at 31 December 2021	968	232	1,200

Complaints provision

An asset is held for the amount recoverable from the professional indemnity insurers caused by the above within other receivables. As at 31 December 2021 this stood at £111,000 (2020: £84,000), making the net liability £121,000 (2020: net liability £197,000).

13: Provisions (continued)

Indemnity commission provision

Provision is made for repayment of indemnity commission to the product provider in the event that a policy may lapse within the indemnity period. Given the nature of these policies it is uncertain what the number and monetary value will be of any such lapses.

An asset is held for the amount recoverable from advisers for any liability caused by the above and is included within other receivables. As at 31 December 2021 this stood at £793,000 (2020: £751,000), making the net liability £175,000 (2020: £203,000).

14: Trade, other payables and other liabilities

	£'000	£'000
	2021	2020
Due to Group undertakings	2,785	1,601
Other payables	2,728	2,569
Trade payables	-	1,308
Accruals and deferred income	3,294	3,030
Total trade, other payables and other liabilities	8,807	8,508

All balances are expected to be settled within 12 months.

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

15: Contingent liabilities

The Company, in the ordinary course of business, enters into transactions that expose it to tax, legal and business risks. The Company recognises a provision when it has a present obligation as a result of past events, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made (see note 4). Possible obligations and known liabilities where no reliable estimate can be made or it is considered improbable that an outflow would result are reported as contingent liabilities in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

As at year end, the Company had no contingent liabilities (2020: £nil).

16: Related party transactions

The Company is a wholly owned indirect subsidiary of Quilter plc and, in accordance with the exemption conferred under FRS 101, transactions with fellow wholly owned Group companies are not disclosed separately in these financial statements.

Key management personnel transactions

Remuneration of key management personnel is disclosed in Note 6.

Key management personnel of the Company and members of their close family have had no other transactions with the Company.

17: Ultimate parent company

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

The ultimate parent company, controlling party and the smallest and largest group to consolidate these financial statements is Quilter plc, registered in England and Wales. The consolidated financial statements are available from:

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

18: Events after the end of the reporting period

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