ANNUAL REPORT
AND
FINANCIAL STATEMENTS

31 December 2023

Quilter Private Client Advisers Limited

Registered in England and Wales No. 06201261

CONTENTS

COMPANY INFORMATION

Directors	M Andrews P P Barnacle A I McGlone
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 032 1650 Website: www.quilterpca.co.uk Registered in England and Wales No 06201261

STRATEGIC REPORT

The Directors present their strategic report for the year ended 31 December 2023.

REVIEW OF THE BUSINESS AND PRINCIPAL ACTIVITIES
The principal activity of Quilter Private Client Advisers Limited (the "**Company**") is the provision of pension and investment advice to retail clients. The Company is incorporated in England and Wales and domiciled in the UK.

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

QUILTER PLC STRATEGY
Quilter plc's 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 for all stakeholders.

QUILTER PRIVATE CLIENT ADVISERS LIMITED STRATEGY
The Company is part of Quilter's High Net Worth segment and oversight is from Quilter Cheviot Holdings Limited ("QCHL"), another Group company. The Company provides investment management services to high net worth clients facilitating the execution of Quilter's strategy to organise the Group into two core client-focused segments. Quilter Private Client Advisers Limited remains an authorised representative of Quilter Financial Services Limited and Quilter Mortgage Planning Limited, both subsidiaries with the Quilter Financial Planning ("QFP") group.

The Company offers a restricted advice proposition to high net worth clients, delivered through an employed adviser model and drawing upon the capabilities of companies in the wider Group that provide strong and compelling platform and investment propositions. The Company is committed to offering a controlled advice proposition that delivers excellent customer outcomes.

KEY PERFORMANCE INDICATORS (KPIs)
Management evaluate the performance of the business using a number of measures. Key metrics for the Company including its subsidiaries were as follows:

	2023	**2022**
Adviser headcount number at year end for advisers operating under Quilter Private Client Advisers Limited	71	61
	£'000	**£'000**
Total income	19,682	20,656
Administration expenses and finance costs	(33,149)	(28,763)
Below the line adjustments	-	(21,139)
(Loss) before taxation	(13,467)	(29,246)
Cash and cash equivalents	18,651	18,350
Net assets	35,548	35,935

During the year under review, the Company made a loss before tax of £13,467k compared to a prior year loss before tax of £29,246k. Revenue for the year of £19,682k represented a £974k decrease on the prior year. This was predominantly driven by a drop in fee income of £1,798k and partially offset by an increase in interest income following an increase in interest rates to £822k compared to £21k in the prior year.

STRATEGIC REPORT (continued)

GOING CONCERN

In evaluating going concern, the Directors have given consideration to the matters outlined in this Strategic report, along with recognising the strategic importance of the Company to the High Net Worth segment and the wider Group.

The Company's immediate parent undertaking, Quilter Cheviot Holdings Limited, has provided confirmation of its intention to provide capital support to the Company for a period of at least 12 months from the date of signing, recognising the strategic importance of the Company within the High Net Worth segment.

Accordingly, these financial statements have been prepared on the basis of the Company being a going concern.

Going concern has been evaluated at Group level by the Directors of Quilter plc and has been re-assessed by the Company's Board at the date of signing these financial statements. The use of the going concern basis of accounting is considered appropriate for the Company, reflecting future expected profitability.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the Company's strategy is subject to a number of risks. The Company has adopted the Risk Management framework of the Group which supports the evaluation and management of business opportunities, uncertainties and threats in a structured and disciplined manner.

Business strategy and performance– The Company is exposed to the condition of global economic markets. Geopolitical risk remains high due to ongoing conflicts in Ukraine and the Middle East. Throughout 2023, external economic conditions have remained challenging and this has impacted revenues. The Company has continued on its transformation journey during 2023 through strategic initiatives relating to business efficiency, cost reduction and proposition enhancement. The Company's focus is to maintain pace of strategic delivery and agility in order to continue to provide a compelling proposition in a rapidly changing industry.

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 the Company. This includes those processes where oversight is critical for the Company to gain assurance over activities delegated outside of its direct control. The Company's operations provide services to customers and as such need to be effective and resilient to ensure that good customer outcomes are delivered and maintained. The Company has continued to work towards simplifying its operational environment, where team synergies are being harnessed to support a reduction in duplication, inconsistency and complexity.

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

Customer and product proposition– Delivery of quality advice, including the delivery of ongoing servicing and a high level of adviser conduct and competency is essential. A lack of robust oversight by the Company could lead to delayed identification of unsuitable advice or products resulting in poor outcomes for customers. As such, the Company continually looks to improve its control environment in relation to the oversight of advice and remains focused on ensuring that products and services are designed and maintained in line with the Consumer Duty.

Regulatory, tax and legal– The Company is subject to regulation in the UK, provided by the FCA. This includes the Consumer Duty, which sets a higher standard of consumer protection in financial services. The Company is also subject to the privacy regulations enforced by the Information Commissioners Office. The Company faces risks associated with compliance with these regulations, and changes to regulation or regulatory focus in the markets in which the Company operates and other statutory requirements. Failure to manage regulatory, tax or legal compliance effectively could result in censure, fines or prohibitions which could impact business performance and reputation.

People–The Company is reliant on its talent to deliver its service to customers and to drive strategic enhancements. Failure to attract and retain talented and diverse staff can result in impacts to Quilter's strategy and business growth. A competitive labour market and a high inflation environment has resulted in a challenging environment for staff retention during 2023.

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– The Company monitors risks which are less certain in terms of timescales and impacts. This assessment is carried out regularly and 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, feeding into our strategic planning process. The most significant emerging risks to the Company are:

Geopolitical landscape– The UK General Election is to be on 4 July 2024. Whilst party policies have not yet been defined nor an election date agreed, we recognise that any change in UK Government is likely to have some impact on customers' circumstances and may therefore affect attitudes toward financial investments. Shifts in the global political landscape are also expected in the near term. While the Ukraine crisis and conflict in the Middle East continue, the global economic impacts may be increased by the elections in the US.

Cyber threats– There is increased malicious cyber activity in conflict zones and around upcoming elections. The rapid growth of artificial intelligence is likely to increase the nature and sophistication of attacks.

Generational shifts– A significant proportion of UK household wealth is held by the over-45s. The likelihood of intergenerational inequality increases as this population engages in inheritance planning and institutions (employers, the State and financial service providers) transfer pensions risk to individuals. Attitudes towards wealth management are shifting with younger generations being increasingly attracted by digital propositions and by funds with greater positive social and environmental impacts. These trends present both opportunities and threats to Quilter in the form of changing consumer demands and expectations.

Disruptive competition & technology– The potential entrance of "big tech" firms into financial service delivery, coupled with the white labelling of platforms and the alignment of private equity firms could see competitors acquire skills and technology, accelerating their digital capabilities. This, alongside advancements in Digital/Hybrid Advice could see new players in the already highly competitive market, having the potential to erode Quilter's market share and increase fee pressure across the value chain.

Advice evolution– Increased demand from younger generations for digital propositions and digital/hybrid advice, and the potential increase in advice accessibility as a result of the FCA consultation on Advice Guidance Boundary, presents opportunities and threats for the advice market as consumers demand more advice at lower cost. Adviser consolidation is likely to continue given consumer duty and the ageing demographic of financial advisers, provided the macroeconomic landscape is relatively stable.

Climate change– To avoid a climate catastrophe, global emissions must 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. Opportunities exist in the shift to a greener economy. 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. This poses challenges to both Quilter's and its critical third parties' operations which must be considered as part of operational resilience planning.

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, 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 2023.

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

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

The Board of Quilter Cheviot Limited ("**QCL**") is responsible for the overall oversight of the High Net Worth segment, which comprises Quilter Cheviot Holdings Limited and its subsidiaries (the "Quilter Cheviot Group"). The Company became part of the Quilter Cheviot Group during 2021 having transferred from the Quilter Financial Planning Group which is overseen by the Board of Quilter Financial Planning Limited ("QFPL") Details of how the directors of QCL and QFPL discharged their duties under section 172 (1) of the Companies Act 2006, including in relation to the transfer of the Company, are set out in the QCL and QFPL Annual Reports 2023.

Approved by the Board and signed on its behalf by

P P Barnacle
Director
29th May 2024

DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the year ended 31 December 2023.

The review of the business, including future outlook 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 these financial statements were:

M Andrews
A I McGlone
P P Barnacle

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

DIRECTORS' THIRD PARTY INDEMNITY PROVISIONS
Qualifying third-party provisions (as defined by section 234 of the Companies Act 2006) were in force during the course of the financial year ended 31 December 2023 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. In addition, the Company maintains Directors' and Officers' Liability Insurance which gives appropriate cover for legal action brought against its Directors.

DIVIDENDS
The Directors do not recommend the payment of a dividend (2022: £nil).

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.

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 year round.

The Company seeks the views of colleagues through the Workday Peakon Employee Voice tool. Through this tool we survey colleagues on a regular basis, which provides senior leaders and managers 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 2023.

FINANCIAL INSTRUMENTS
The financial risk management objectives and policies of the Company are disclosed in note 5.

POLITICAL DONATIONS
No political donations were made during the year (2022: £nil).

DIRECTORS' REPORT (continued)

BUSINESS RELATIONSHIPS STATEMENT

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

An explanation of how the Directors have had regard to the need to foster the Company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the Company during the financial year, has been set out in Quilter plc's 2023 Annual Report, which does not form part of this report. There are no further considerations which would be relevant for the Company.

STATEMENT OF GOING CONCERN

The use of the going concern basis of accounting is considered appropriate, reflecting the intention of the Company's immediate parent company, Quilter Cheviot Holdings Limited, to provide capital support to the Company at least 12 months from the date of approving these financial statements.

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

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: plc.quilter.com/responsible-business/reports-and-statements. Quilter has set operational carbon emissions targets, and these are part of the Executive Directors' Long-Term Incentive Plan. In our role as an adviser, 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 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 2023. 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. Within our advice and suitability processes we enable our clients to invest in accordance with their responsible investment preference.

INDEPENDENT AUDITORS

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

DIRECTORS' REPORT (continued)

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

Approved by the Board and signed on its behalf by

P P Barnacle
Director
29th May 2024

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 UK-adopted international accounting standards.

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 UK-adopted international accounting standards 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 also 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 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 Private Client Advisers Limited

Report on the audit of the financial statements

Opinion

In our opinion, Quilter Private Client Advisers Limited’s financial statements:

- give a true and fair view of the state of the company’s affairs as at 31 December 2023 and of its loss 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 2023; the Statement of comprehensive income and Statement of changes in equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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 2023 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 the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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 principal risks were related to posting non-standard or unusual journal entries to either inflate revenue and management bias in accounting estimates and judgemental areas of the financial statements, such as impairment assessments. Audit procedures performed by the engagement team included:

- Discussions with the Governance, Audit and Risk Committee, internal audit, management involved in the risk, compliance and legal functions, including considerations of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of the board of directors, as well as those from the Quilter Cheviot Governance, Audit and Risk Committee;
- Identifying and testing journal entries based on our risk criteria;
- Challenging assumptions and judgements made by management in their critical accounting estimates, where appropriate; and
- 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.

Sarah Chandler

Sarah Chandler (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
30 May 2024

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2023

	Note	2023 £'000	2022 £'000
Income			
Revenue	6	18,837	20,635
Interest income		822	21
Other income		23	-
Total income		19,682	20,656
Expenses			
Administrative expenses	7	(33,125)	(28,729)
Finance costs	9	(24)	(34)
Impairment of intangible assets		-	(22,400)
Impairment of indemnification asset	13,19	-	1,261
Total Expenses		(33,149)	(49,902)
(Loss) before tax		(13,467)	(29,246)
Taxation credit	10	2,711	1,575
(Loss) for the year after tax		(10,756)	(27,671)
Total Comprehensive Loss		(10,756)	(27,671)

All operations were continuing in the current and prior year.

The notes on pages 17 to 40 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2023

	Share Capital £'000	Capital contribution reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2023	95,061	541	(59,667)	35,935
Total comprehensive loss for the year	-	-	(10,756)	(10,756)
Issue of share capital	10,000	-	-	10,000
Tax credit recognised in reserves	-	11	14	25
Share-based payment credit	-	273	71	344
Balance at 31 December 2023	105,061	825	(70,338)	35,548

	Share Capital £'000	Capital contribution reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2022	88,561	270	(32,124)	56,707
Total comprehensive loss for the year	-	-	(27,671)	(27,671)
Issue of share capital	6,500	-	-	6,500
Tax credit recognised in reserves	-	-	-	-
Share-based payment credit	-	271	128	399
Balance at 31 December 2022	95,061	541	(59,667)	35,935

The notes on pages 17 to 40 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
at 31 December 2023

	Note	2023 £'000	2022 £'000
Assets			
Property, plant and equipment	11	973	1,277
Goodwill and intangible assets	12	17,211	20,995
Trade and other receivables	13	4,316	2,454
Cash and cash equivalents	14	18,651	18,350
Contract assets	20	1,138	1,184
Current tax assets		2,747	527
Deferred tax assets	18	267	477
Total Assets		**45,303**	**45,264**
Equity and liabilities			
Equity			
Share capital	21	105,061	95,061
Capital contribution reserve		825	541
Accumulated losses		(70,338)	(59,667)
Total equity attributable to equity holder		**35,548**	**35,935**
Liabilities			
Lease liabilities	16	657	1,105
Deferred tax liabilities	18	2,152	2,877
Accruals	15	2,379	2,605
Amounts owed to group undertakings	15	3,439	1,465
Other payables	15	450	699
Provisions	19	678	578
Total Liabilities		**9,755**	**9,329**
Total equity and liabilities		**45,303**	**45,264**

The financial statements on pages 14 to 16 were authorised and approved by the Board of Directors on 29th May 2024 and signed on its behalf by:

P P Barnacle
Director

Company registered number: 06201261

The notes on pages 17 to 40 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

1 GENERAL INFORMATION

Quilter Private Client Advisers Limited ("the Company") is a private company limited by shares incorporated in England and Wales and domiciled in the UK. The principal activities of the Company are disclosed in the strategic report on page 3.

The address of its registered office is disclosed in the Company information section on page 2.

2 BASIS OF PREPARATION

The financial statements of Quilter Private Client Advisers Limited for the year ended 31 December 2023 have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law) ("**FRS 101**"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and derivative financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006. For the purposes of the regulation the Company has been judged to be a financial institution.

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 3.

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

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined).
- Paragraph 38 of IAS 1, 'Presentation of financial statements' – comparative information requirements in respect of:
    - paragraph 79(a)(iv) of IAS 1;
    - paragraph 73(e) of IAS 16, 'Property, plant and equipment'; and
    - paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period).
- 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
- 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 have been prepared on a historical cost basis, except for the revaluation of certain financial instruments, and are presented in thousands and pounds sterling, which is the currency of the primary economic environment in which the Company operates. This is a change in presentation from the prior year, to align the financial statements to others within the Quilter Cheviot group.

2 BASIS OF PREPARATION (continued)

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

Pillar II Disclosures
The Company has applied the narrow scope amendment to IAS12 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 shall neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar II income taxes.

There are no other amendments to accounting standards, or International Financial Reporting Interpretations Committee ("IFRIC") interpretations that are effective for the year ended 31 December 2023 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 written commitment of the Company's direct parent to provide the required level of continued capital support for at least two years to 31 December 2025 along with the managements' consideration of the parent's ability to provide that support.

The Company has received confirmation of ongoing intent to provide capital support from its direct parent, QCHL, that it will continue to make funds available to the Company for at least two years to 31 December 2025 and will not seek repayment of funds provided during that period.

On this basis management have a reasonable expectation that the Company has adequate resources available to it in order 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.

Basis of consolidation
The Company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements.

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

3 CRITICAL ACCOUNTING ESTIMATES

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. Management reviews these areas of judgement and estimates and the appropriateness of significant accounting policies adopted in the preparation of these financial statements.

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.

Area	Critical accounting estimates	Notes
Impairment of Goodwill and Intangible Assets	In assessing whether an impairment provision should be recognised, the Company evaluates the likelihood of the carrying value of the investment being lower than the recoverable amount, using the approved business plan, at each reporting date. Intangible assets are also assessed for impairment whenever there is an indication that the intangible asset may be impaired. Sensitivity analysis has been completed and further commentary can be found within note 12.	12
Contract Assets	Management have applied the following judgements in the calculation of contract assets: 1. Contract assets will only be calculated for retail investment business. Other classes of business require further conditions to be met after the provision of advice (e.g acceptance of risk by insurers on protection business). Therefore, for these other classes of business, the uncertainty over whether advice will result in income is sufficiently high that a contract asset cannot be recognised at the point of providing advice. 2. The calculation of the contract asset does not need to include any factor for the time value of money. This is because any contract asset is expected to be received within months of the year end	20
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 worldwide stock market movements, related movements in foreign exchange rates and net client cash flows, together with estimates of expenses and other charges The business plan, adjusted for known and estimated tax sensitivities, is used to determine the extent to which deferred tax assets are recognised. In general, the Group assesses recoverability based on estimated taxable profits over a 5- year planning horizon.	18

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.

Revenue
Revenue comprises fee income and other income from service activities, which 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.

Interest income
Interest income represent total interest income for financial assets and financial liabilities that are not carried at fair value. Interest is received on firm bank accounts and money market funds.

Operating and administrative Expenses
Operating and administrative expenses represents running costs of the business and a proportion of overheads cross charged from the head office company Quilter Business services.

Financial instruments
Financial instruments cover a wide range of financial assets, including trade and other receivables and cash and cash equivalents and certain financial liabilities, including 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 profit or 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. Two categories are applicable to the Company's financial assets: FVTPL and amortised cost. This classification determines the subsequent measurement basis. The following accounting policies apply to the subsequent measurement of financial assets.

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fair value measurement

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

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

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

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.

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.

Financial liabilities and equity

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

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

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, but not to financial assets at FVTPL. Financial assets at amortised cost include trade receivables, cash and cash equivalents (excluding money market collective investment funds which are measured at fair value), fixed term deposits 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 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.
- Loans, cash and cash equivalents, and fixed term deposits at amortised cost, to which the general three-stage model (described above) is applied, whereby a 12 month ECL is recognised initially and the balance is monitored for significant increases in credit risk which triggers the recognition of a Lifetime ECL allowance.

ECLs are 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.

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

Write-offs
Loans 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.

Lease liabilities
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-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 the income statement 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

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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. Note 18 includes further detail of circumstances in which the Company does not recognise temporary differences.

Goodwill
Goodwill acquired as part of a business combination is disclosed within the carrying value of the intangible asset that was acquired. This reflects the similar nature of these assets. Goodwill is recognised at cost as at the acquisition date and is subsequently measured at cost less any accumulated impairment losses. Goodwill is not amortised as its useful economic life is deemed to be greater than 20 years, but it is subject to annual impairment review.

The annual impairment review of goodwill is carried out on goodwill and intangible assets acquired as part of a business combination. This reflects both of these assets being related to business combinations. Any impairment identified as part of the review is first set against the carrying value of goodwill and then against the intangible asset.

Intangible assets
Intangible assets include intangible assets initially recognised as part of a business combination, purchased assets and internally generated assets, such as software development costs related to amounts recognised for in-house systems development.

Intangible assets acquired as part of a business combination
Intangible assets acquired as part of a business combination are recognised where they are separately identifiable and can be measured reliably. Acquired intangible assets consist primarily of contractual relationships such as distribution channels. Such items are capitalised at their fair value, represented by the estimated net present value of the future cash flows from the relevant relationships acquired at the date of acquisition.

Subsequent to initial recognition, acquired intangible assets are measured at cost less amortisation and any recognised impairment losses. Amortisation is recognised at rates calculated to write off the cost or valuation less estimated residual value, using a straight-line method over their estimated useful lives as set out below:

- Distribution channels 8 years

The economic lives are determined by considering relevant factors such as usage of the asset, product life cycles, potential obsolescence, competitive position and stability of the industry. The amortisation period is re-evaluated at the end of each financial year end.

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent expenditure
Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Impairment testing for intangible assets
For intangible assets with finite lives, impairment charges are recognised where evidence of impairment is observed. Indicators of impairment can be based on external factors, such as significant adverse changes to the asset as part of the overall business environment and internal factors, such as worse than expected performance reflected in the Company's three-year Business Plan. If an indication of impairment exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount is calculated as the higher of fair value less costs to sell and value in use. If the recoverable amount of an intangible asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense in the income statement immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an intangible asset is not yet available for use it is subject to an annual impairment test by comparing the carrying value with the recoverable amount. The recoverable amount is estimated by considering the ability of the asset to generate sufficient future economic benefits to recover the carrying value.

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.

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.
- Onerous contracts, when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting the obligations under the contract.
- Corporate restructuring, only if the Company has approved a detailed formal plan and raised a valid expectation among those parties directly affected, that the plan will be carried out either by having commenced implementation or by publicly announcing the plan's main features. Such provisions include the direct expenditure arising from the restructuring, such as employee termination payments but not those costs associated with the ongoing activities of the Company.
- Legal uncertainties and the settlement of other claims.
- Property provisions, where the Company has an obligation to restore a property to its original condition at the end of the lease.

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.

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment
Other property and equipment are stated at cost less accumulated depreciation and accumulated impairment in value. Fixtures and fittings are depreciated on a straight-line basis over their useful economic life which in all cases is three years.

Assets associated with short leaseholds are stated at cost less accumulated depreciation and accumulated impairment in value. Assets associated with short leaseholds are depreciated on a straight-line basis over the period of the lease up to a maximum of five years.

Depreciation and impairment losses are recognised in the statement of comprehensive income within administrative expenses. Impairment reviews take place when events or changes in circumstances indicate that the carrying value may not be recoverable. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset is included in the statement of comprehensive income in the period of derecognition.

5 RISK MANAGEMENT FRAMEWORK

Risk Management framework
The Risk Management framework is defined by Quilter plc and has been adopted by the Company. The framework comprises core components such as:

- The corporate governance arrangements which set out the way that the organisation is structured and managed;
- the end-to-end processes involved in the identification, measurement, assessment, management and monitoring of risk including assignment of risk owners and risk reporting;
- The culture and behaviour that is exhibited and the associated reward mechanisms.

The framework aims to align strategy, capital, processes, people, technology and knowledge in order to evaluate and manage business opportunities, uncertainties and threats in a structured, disciplined manner. In this way, Quilter seeks to ensure that risk and capital implications are considered when making strategic and operational decisions, and to ensure that the risk profile is understood and managed within the agreed risk appetite.

Risk appetite
Risk appetite statements have been refreshed for the material risks that Quilter faces, which define the amount of risk the Board is willing to take in the pursuit of our strategic priorities. This risk appetite approach is applied consistently across Quilter, with Level 1 statements being supported by a series of more granular risk appetite statements and measures at Level 2. Quilter's position against risk appetite is measured on a regular basis through the monitoring of underlying key indicators and management information reported to the Board. The Board expects management to maintain controls to ensure that risk exposures remain within appetite, or where indicators show Quilter is outside of risk appetite, to put in place actions to reduce exposure to acceptable levels.

Credit and counterparty risk
Credit and counterparty risk is the risk that the Company is exposed to a loss if another party fails to meet its financial obligations, including failing to meet them in a timely manner. The Group has established a credit risk policy which sets out restrictions on the permitted financial transactions with counterparties to control and monitor the level of credit risk to which the Company is exposed.

The Company is exposed to limited credit risk. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The Company's maximum exposure to credit risk does not differ from the carrying value disclosed in the relevant notes to the financial statements.

5 RISK MANAGEMENT FRAMEWORK (continued)

Credit risk primarily arises from cash held at bank and other receivables, which are all current. The principal amounts receivable on these balances are materially the same as fair value and as such credit risk has not had a significant impact on the valuation of these balances.

Operational risk

Operational risk is the risk that failure of people, processes, systems or external events results in financial loss, damage to brand / reputation or adverse regulatory intervention or government or regulatory fine. It includes all risks resulting from operational activities, excluding the risks already described above and excluding strategic risks and risks resulting from being part of a wider group of companies.

Operational risk includes the effects of failure of the administration processes, IT maintenance and development processes, investment processes, product development and management processes, legal risks (e.g. risk of inadequate legal contract with third parties), risks relating to the relationship with third party suppliers, and the consequences of financial crime and business interruption events.

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

The Company's executive management have responsibility for implementing the Group Operational Risk management methodologies and frameworks and for the development and implementation of action plans to manage risk levels within acceptable tolerances and to resolve issues thus identified.

6 REVENUE

Revenue is 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.

Interest income represents interest received on cash balances.

Other income represents gains from the disposal of property, plant, and equipment and associated liabilities.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

7 ADMINISTRATIVE EXPENSES

Administrative expenses include:

	2023 £'000	2022 £'000
Auditors' remuneration	79	80
Other admin expenses	1,240	586
Depreciation on property, plant and equipment	366	373
Management fees paid to fellow group undertakings	6,999	4,678
Amortisation of intangible assets	3,784	3,613
Communications and IT	1,173	928
Premises costs	442	334
Staff costs	19,042	18,137
Total administrative expenses	**33,125**	**28,729**

Administrative expenses include £6,999k (2022: £4,678k) relating to recharges to the Company by Quilter Financial Planning Limited and Quilter Business Services. These recharges include payment of Director and senior manager remuneration.

Auditors' remuneration for audit services consists of fees in respect of the statutory audit. There are no non-audit fees (2022: £nil).

The average number of persons employed by the company during the year was 235 (2022: 221).

Staff costs and other employee-related costs	2023 £'000	2022 £'000
Total wages and salaries		
Wages and salaries	11,851	11,317
Bonus & incentive costs	3,780	3,337
Share-based payments - Equity Settled	424	499
Social security costs	1,776	1,854
Other pension costs	1,211	1,130
Total staff costs	**19,042**	**18,137**

8 REMUNERATION OF KEY MANAGEMENT PERSONNEL

Key management personnel are defined as those 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.

Directors' remuneration was as follows:

	2023 £'000	2022 £'000
Aggregate Director's emoluments		
Aggregate emoluments	440	490
Amounts received under long-term incentive schemes	201	190
Company contributions to pension schemes	9	5
	650	685

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

	2023	2022
	£'000	£'000
Emoluments of highest paid Director		
Aggregate emoluments	440	418
Amounts received under long-term incentive schemes	201	154
Company contributions to pension schemes	9	4
	650	576

Three Directors received or were due to receive shares or share options under a long-term incentive scheme (2022: four).

Three Directors exercised options during the year (2022: two). The highest paid Director did exercise share options during the year.

During the year there was no compensation for loss of office paid to Directors (2022: £nil); this includes the estimated money value of the following benefits: payment in lieu of notice, loss of participation in the SAYE scheme, pay-out of contractual long term incentive, pension contributions, bonus and statutory redundancy.

9 FINANCE COSTS

This note analyses the interest costs on our borrowings and similar charges, all of which are valued at amortised cost. Finance costs comprise:

	2023	2022
	£'000	£'000
Discount unwind on deferred consideration	-	3
Interest charge on lease liabilities	24	31
	24	34

10 TAXATION

	2023	2022
	£'000	£'000
Current tax credit		
UK corporation tax	(2,154)	(527)
Charge to equity	14	21
Adjustments to current tax in respect of prior periods	(67)	(332)
Total current tax credit	(2,207)	(838)
Deferred tax		
Origination and reversal of temporary differences	(993)	(723)
Effect on deferred tax of changes in tax rates	(7)	(3)
Adjustments to deferred tax in respect of prior periods	496	(11)
Total deferred tax credit	(504)	(737)
Total tax credited to the income statement	**(2,711)**	**(1,575)**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

10 TAXATION (continued)

Reconciliation of total income tax expense

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

	2023 £'000	2022 £'000
(Loss) before income tax	(13,467)	(29,246)
Corporation tax (credit) at 23.5% (2022: 19%)	(3,165)	(5,557)
Impact on tax of:		
Expenses not deductible for tax purposes	32	4,328
Adjustments to current tax in respect of prior periods	(67)	(332)
Effect on deferred tax of changes in tax rates	(7)	(3)
Adjustments to deferred tax in respect of prior periods	496	(11)
Total income tax (credit) in the income statement	(2,711)	(1,575)

Factors that may affect future charges

The main rate of corporation tax increased from 1 April 2023 from 19% to 25%. The blended rate of 23.5% has been used in calculating current tax for financial year 2023 (2022: 19%). The Company's deferred tax assets and liabilities have been recognised at 25%.

The Company has recognised deferred tax assets and liabilities as disclosed in note 18. The Company considers that future years' profits will be sufficient to utilise the tax asset carried forward.

Pillar II Taxes

On the 20 June 2023, The Finance (No.2) Act 2023 was substantively enacted in the UK, introducing the 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 accounting periods starting on or after 31 December 2023. As these rules are not in effect in the current period, these rules have had no current tax impact in 2023. The Company has applied the exception under IAS12.4A and will neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar II income taxes.

The Company continues to assess the full impact of the introduction of Pillar II taxes in the UK. The rules are complex and there remains areas of uncertainty in HMRC guidance. Management has assessed the likely impact based current guidance and historical data and although may expect the UK Effective Tax Rate ("**ETR**") to be close to 15% in the near term there are scenarios where the rate may fall below the minimum rate. The Company is therefore currently unable to estimate with any reasonable level of certainty any future charge.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

11 PROPERTY, PLANT AND EQUIPMENT

	Right-of-use assets £'000	Leasehold improvements £'000	Total £'000
Cost			
At 1 January 2022	2,696	-	2,696
Additions	-	-	-
Disposals	-	-	-
Reclassification between cost and depreciation	269	-	269
At 31 December 2022	**2,965**	**-**	**2,965**
Additions	-	-	-
Disposals	(722)	(10)	(732)
Transfer/reclassification	-	325	325
Reclassification between cost and depreciation	-	-	-
At 31 December 2023	**2,243**	**315**	**2,558**
Accumulated depreciation			
At 1 January 2022	1,046	-	1,046
Disposals	-	-	-
Charge for the year	373	-	373
Reclassification between cost and depreciation	269	-	269
At 31 December 2022	**1,688**	**-**	**1,688**
Disposals	(454)	(15)	(469)
Charge for the year	270	96	366
Reclassification between cost and depreciation	-	-	-
At 31 December 2023	**1,504**	**81**	**1,585**
Carrying amount			
At 31 December 2022	1,277	-	1,277
At 31 December 2023	**739**	**234**	**973**

The carrying value of the right-of-use assets at 31 December 2023 relate to £739k of property leases (2022: £1,277k).

Leasehold improvements transferred represents leasehold improvements previously held under Quilter Financial Planning Limited ("**QFP**") which were transferred to the Company during 2023.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

12 GOODWILL AND INTANGIBLE ASSETS

Analysis of goodwill and intangible assets
The table below shows the movements in cost and amortisation of goodwill and intangible assets.

	Goodwill £'000	Intangible assets £'000	Total £'000
Cost			
At 1 January 2022	31,003	30,620	61,623
Impairments	(22,400)	-	(22,400)
At 31 December 2022	**8,603**	**30,620**	**39,223**
Impairments	-	-	-
At 31 December 2023	**8,603**	**30,620**	**39,223**
Accumulated amortisation and impairment			
At 1 January 2022	-	14,615	14,615
Amortisation	-	3,613	3,613
At 31 December 2022	**-**	**18,228**	**18,228**
Amortisation	-	3,784	3,784
At 31 December 2023	**-**	**22,012**	**22,012**
Carrying amount			
At 31 December 2022	8,603	12,392	20,995
At 31 December 2023	**8,603**	**8,608**	**17,211**

Intangible assets are amortised over 8 years on a straight-line basis and relate to the Company's acquisition of advice businesses.

Annual impairment test
In accordance with the requirements of IAS 36 Impairment of Assets, an entity shall assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset. The carrying amounts of the Company's intangible assets are compared with the recoverable value, being the higher of the value-in-use ("VIU") and its fair value ("FV") less costs to sell. If applicable, an impairment charge is recognised in the statement of comprehensive income when the recoverable amount is lower than the carrying value.

Fair value
Fair value was calculated as 3% of assets under management (being expected proceeds on sale of customer books based on comparable external acquisitions), less disposal costs calculated at 3.5% of those proceeds.

An impairment review on the Company's goodwill and intangible assets was carried out and found that no impairment was required (2022: £22,400,000).

13 TRADE AND OTHER RECEIVABLES

	2023 £'000	2022 £'000
Prepayments and accrued income	84	55
Amounts due from Group undertakings	2,907	357
Trade receivables	1,325	2,042
	4,316	2,454

Trade receivables primarily stems from pipeline revenue representing fee income deducted by Quilter Cheviot Limited or Quilter Investment Platform Limited but not yet paid to the Company. The value of this for 2023 is £1,325k (2022: £1,169k and £850k relating to amount recoverable against a redress provision).

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.

14 CASH AND CASH EQUIVALENTS

	2023 £'000	2022 £'000
Cash at bank	18,651	18,350
Total cash and cash equivalents	18,651	18,350

Management do not consider that there are any material amounts of cash and cash equivalents which are not available for use in the Group's day-to-day operations.

Cash held at bank and on deposit is held with A rated counterparties and is subject to the 12-month ECL model.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

15 ACCRUALS AND OTHER PAYABLES

	2023 £'000	2022 £'000
Amounts due to group undertakings	3,439	1,465
Accruals	2,379	2,605
Other payables	450	699
Total	6,268	4,769

Amounts due to other Group undertakings are unsecured, interest free and repayable on demands.

Other amounts payable mainly relate to payroll debtors and tax debtors.

16 LEASE LIABITILIES

	2023	2022
Lease liabilities at lessee's incremental borrowing rate (2.41% - 2.47%) (2022: 0.83% - 2.7%)	**£'000**	**£'000**
Opening balance at 1 January	1,105	1,363
Disposal	(234)	-
Finance interest charge for the year	24	31
Payment of lease liability	(238)	(289)
Closing balance at 31 December	657	1,105
Lease liability to be settled within 12 months	198	234
Lease liability to be settled after 12 months	459	871
Total discounted lease liability at 31 December	657	1,105
Maturity analysis - contractual undiscounted cash flows		
Less than one year	212	258
One to five years	356	694
More than five years	132	235
Total undiscounted lease liability at 31 December	700	1,187

Lease Liabilities
Lease liabilities represent the obligation to pay lease rentals as required by IFRS16 and are categorized as financial liabilities at amortised cost.

Lease disposals represented the novation of the Exeter lease to Quilter Business Services during the year.

17 TRADE CREDITORS

	2023 £'000	2022 £'000
Amounts due within one year:		
Deferred purchase consideration	-	-
Amounts due in more than one year:		
Deferred tax liability	-	-
	-	-

18 DEFERRED TAX

Recognised deferred tax assets and liabilities

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

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

	Tax losses £'000	Accelerated Depreciation £'000	Share based payments £'000	Other acquired intangibles £'000	Operating leases and Other £'000	Total £'000
Assets/(Liabilities) at 1 January 2022	347	1	60	(3,548)	17	(3,123)
Income statement credit	-	2	53	671	11	737
Equity charge	-	-	(14)	-	-	(14)
Assets/(Liabilities) at 1 January 2023	347	3	99	(2,877)	28	(2,400)
Income statement (charge)/credit	(347)	14	81	725	32	505
Equity credit	-	-	10	-	-	10
Assets/(Liabilities) at 31 December 2023	0	17	190	(2,152)	60	(1,885)

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

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 3 year planning horizon. The impacts of a 20% decrease in profitability have been assessed and do not give rise to concerns over recoverability.

The main rate of corporation increased to 25% with effect from 1 April 2023. This rate has been used in recognising the Company's deferred tax assets and liabilities.

18 DEFERRED TAX (continued)

Unrecognised deferred tax assets

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

	31 December 2023 Gross Amount	Tax	31 December 2022 Gross Amount	Tax
	£'000	£'000	£'000	£'000
Pre April 2017 UK Tax Losses	4,900	1,225	4,900	1,225
Total unrecognised deferred tax asset	4,900	1,225	4,900	1,225

A deferred tax asset has not been recognised 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.

19 PROVISIONS

	Indemnity commission provision	Provision for complaints	Redress provision	Property provision	Total
	£'000	£'000	£'000	£'000	£'000
At 1 January 2022	61	226	1,497	409	2,193
Additions	-	-	-	6	6
Utilisation	-	(124)	(1,086)	-	(1,210)
Unused amounts reversed	-	-	(411)	-	(411)
At 31 December 2022	61	102	-	415	578
Additions	260	-	-	6	266
Reclassification within statement of financial position				-	-
Unused amounts reversed	-	-	-	(160)	(160)
Utilisation	-	(6)	-	-	(6)
At 31 December 2023	321	96	-	261	678

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.

Provision for complaints
Provision is made for expected settlements on open complaints.

Redress provision
The redress provision represents the estimated cost of settling claims from clients and the amount represents the gross obligation and where these amounts can be recovered an asset is recognised (see Note 13).

Property provision
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. This was previously included in the total held as a lease liability and reclassified for 2021.

20 CONTRACT ASSETS

	2023 £'000	2022 £'000
Contract assets accrued income opening balance	1,184	2,667
Contract assets accrued income/(cost)	(46)	(1,483)
Contract assets accrued income closing balance	1,138	1,184

Other debtors comprise Contract assets which represent fees and commissions earned but not yet received from investment and pension providers.

There was no material revenue recognised in the reporting year from performance obligations satisfied, or partially satisfied, in previous years.

In calculating this figure, management estimates the average level of revenue, for both initial and ongoing business, as the average monthly receipts over the preceding quarter.

The assets amounted to £1,138,000 as at December 2023. A 10% decrease in the expected market value of investments placed or pension transfer values would be expected to decrease the asset value by £113,800.

21 SHARE CAPITAL

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

Ordinary shares of £1 each - alloted and fully paid	**Number of shares**	**Nominal value £'000**
At 1 January 2022	88,561,000	88,561
Movement	6,500,000	6,500
At 31 December 2022	95,061,000	95,061
Movement	10,000,000	10,000
At 31 December 2023	**105,061,000**	**105,061**

During 2023 QCHL provided a share capital contribution of £10,000k (2022: £6,500k). This was to ensure the Company could continue to meet its allocated capital requirement from the Internal capital adequacy and risk assessment, based on its wind-down cost.

22 INVESTMENT IN SUBSIDIARY UNDERTAKINGS

Directly held

Company name	Registered office	Country of incorporation	Share class	Proportion of shares held	Proportion of voting rights held	Nature of business
Prescient Financial Intelligence Limited (in liquidation 4 October 2021)	20 Colmore Circus, Queensway, Birmingham, West Midlands, B4 6AT	United Kingdom	Ordinary	100%	100%	Dormant

23 MAXIMUM EXPOSURE TO CREDIT RISK

The tables below represent the Company's maximum exposure to credit risk. The Company does not have any significant exposure arising from items not recognised on the statement of financial position.

	Credit rating relating to financial assets that are neither past due nor impaired									
At 31 December 2023	AAA	AA	A	BBB	<BBB	Internally rated	Included through consolidation of funds	Carrying value including held for sale	Less: Amount classifed held for sale	Carrying value
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cash and cash equivalents	-	-	18,651	-	-	-	-	-	-	18,651
Other receivables	-	-	-	-	-	5,454	-	-	-	5,454
	-	-	18,651	-	-	5,454	-	-	-	24,105

	Credit rating relating to financial assets that are neither past due nor impaired									
At 31 December 2022	AAA	AA	A	BBB	<BBB	Internally rated	Included through consolidation of funds	Carrying value including held for sale	Less: Amount classifed held for sale	Carrying value
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cash and cash equivalents	-	-	18,350	-	-	-	-	-	-	18,350
Other receivables	-	-	-	-	-	4,165	-	-	-	4,165
	-	-	18,350	-	-	4,165	-	-	-	22,515

24 CAPITAL CONTRIBUTION RELATED TO SHARE-BASED PAYMENTS SCHEMES

During the year ended 31 December 2023, 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.

Measurements and assumptions
The Company operates the following share-based payment schemes with awards over Quilter plc shares which came into force on 25 June 2018: the Quilter plc Performance Share Plan, the Quilter plc Share Reward Plan, the Quilter plc Share Incentive Plan, and the Quilter plc Sharesave Plan.

The Old Mutual Wealth Phantom Share Reward Plan was an award over notional Old Mutual plc shares. This share- based payment scheme was transferred to awards over Quilter plc shares on 25 June 2018 and continues to the original vesting dates.

	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	-	✓	-	-	✓	Not less than 3	3	Conduct, Risk & Compliance Underpins
Quilter plc Share Reward Plan	-	✓	-	-	✓	Typically 3	3	-
Quilter plc Share Incentive Plan	✓	-	-	-	✓	Not less than 3	2	-
Quilter plc Sharesave Plan[2]	-	-	✓	✓	-	$3^{1/2}$ - $5^{1/2}$	3 & 5	-
Old Mutual Wealth Phantom Share Reward Plan - Conditional Shares[3]	-	✓	-	-	✓	Typically 3	3	-

[1]Participants are entitled to actual dividends for the Share Incentive Plan. For all other schemes, participants are entitled to dividend equivalents.

[2]The Quilter plc Sharesave Plan is linked to a savings plan.

[3]Awards granted under the Phantom Share Reward Plan prior to the demerger of Quilter plc were made over notional ordinary shares in Old Mutual plc that were settled in cash on the vesting date. Upon the demerger and listing of Quilter plc, all unvested notional share awards were converted to conditional awards over ordinary shares in Quilter plc, which will be settled in Quilter plc shares on the normal vesting dates.

Options and awards
The weighted average share price at the dates of exercise for options exercised during the year was £1.17.

877,713 options outstanding at 31 December 2023 (2022: 442,323) 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 2.8 years.

As at 31 December 2023, 1,158,510 (2022: 871,812) conditional share awards were outstanding.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

25 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 8.

Key management personnel of the Company and members of their close family have undertaken transactions with the Company in the normal course of business.

The products within the Company and Quilter Group are available to all employees of the Company on preferential staff terms, the impact of which is immaterial to the Company's financial statements. During the year ended 31 December 2023, key management personnel and their close family members contributed £9k (2022: £5k) to Company pensions and investments (in both internal and external fund). This is on a pro-rata basis.

26 ULTIMATE PARENT COMPANY

The Company's immediate parent company is Quilter Cheviot 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

27 EVENTS AFTER THE REPORTING DATE

Prescient Financial Intelligence Limited, a subsidiary of QPCA, was dissolved on 6th May 2024.

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