Registered in England and Wales No. 01579311

Quilter Business Services Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 December 2020

CONTENTS

COMPANY INFORMATION

Directors	D J L Eardley P J Hucknall M O Satchel
Secretary	Quilter CoSec Services Limited
Banker	National Westminster Bank Plc 68 Above Bar Street Southampton SO14 7DS
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants Savannah House 3 Ocean Way Southampton Hampshire SO14 3TJ
Registered office	Old Mutual House Portland Terrace Southampton SO14 7EJ Telephone: 0808 171 2626 Website: www.quilter.com Registered in England and Wales No. 01579311

STRATEGIC REPORT
The Directors present their strategic report for the year ended 31 December 2020.

REVIEW OF THE BUSINESS AND PRINCIPAL ACTIVITIES
The principal activity of Quilter Business Services Limited (the “Company”) during the year continued to be the provision of management and administrative services to the Quilter plc group (the “Group”). There are currently no plans to change the principal activity of the Company in the future.

The Company is part of Quilter plc group. Quilter plc's ordinary shares are listed on the London and Johannesburg Stock Exchanges. Quilter plc provides the Company with strategic and governance oversight. The Company forms part of the Wealth Platforms segment.

QUILTER PLC STRATEGY
Quilter plc aims to be the leading UK and cross-border full-service wealth manager, providing advice-led investment solutions and investment platforms, focusing on delivering good customer outcomes. The breadth of the Group’s model helps to generate prosperity for customers by providing the services to develop suitable financial plans, manage customers’ investments in risk-based solutions and by helping customers access modern wealth wrappers via the Group’s platforms. The unbundled, open nature of Quilter plc’s model, offering flexibility to use one, two or all three components, is a key competitive advantage, provides customers and their advisers with choice at every stage and imposes external market discipline on the Group’s propositions. Quilter plc’s purpose and strategy are underpinned by core beliefs, which include: the belief in the value of trusted face-to-face advice, that better choice for customers does not mean more choice, investment solutions should be simply packaged, that award-winning service and measurable outcomes for our customers should always offer good value, and that a company’s purpose goes beyond making a profit and should focus also on being a responsible business as well as a responsible investor. The Directors believe that the Group’s competitive advantage lies in its strong positions in attractive markets and its ability to offer high quality solutions across each element of the value chain at a competitive, transparent and unbundled price. Quilter plc’s strategic objectives include delivering on customer outcomes, Advice and Wealth Management growth, Wealth Platforms growth, and cost optimisation.

Management is confident in the Group's strategic path and growth prospects. Short-term market, economic and political uncertainty may temper momentum in near-term flows and the level of assets under administration, as experienced in 2020 with the adverse impact of COVID-19 on equity market levels, but the Group operates in a large and fragmented market that has good long-term growth potential.

KEY PERFORMANCE INDICATORS (“KPIs”)
The table below shows the key performance indicators the Company uses to manage its business performance.

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

A key KPI for the Company is therefore total administrative expenses of £284,811,000 (2019: £363,593,000) and maintaining strong control over these costs. Administration expenses and management fee income have reduced due to the combination of the sale of Old Mutual Wealth Life Assurance Limited and strategic initiatives including cost optimisation, and general cost savings arising as a result of COVID-19, such as remote working.

A transitional service agreement (“**TSA**”) is in place with ReAssure (“**The Acquirer**”), in respect of Old Mutual Wealth Life Assurance Limited for 2020 and 2021. In 2020, £14,306,000 of income has been received to cover costs incurred in providing these services. The agreement is currently expected to terminate in Q4 2021 following the migration of the client policies from Quilter technology to the ReAssure customer technology.

Turnover for the year was £282,383,000 (2019: £377,425,000).
The profit for the year, after taxation, amounted to £20,921,000 (2019: £11,193,000).

Key performance indicators table	2020 £'000	2019 £'000
Management fee income	282,383	377,425
Administrative expenses	(284,811)	(363,593)
IFRS profit after tax	20,921	11,193
Total equity	105,390	75,315
Cash and cash equivalents	59,749	78,331
Average number of employees	2,023	2,333

STRATEGIC REPORT (continued)

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 key risks affecting the business are described below.

The Company has adopted the Enterprise Risk Management framework of the Group. This provides the framework for the monitoring, management and governance of risk, as detailed in note 3.

People

The Quilter plc group relies on its talent to deliver its service to customers and to implement the broad range of strategic change initiatives that are currently being delivered. In 2020 the COVID-19 operating conditions have posed further people challenges, although a strong focus on supporting staff through this difficult time has reduced its impact. The measures taken by the Quilter group to supports its employees is covered in more detail in the Directors' Report.

Change

The Quilter plc group continues to be subject to material change, as a series of long-running change programmes are due to be completed during 2021. These key change programmes are being phased over 2021 to avoid conflicts and ensure these projects remain on track to deliver the intended benefits.

COVID-19

On 11 March 2020, COVID-19 was recognised by the World Health Organisation as a global pandemic. The Group's focus in managing the response to COVID-19 has been to ensure colleagues' health and safety, maintain operational resilience with high levels of client service, and providing good outcomes for shareholders. When the scale of the COVID-19 pandemic became apparent, the Group responded quickly to the challenges faced, with 98% of the Group's employees working remotely from late March 2020 and the accelerated delivery of IT and remote telephony solutions allowing Quilter plc to maintain high client service levels and to support customers and advisers.

The Group reviewed its financial budgets and operating plans in response to the challenges arising from COVID-19 and the unpredictable operating outlook. The Group is operationally resilient and remains focused on completing its principal strategic projects. The continued volatility in financial markets and the impact of more limited face-to-face contact within the advice segment is creating a challenging revenue environment and the group has updated its future cash flows accordingly. Against this backdrop, the Group has undertaken a number of management actions to reduce expenses but has acknowledged that future operating margin outcomes will likely be below previous target guidance provided by management. The Group did not use the support measures made available to companies by the UK Government.

The COVID-19 pandemic has had, and is expected to continue to have, minimal financial impact on the Company's revenues as these are not directly impacted by market movements. These being predominantly intercompany recharges, investment return from subsidiaries and the Company's immediate parent, and interest received on short term bank deposits.

The Company is an integral part of the Quilter plc group, and therefore its operations and outlook are both intrinsically-linked to the performance of the Group.

Information technology

The Quilter plc business is highly dependent on its technology infrastructure and applications to perform necessary business functions, including to support the provision of services to customers. COVID-19 has required adaptation to mass home working, which has been successfully achieved across the Quilter plc group. Much of Quilter plc's legacy IT estate is currently being replaced, reducing the internal technology complexity, and reducing reliance on third parties. Failure to manage technology risk could have a material adverse impact on the business, and to mitigate against this, the Group has developed a technology strategy to support the transition to modern applications and introduced an Infrastructure Transformation Programme.

Third party including outsourcing

The Quilter plc group procures certain services from third parties, which will increase as the Platform Transformation Programme concludes and results in significant business process and technology outsourcing. If the Group does not effectively oversee its third-party providers, or they do not perform as anticipated, the Quilter plc group may experience operational difficulties, increased costs and loss of business, potential customer detriment and damage to its reputation. In order to manage these risks effectively and consistently across the Group, Quilter plc has defined a Third-Party Risk Management Framework that includes a policy and standards that apply to both external and intra-group outsourcing. The embedding of the framework, policy and standards is in progress.

STRATEGIC REPORT (continued)

SECTION 172 (1) STATEMENT

The Company is a wholly owned direct 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 2020.

In order to ensure decision-making bodies within Quilter plc continue to take their decisions on a fully informed basis, the Group has taken steps to further embed management's and Directors' understanding of the responsibilities ascribed to directors under section 172 (1) of the Companies Act 2006 at a Quilter plc level and across its management committees and subsidiaries including the Company. Quilter Corporate Secretariat continue to engage with management to explain the importance of the considerations referred to in section 172 (1) as part of good decision-making, to ensure that proposals coming to the Board contain appropriate information on the potential impact of business decisions on all stakeholders of the Company and other relevant matters. Examples of best practice have been provided and rolled out to the business, with further explanation and guidance on directors' duties to ensure that section 172 (1) considerations remain at the heart of the Group's decision-making at all levels.

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

On behalf of the board

M O Satchel
Director
10 March 2021

DIRECTORS' REPORT
The Directors present their report and audited financial statements for the year ended 31 December 2020.

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

DIRECTORS
The names of the current Directors are listed on page 1. The Directors who have held office during the year are listed below:

D J L Eardley
P J Hucknall
M O Satchel

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

Qualifying third-party indemnity provisions were in force (as defined by section 234 of the Companies Act 2006) during the course of the financial year ended 31 December 2020 for the benefit of the then Directors, and at the date of this report, are in force for the benefit of the Directors in relation to certain losses and liabilities which may occur (or have occurred) in connection with their duties/powers or office.

DIVIDENDS
During the year dividends of £nil (2019: £16,000,000) were paid.

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

POLITICAL DONATIONS
During the year, the Company made no political donations (2019: £nil).

BUSINESS RELATIONSHIPS STATEMENT
The Company forms part of the Quilter 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, and the effect of that regard, including on the principal decisions taken by the Company during the financial year, has been set out in the report and accounts of the Quilter plc Annual Report, which does not form part of this report. There are no further considerations which would be relevant for the Company.

EMPLOYEES
The Company is committed to the development of policies to promote an inclusive culture and equal opportunities in employment for all its employees and ensuring that everyone has the opportunity to fulfil their full potential regardless of diversity characteristics. It continues to support employees under the Equality Act by making reasonable adjustments to their work environment and the nature of their work. The Company remains committed to continuing the employment of, and for arranging training for, employees who have become disabled while employed by the Company. Candidates are selected for interview based upon their skills, qualifications, experience and potential.

As part of the Quilter Group Governance Framework, the Company relies upon Group practices and process in order to support employees. Monitoring and oversight is described in full in the Quilter plc 2020 Annual Report and Accounts.

An employee forum exists where employees have the opportunity to voice their views and opinions. It also provides a channel for the Company to inform and consult on any proposals impacting on employees. In addition, the views of colleagues are sought through regular engagement surveys to identify where the Company is doing well and where there is scope to improve. Quilter plc has employee incentive schemes which link to personal objectives and company objectives by involving the employees in the company's performance. There is also active learning and development and mentoring programmes, which continue to support employees' career development.

In 2020, the Quilter group took additional measures to monitor colleagues' wellbeing and support them from the impact of the global pandemic. Measures included mobilising remote working capabilities and reconfiguring our offices in line with UK Government guidelines to enable modest numbers of staff, where appropriate, to operate in a socially-distanced manner.

An explanation of how the Quilter plc Board has carried out these responsibilities has been set out in the report and financial statements of the Quilter plc Annual Report, which does not form part of this report.

DIRECTORS' REPORT (continued)

CLIMATE CHANGE

Another key development during the year was the formalisation of the Quilter climate change strategy which sets out an approach to measure, manage and reduce the Quilter group's contribution to climate change both as a business and an investor. Quilter has committed to reduce its contribution to climate change and support the transition to a low carbon economy, achieved through continued transition to renewable energy sources, reduced travel and the highest standard carbon-offsets where required. Quilter recognises the Financial Stability Board's Taskforce for Climate-related Financial Disclosures (TCFD) as the leading framework for climate-related disclosures and are the process of aligning fully with TCFD by the end of 2021. As Quilter Business Services Limited incurs the majority of the administration expenses on behalf of the Group, the Company will be key to the success of this strategy.

CORPORATE GOVERNANCE STATEMENT

Quilter plc is subject to the requirements of the 2018 UK Corporate Governance Code (**the Code**) and complied with all its provisions during the year. The Company has chosen not to apply a governance code during the year. As a wholly owned subsidiary of Quilter plc, the Company has instead complied with the Quilter plc Group Governance Framework which sets out certain minimum standards and guidance for the governance framework of Quilter plc's subsidiaries. The Board's composition is comprised of Executive Directors and is consistent with the Quilter plc Group Governance Manual's requirements.

DISCLOSURE OF INFORMATION TO AUDITORS

Each Director at the date of approval of this report confirms that:

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

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

STATEMENT OF GOING CONCERN

The financial statements have been prepared on a going concern basis. The Board has reviewed the Company's projections for the next 12 months and beyond including cash flow forecasts. As a result, the Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approving these financial statements.

INDEPENDENT AUDITORS

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

On behalf of the board

M O Satchel
Director
10 March 2021

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 regulations.

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 international accounting standards in conformity with the requirements of the Companies Act 2006.

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 international accounting standards in conformity with the requirements of the Companies Act 2006 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 Business Services Limited

Report on the audit of the financial statements

Opinion

In our opinion, Quilter Business Services Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; 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, which comprise: the statement of financial position as at 31 December 2020; the income statement, the statement of comprehensive income, the statement of cash flows, and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided to the group headed by Quilter plc, of which the company is a member.

We have provided no non-audit services to the company and its' controlled undertakings in the period under audit.

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

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

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

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

Strategic report and directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and directors' report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors’ responsibilities for the audit of the financial statements

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of U.K. and European regulatory principles, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management’s incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to reduce the expenditure of the company and management bias in accounting estimates and judgemental areas of the financial statements, such as the share based payment expense. Audit procedures performed included:

- Discussions with the Board, management, Quilter plc internal audit, senior management involved in the Quilter plc group's Risk and Compliance function and the legal function, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud.
- Assessment of matters reported on the Quilter plc's whistleblowing register that relate to the company, including the quality and results of management’s investigation of such matters.
- Reviewing correspondence between the company and HMRC in relation to compliance with laws and regulations.

- Reviewing Board minutes as well as relevant meeting minutes.
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, such as a credit to expenditure and a debit to the statement of financial position (other than to expected accounts), which may be indicative of the understatement or manipulation of expenditure.
- Reviewed and tested the share based payments awards expense and reserve taking into account the vesting service conditions and performance conditions.

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.

H Grainger

Helen Grainger (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton
10 March 2021

INCOME STATEMENT
for the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Revenue			
Management fees		282,383	377,425
Third party income	4	14,306	-
Investment return	5	103	377
Total revenue		296,792	377,802
Expenses			
Administrative expenses	6	(284,811)	(363,593)
Financing costs	9	(2,831)	(1,751)
Total expenses		(287,642)	(365,344)
Profit before tax		9,150	12,458
Income tax credit/(expense)	11	11,771	(1,265)
Profit for the year after tax		20,921	11,193
Attributable to equity holder		20,921	11,193

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

The notes on pages 16 to 41 were approved by the board on 10 March 2021.

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2020

	2020	2019
	£'000	£'000
Profit for the year	20,921	11,193
Total comprehensive income for the year		
All attributable to equity holder	20,921	11,193

The notes on pages 16 to 41 were approved by the board on 10 March 2021.

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2020

	Note	Share capital £'000	Share-based payment reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2020		700	19,214	55,401	75,315
Profit for the year		-	-	20,921	20,921
Share-based payments	26	-	(1,971)	11,134	9,163
IFRS 16 adjustment		-	-	(9)	(9)
Balance at 31 December 2020		700	17,243	87,447	105,390

	Note	Share capital £'000	Share-based payment reserve £'000	Retained earnings £'000	Total equity £'000
Total equity at beginning of year		700	16,920	53,489	71,109
Adjustment on initial application of IFRS 16		-	-	(2,147)	(2,147)
Balance at 1 January 2019		700	16,920	51,342	68,962
Profit for the year		-	-	11,193	11,193
Share-based payments	26	-	2,294	8,866	11,160
Dividends paid	10	-	-	(16,000)	(16,000)
Balance at 31 December 2019		700	19,214	55,401	75,315

The notes on pages 16 to 41 were approved by the board on 10 March 2021.

STATEMENT OF FINANCIAL POSITION
at 31 December 2020

	Note	2020 £'000	2019 £'000
Assets			
Property, plant and equipment	12	116,916	101,035
Intangible assets	13	89	171
Investments in collective investment schemes	14	411	547
Deferred tax assets	15	22,393	12,613
Current tax receivables		3,014	-
Trade and other receivables	16	66,650	72,408
Cash and cash equivalents	17	59,749	78,331
Total assets		269,222	265,105
Equity and liabilities			
Equity			
Share capital	19	700	700
Share-based payments reserve		17,243	19,214
Retained earnings		87,447	55,401
Total equity		105,390	75,315
Liabilities			
Interest bearing liabilities	20	20,000	-
Provisions	21	2,951	8,353
Current tax payable		-	5,414
Lease liabilities	22	92,086	95,768
Trade and other payables	23	48,795	80,255
Total liabilities		163,832	189,790
Total equity and liabilities		269,222	265,105

The notes on pages 16 to 41 were approved by the board on 10 March 2021.

The financial statements on pages 11 to 41 were approved by the board of directors on 10 March 2021 and signed on its behalf by:

M O Satchel
Director

Company registered number: 01579311

STATEMENT OF CASH FLOWS
for the year ended 31 December 2020

	2020	2019
	£'000	£'000
Cash flows from operating activities		
Profit before tax	9,150	12,458
Non-cash movements in profit before tax	21,169	20,023
Net changes in working capital	(30,417)	2,344
Taxation	(5,974)	(911)
Total net cash flows (used in)/from operating activities	(6,072)	33,914
Cash flows from investing activities		
Acquisition of property, plant and equipment	(28,255)	(6,707)
Total net cash flows used in investing activities	(28,255)	(6,707)
Cash flows from financing activities		
Dividends paid	-	(16,000)
Finance costs	(19)	-
Loan from fellow subsidiary undertaking	20,000	-
Payments of interest on lease liabilities	(1,241)	(1,751)
Payments of principal lease liabilities	(2,995)	(2,065)
Total net cash flows from/(used in) financing activities	15,745	(19,816)
Net (decrease)/increase in cash and cash equivalents	(18,582)	7,391
Cash and cash equivalents at beginning of the year	78,331	70,940
Cash and cash equivalents at end of the year	59,749	78,331

The notes on pages 16 to 41 were approved by the board on 10 March 2021.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

1 GENERAL INFORMATION

Quilter Business Services Limited (the "Company") is a private company limited by shares, incorporated and domiciled in England and Wales. The address of its registered office is disclosed in the Company information section on page 1. The principal activities of the Company are disclosed in the strategic report.

2 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation
The financial statements have been prepared and approved by the directors in accordance with the Companies Act 2006 and International Financial Reporting Standards ("**IFRSs**") in conformity with the requirements of the Companies Act 2006. The financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial instruments which have been recognised at fair value. The financial statements have been prepared in pounds sterling and are rounded to the nearest thousand.

The Directors have considered the resilience of the Company, taking into account its current financial position, the principal risks facing the business and the effectiveness of the mitigating strategies which are or will be applied. An assessment of the impact of COVID-19 on the going concern for the Company has been completed, concluding that the Company can withstand a severe but plausible downside scenario for at least the next 12 months. This assessment was based on the most recent management approved three-year profit forecasts, and incorporated scenarios that reflected the impact of significant decreases in market levels. As a result, the Directors believe that the Company is well placed to manage its business risks in the context of the current economic outlook and have 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.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as noted below.

Standards, amendments to standards, and interpretations adopted in the 2020 annual financial statements

There have been no new standards or interpretations which became effective 1 January 2020.

Amendments to standards:

The following amendments to the accounting standards, issued by the International Accounting Standards Board ("**IASB**") and endorsed by the EU, have been adopted by the Company from 1 January 2020 with no material impact on the Company's results, financial position or disclosures:

- amendments to References to the Conceptual Framework in IFRS Standards;
- amendments to IFRS 3 Business Combinations - Definition of a Business;
- amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material;
- amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures - Interest Rate Benchmark Reform;
- amendments to IFRS 16 Leases – Covid-19-Related Rent Concessions.

Future standards, amendments to standards, and interpretations not early-adopted in the 2020 annual financial statements
Certain new standards, interpretations and amendments to existing standards have been published by the IASB that are mandatory for the Company's annual accounting periods beginning after 1 January 2021. The Company has not early adopted these standards, amendments and interpretations. The following standards have been issued by the International Accounting Standards Board, and are not applicable or not expected to be applicable for the Company:

- IFRS 17 *Insurance Contracts* (yet to be endorsed by the EU)

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

The Company assesses the objective of a business model in which an asset is held at a portfolio level because this best represents the way the business is managed and information is reported to management. The assessment considers the stated portfolio policies and objectives. It is important to determine whether management's strategy in holding the financial asset is to earn 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. This helps management determine whether financial assets should be measured at fair value.

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

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

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

Amortised cost
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:
– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
– the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding on specified dates.

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

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

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

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

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, approximates to their fair value.

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

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

Interest bearing liabilities
Interest bearing liabilities are recognised initially at the proceeds received, net of transaction costs incurred. Subsequent to initial recognition, they are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Investments in subsidiaries
Parent company investments in subsidiary undertakings are initially stated at cost. All subsidiaries are dormant, non-trading companies which were incorporated as name protection entities, and are held at cost.

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

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

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

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

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

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

Application of the impairment model
The Company applies IFRS 9's ECL model to two main types of financial asset that are measured at amortised cost:
– Trade and other receivables, to which the simplified approach prescribed by IFRS 9 is applied. This approach requires the recognition of a Lifetime ECL allowance on day one and thereafter.
– Intercompany receivables and cash and cash equivalents, to which the general three stage model (described above) is applied, whereby a 12 month ECL is recognised initially and the balance is monitored for significant increases in credit risk which triggers the recognition of a Lifetime ECL allowance.

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

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

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 go over 30 days in the normal course of the settlement cycle, and therefore, there is no increase in the credit risk.

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

Write-offs
Loans are written off (either partially or in full) when there is no realistic prospect of the amount being recovered. This is generally the case when the Company concludes that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Critical accounting estimates and judgements
The preparation of the financial statements requires management to exercise judgement in applying the Company's significant accounting policies.

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

In 2020, the Company does not have any material areas to disclose as to where an accounting judgement or estimate was required in the year. In prior years, this has covered material provisions held and deferred tax estimates recognised by the Company.

Property, plant and equipment
Items of equipment are reported at cost less accumulated depreciation and impairment losses. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life as follows:

	Years
Office equipment and computers	3 - 5
Fixtures and fittings	5 - 10
Right-of-use assets	2 - 21

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

Intangible assets
Purchased software and internally developed software are reported at cost less accumulated amortisation and impairment losses.

Internally developed software is amortised over its estimated useful life. Such assets are stated at cost less accumulated amortisation and impairment losses. Software is recognised in the statement of financial position if, and only if, it is probable that the relevant future economic benefits attributable to the software will flow to the Group and its cost can be measured reliably.

Costs incurred in the research phase are expensed whereas costs incurred in the development phase are capitalised subject to meeting specific criteria set out in the relevant accounting guidance, the main criteria being that future economic benefits can be identified as a result of the development expenditure. Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of the relevant software, which range between three and five years.

Amortisation on intangible assets features as part of administrative expenses in the income statement.

Provisions
Provisions are recognised when the Company has an obligation, legal or constructive, as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are estimated at the Directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present values where the effect is material.

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

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

Dividend income
Dividend income from investments is recognised when the shareholders' rights to receive payments have been established.

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

Third party income
Third party income comprises recharged expenses incurred by the Company in respect of transitional services provided to ReAssure in connection with the sale of Old Mutual Life Assurance Limited. Third party income is recognised in the period the expenditure is incurred.

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

Expense recognition
All expenses are recognised in the income statement as a cost when incurred.

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

Share-based payments
The grant-date fair value of Quilter plc equity-settled share-based payment arrangements granted to employees is recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for difference between expected and actual outcomes.

Taxation
Current tax
Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to income tax payable in respect of previous years. The taxable income for the year is determined in accordance with enacted legislation and taxation authority practice for calculating the amount of tax payable.

Current tax is charged or credited to 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 guidance, 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.

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

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

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

3 RISK MANAGEMENT FRAMEWORK AND RISK EXPOSURES

Risk management framework
The Company has adopted Quilter Group Enterprise Risk Management ("**ERM**") framework which comprises core components such as:

- the corporate governance arrangements which set out the way that the organisation is structured and managed;
- a set of Strategic Risk Appetite Principles that provide guidance on our attitude toward key areas of risk and support the ongoing management and oversight of risk;
- the 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 ERM 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 plc seeks to ensure that risk and capital implications are considered when making strategic and operational decisions, and to ensure that Quilter plc's risk profile is understood and managed on a continuous basis within the agreed risk appetite.

Operational risk
The Company defines operational risk as the risk of 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.

Operational risk includes all risks resulting from operational activities which the Company undertakes excluding strategic risks and risks resulting from being part of a wider group of companies.

The Company's principal operational risks are primarily driven from the provision of management and administration services to Quilter plc group and include the effects of failure of the administration processes, information technology and information security risks, management processes, legal risks, risks relating to critical third party suppliers and outsourcers, and the consequences of financial crime and business interruption events.

Credit and counterparty risk
Credit and counterparty risk is the risk of adverse movements in credit spreads (relative to the reference yield curve), credit ratings or default rates leading to a deterioration in the level or volatility of assets, liabilities or financial instruments resulting in loss of earnings or reduced solvency.

The Company is exposed to credit and counterparty risk primarily arising from the investment of its shareholder funds in money market OEIC investments and cash held at bank. Sources of credit risk are managed in line with the requirements of the Credit Risk Policy that ensures cash is placed with highly rated counterparties and is appropriately diversified.

The Company has financial exposures to fellow group companies. The credit risk arising from the Group counterparties failing to meet all or part of their obligations is considered remote.

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

Interest rate risk
Interest rate risk is defined as the risk of a deviation of the actual interest rates from the expected interest rates, resulting in the potential for a negative impact on earnings or capital and/or reduced solvency.

The Company monitors the impact of interest rate changes on its financial position, with the risk managed in line with its Market Risk Policy.

The effective interest rate, as at 31st December, applicable to interest bearing financial instruments is as follows:

3 RISK MANAGEMENT FRAMEWORK AND RISK EXPOSURES (continued)

	2020 Variable	2019 Variable
Assets		
Deposits with credit institutions	0.00%	0.51%
Current account with credit institutions	0.00%	0.35%

Currency risk
The Company is not exposed to significant currency risk except for a contract with a South African supplier. The Company is billed in South African Rand and is subject to any movements in the exchange rate.

Liquidity risk
Liquidity risk is defined as the risk that there are insufficient assets or that assets cannot be realised in order to settle financial obligations as they fall due, or that market conditions preclude the ability of the firm to trade in liquid assets in order to maintain its asset and liability matching (”**ALM**”) profile.

The liquidity strategy is to maintain sufficient liquidity within the business such that it can meet its target liquidity requirement at all times. The minimum requirements are set out in the Liquidity Policy that ensures a risk appetite statement, limits and triggers are in place, supported by an appropriate Contingency Funding Plan that addresses potential liquidity requirements that may arise during a liquidity stress.

The maturity dates of current tax, trade and other payables of £48,795,000 (2019: £85,669,000) all fall due within 3 months.

Maturity analysis
The following tables show the maturities of the Company’s liabilities, and of the financial assets held to meet them.

(i) Analysis of maturity of financial liabilities
The following table shows the Company’s financial liabilities analysed by duration:

	Note	To be settled within 12 months £'000	To be settled after 12 months £'000	2020 Total £'000
Payables and other financial liabilities	23	48,795	-	48,795
Provisions	21	2,951	-	2,951
		51,746	-	51,746

	Note	To be settled within 12 months £'000	To be settled after 12 months £'000	2019 Total £'000
Payables and other financial liabilities	23	80,255	-	80,255
Provisions	21	6,063	2,290	8,353
		86,318	2,290	88,608

(ii) Analysis of maturity of financial assets
The following table provides an analysis, by maturity date of the principal, of the carrying value of the financial assets which are available to fund the repayment of liabilities as they crystallise.

3 RISK MANAGEMENT FRAMEWORK AND RISK EXPOSURES (continued)

	Note	To be settled within 12 months £'000	To be settled after 12 months £'000	2020 Total £'000
Receivables and other financial assets	16	66,650	-	66,650
Cash and cash equivalents	17	59,749	-	59,749
		126,399	-	126,399

	Note	To be settled within 12 months £'000	To be settled after 12 months £'000	2019 Total £'000
Receivables and other financial assets	16	72,408	-	72,408
Cash and cash equivalents	17	78,331	-	78,331
		150,739	-	150,739

Risk and capital management
Quilter plc group capital management policy sets out the key considerations and restrictions with regard to the amount of capital that is retained by each entity within the Group.

Historically, Quilter Business Services Limited has required a modest capital base. This is because, for the majority of the business, the Company has limited risk by virtue of the fact that costs incurred are recharged to fellow subsidiaries either on a cost or cost plus basis.

In the event of the Company incurring losses resulting in erosion of its capital base or requiring funding for assets that it will not be able to immediately recover from other group entities in the form of management charges, it is supported financially by its fellow subsidiary Old Mutual Wealth Holdings Limited.

The Company has net assets of £105,390,000 (2019: £75,315,000). Old Mutual Wealth Holdings Limited has provided the Company with a facility that, for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company and in particular will not seek repayment of the amounts currently made available.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

4 THIRD PARTY INCOME

The Company has received £14,306,000 (2019: nil) of income from a third party, Reassure, in respect of transitional services provided following the sale of Old Mutual Life Assurance Limited.

5 INVESTMENT RETURN

	2020 £'000	2019 £'000
Interest on short term bank deposits (amortised cost)	11	95
Interest on short term bank deposits (mandatorily at FVTPL)	92	282
	103	377

There has been no interest income earned on impaired financial assets.
The 2020 interest returns relate primarily to the first half of the year. The interest rate ended at 0% by the 31st December 2020.

6 ADMINISTRATIVE EXPENSES

	2020 £'000	2019 £'000
Staff costs	155,301	199,973
Depreciation	2,826	3,075
Depreciation charge for right-of-use assets	6,720	4,066
Amortisation of purchased software	82	107
Auditors' remuneration: audit services paid	50	50
Administration and other expenses	119,832	156,322
Other operating and administrative expenses	284,811	363,593

Auditors' remuneration for audit services consists of fees in respect of the statutory audit. There are no non-audit fees (2019: £nil).

7 EMPLOYEE BENEFITS

	2020 £'000	2019 £'000
Wages and salaries	113,507	146,908
Share-based payments	8,692	11,026
Social security costs	13,486	15,033
Other pension costs	8,582	8,614
	144,267	181,581
The average number of employees was as follows:	2,023	2,333

Included within the wages and salaries costs for the current year are termination benefits of £2,108,000 (2019: £1,852,000)

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

All employees were involved in the administration of the Group's activities in the current and prior year. The pension costs shown above are the Company's contributions into defined contribution pension plans. The additional cost of providing death in service benefits in the year was £259,000 (2019: £307,000).

8 REMUNERATION OF KEY MANAGEMENT PERSONNEL

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

Aggregate Directors' emoluments
3 Directors had money paid to a money purchase scheme during the year (2019: 3).

During 2020, 2 Directors received or were due to receive shares or share options under a long term incentive scheme (2019: 3). 1 Director (2019: 2) exercised options during the year.

Shares or share options were in Old Mutual plc shares for the period up to Quilter plc listing date (25 June 2018), and in Quilter plc shares for the period from listing date onwards.

Emoluments of the highest paid Director
The highest paid Director exercised share options during the prior year.

The above disclosure includes the remuneration of the Directors in relation to their services to this Company. The remuneration for each Director is apportioned on the basis of time spent across the companies of which they are a director.

In 2019 the time allocation of Quilter Business Services Limited Directors was reviewed. As a result the Directors’ remuneration is fully allocated out to the entities across Quilter group, where as in prior years the allocation included a part allocation of their time to Quilter Business Services Limited.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

9 FINANCING COSTS

	2020 £'000	2019 £'000
Interest payable to fellow subsidiary undertakings (see note 28)	19	-
Interest charge on lease liabilities (see note 22)	2,812	1,751
	2,831	1,751

10 DIVIDENDS PAID

	2020 £'000	2019 £'000
Dividends paid to Quilter plc		
Aggregate dividends	-	16,000
Dividends per share	-	2,285.71p

11 TAXATION

	2020 £'000	2019 £'000
Current year corporation tax credit	(2,146)	(513)
Prior year corporation tax (credit)/charge	(199)	781
Deferred tax (credit)/charge	(9,426)	997
Tax (credit)/charge for the year	(11,771)	1,265
The total tax (credit)/charge for the year can be reconciled to the accounting profit as follows:		
Profit before tax	9,150	12,458
Tax on profit at the applicable tax rate, 19% (2019: 19%)	1,738	2,367
Effect of:		
Expenses not deductible for tax purposes	103	(267)
Prior year adjustments to deferred tax	614	(49)
Prior year corporation tax (credit)/charge	(199)	781
Recognition of previously unrecognised deferred tax assets	(12,849)	(1,875)
Effect on deferred tax for changes in tax rates	(1,178)	308
	(11,771)	1,265

The main rate of UK corporation tax is 19%. The reduction to 17% due to come into effect from 1 April 2020 was cancelled.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

12 PROPERTY, PLANT AND EQUIPMENT

	Right-of-use asset £'000	Office equipment and computers £'000	Motor vehicles owned £'000	Fixtures and fittings £'000	Total £'000
Cost or valuation					
At 1 January 2019	-	38,724	34	9,188	47,946
Implementation of IFRS 16	47,292	-	-	-	47,292
Disposals	-	-	(34)	-	(34)
Additions	59,784	2,193	-	4,514	66,491
At 31 December 2019	107,076	40,917	-	13,702	161,695
Disposals	(4,009)	(134)	-	-	(4,143)
Additions	121	3,967	-	24,288	28,376
At 31 December 2020	103,188	44,750	-	37,990	185,928
Accumulated depreciation and impairment					
At 1 January 2019	-	35,453	34	5,585	41,072
Implementation of IFRS 16	12,481	-	-	-	12,481
Disposals	-	-	(34)	-	(34)
Depreciation charge for the year	4,066	2,307	-	768	7,141
At 31 December 2019	16,547	37,760	-	6,353	60,660
Disposals	(1,120)	(74)	-	-	(1,194)
Depreciation charge for the year	6,720	1,491	-	1,335	9,546
At 31 December 2020	22,147	39,177	-	7,688	69,012
Carrying amount					
At 31 December 2019	90,529	3,157	-	7,349	101,035
At 31 December 2020	81,041	5,573	-	30,302	116,916

13 INTANGIBLE ASSETS

	Purchased software £'000	Internally developed software £'000	Total £'000
Cost			
At 1 January 2019	11,341	62,711	74,052
Additions	-	-	-
At 31 December 2019	11,341	62,711	74,052
Additions	-	-	-
At 31 December 2020	11,341	62,711	74,052
Accumulated amortisation and impairment			
At 1 January 2019	11,063	62,711	73,774
Amortisation charge for the year	107	-	107
At 31 December 2019	11,170	62,711	73,881
Amortisation charge for the year	82	-	82
At 31 December 2020	11,252	62,711	73,963
Carrying amount			
At 31 December 2019	171	-	171
At 31 December 2020	89	-	89

Fully amortised internally developed software is expected to be disposed of once the final migration of assets onto the new platform occurs in early 2021.

14 INVESTMENTS IN COLLECTIVE INVESTMENT SCHEMES

	2020 £'000	2019 £'000
At fair value through the income statement		
Investments in collective investment schemes	411	547

These investments are individually insignificant and short term.

15 DEFERRED TAX ASSETS

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

	Accelerated depreciation £'000	Share based payments £'000	Other carried forward £'000	Total £'000
Asset at 31 December 2018	10,946	1,580	188	12,714
Movement in the year	(2,424)	1,762	561	(101)
Asset at 31 December 2019	8,522	3,342	749	12,613
Movement in the year	9,515	445	(180)	9,780
Asset at 31 December 2020	18,037	3,787	569	22,393

The main rate of corporation tax is 19%. The reduction to 17% due to come into effect from 1 April 2020 was cancelled. On 3 March 2021 the Chancellor of the Exchequer announced in the budget a future increase in corporation tax from 19% to 25%, effective 1 April 2023.

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

The recognition of deferred tax assets is subject to the estimation of future taxable profits, which is based on Quilter plc group annual business planning process and in particular on estimated levels of assets under management, which are subject to a large number of factors including worldwide stock market movements and related movements in foreign exchange rates, together with estimates of net client cash flow, expenses and other charges.

The value of the deferred tax assets not recognised as at 31 December 2020 was £nil (2019: £11,497,000). Accelerated depreciation was previously recognised over a three-year period, but has now been recognised in full. This has resulted in a deferred tax credit at 31 December 2020.

16 TRADE AND OTHER RECEIVABLES

	2020 £'000	2019 £'000
Due from immediate parent (see note 28)	2,902	7,594
Due from fellow subsidiary undertakings (see note 28)	28,745	46,851
Prepayments and accrued income	29,085	15,720
Other	5,918	2,243
Trade and other receivables	66,650	72,408

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

17 CASH AND CASH EQUIVALENTS

	2020 £'000	2019 £'000
Bank balances	38,749	21,331
Money market funds	21,000	57,000
Cash and cash equivalents	59,749	78,331

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

Bank balances are subject to a 12 month ECL, and are credit rated A.

18 INVESTMENTS IN SUBSIDIARIES

The subsidiary undertakings at the year end, all wholly owned and registered in England and Wales, are:

Company	Shareholding	Registered Office Address
Quilter Wealth Solutions Limited	Ordinary	Senator House 85 Queen Victoria Street, London, EC4V 4AB, United Kingdom
Quilter Life & Pensions Limited	Ordinary	Senator House 85 Queen Victoria Street, London, EC4V 4AB, United Kingdom
Quilter UK Holdings Limited	Ordinary	Senator House 85 Queen Victoria Street, London, EC4V 4AB, United Kingdom

The value of the investment in each of the subsidiaries is £1.

Investment in subsidiaries
Quilter Business Services Limited holds one ordinary share in each of these subsidiaries. These are dormant, non trading companies and were incorporated as name protection entities. The investments are each valued at original cost of £1 (2019: £1) and due to materiality are not shown separately on the statement of financial position.

19 SHARE CAPITAL

	2020 £'000	2019 £'000
Allotted, called up and fully paid		
700,000 (2019: 700,000) ordinary shares of £1 each	700	700

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

20 INTEREST BEARING LIABILITIES

The interest bearing liability represents a draw down from an existing loan facility with Old Mutual Wealth Holdings Limited, a fellow subsidiary undertaking, at LIBOR + 0.50%. (see note 28)

Amounts borrowed are unsecured and repayable on demand. The carrying amount approximates to fair value which is valued as the principal amount repayable.

21 PROVISIONS

	Sale of OMWLA £'000	Provision for onerous contracts £'000	Total £'000
Balance at 1 January 2019	-	3,806	3,806
Additions in the year	6,058	-	6,058
Utilisation	-	(1,511)	(1,511)
Balance at 31 December 2019	6,058	2,295	8,353
Release of unused provisions	-	(784)	(784)
Utilisation	(3,107)	(1,511)	(4,618)
Balance at 31 December 2020	2,951	-	2,951

Old Mutual Wealth Life Assurance ("**OMWLA**"), a fellow subsidiary, was sold on 31 December 2019, resulting in a number of provisions totalling £6,058,000 being established in respect of the costs of disposing the business and the related costs of business separation.

The costs of business separation arise from the process to separate OMWLA's infrastructure, which is complex and covers a wide range of areas including people, IT systems, data, contracts and facilities. A programme team has been established to ensure the transition of these areas to the acquirer. These provisions have been based on external quotations and estimations, and estimates of the time required for incremental resource costs to achieve the separation.

The most significant element of the provision is the cost of migration of IT systems and data to the acquirer. Work has progressed across 2020 and will continue into 2021. Calculation of the provision is based on management's best estimate of the work required, the time it is expected to take, the number and skills of the staff required and their cost, and the cost of related external IT services to support the work. In reaching these judgements and estimates, management have made use of their past experience of previous IT migrations following business disposals.

A provision for onerous contracts was established primarily in respect of continuing IT contracts with Group businesses which have now been sold.

By the end of 2020, the onerous contracts provision has been fully utilised.

Of the total provisions recorded above, £nil (2019: £ 2,290,000) is estimated to be payable after more than one year.

22 LEASE LIABILITIES

	2020 £'000	2019 £'000
Opening balance at 1 January	95,768	38,055
Additions	117	59,777
Disposals	(2,374)	-
Finance interest charge for the period	2,812	1,751
Lease liability reduction for the period	(4,237)	(3,815)
Closing balance at 31 December	92,086	95,768
Lease liability to be settled within 12 months	3,163	3,269
Lease liability to be settled after 12 months	88,923	92,499
Total discounted lease liability at 31 December	92,086	95,768
Maturity analysis - contractual undiscounted cash flows		
Less than one year	4,336	4,566
One to five years	38,022	29,661
More than five years	70,037	85,168
Total undiscounted lease liability at 31 December	112,395	119,395

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

As at 31 December 2020, future undiscounted cash outflows of £22 million (2019: £26 million) have been included in the lease liability which will occur beyond termination option dates on three of the Company's principal property leases, as it is reasonably certain that these leases will not be terminated.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it.

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

23 TRADE AND OTHER PAYABLES

	2020 £'000	2019 £'000
Due to fellow subsidiary undertakings (see note 28)	8,933	3,774
Other taxes and social security costs	6,266	2,363
Trade creditors and accruals	33,596	74,118
Trade and other payables	48,795	80,255

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

Trade creditors and accruals include accruals covering the incentive bonus scheme which fluctuates year- on- year in line with set performance targets. The decrease to the comparative year represents the reduced accrual as a result of the impact COVID-19 has had on achieving the set targets in 2020, plus settling all creditors ahead of general ledger migration.

Due to the timing of the sale of Old Mutual Wealth Life Assurance Limited, 2019 included £9,700,000 of sale-related accruals which were subsequently settled within 2020.

24 FINANCIAL AND CAPITAL COMMITMENTS

There are no material financial and capital commitments at 31 December 2020 (2019: £nil).

25 FINANCIAL INSTRUMENTS

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

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

The following statement of financial position captions contain financial instruments that have been analysed into the three specified levels as described above:

2020:	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets designated at fair value through the income statement				
- investments in collective investment schemes	411	-	-	411
- cash and cash equivalents - money market funds only	21,000	-	-	21,000
Total assets measured at fair value	21,411	-	-	21,411

2019:	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets designated at fair value through the income statement				
- investments in collective investment schemes	547	-	-	547
- cash and cash equivalents - money market funds only	57,000	-	-	57,000
Total assets measured at fair value	57,547	-	-	57,547

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

Extent of involvement in unconsolidated structured entities
The table below sets out the interest held by the Company in unconsolidated structured entities. The Company's total interest in unconsolidated structured entities is classified as financial investments held mandatorily at fair value through profit and loss. The maximum exposure to loss is equal to the sum of the carrying amount of assets held.

	Investment securities £'000
As at 31 December 2020	
Investment funds	21,411
As at 31 December 2019	
Investment funds	57,547

26 SHARE BASED PAYMENTS

Description of share-based payment arrangements

During the year ended 31 December 2020, 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.

The Company operates the following share-based payment schemes with awards over Quilter plc: 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 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 - Share Options[4] (Nil cost options)	-	-	✓	-	✓	Up to 10	3	AP EPS CAGR[2] and Relative Total Shareholder Return
Quilter plc Performance Share Plan - Conditional Shares	-	✓	-	-	✓	Not less than 3	3	Conduct, Risk and Compliance Underpins
Quilter plc Share Reward Plan - Conditional Shares	-	✓	-	-	✓	Typically 3	3	-
Quilter plc Share Incentive Plan - Restricted Shares	✓	-	-	-	✓	Not less than 3	2	-
Quilter plc Sharesave Plan[3]	-	-	✓	✓	-	$3^{1/2}$ - $5^{1/2}$	3 & 5	-
Old Mutual Wealth Phantom Share Reward Plan - Conditional Shares[4]	-	✓	-	-	✓	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]Adjusted profit compound annual growth rate ('**CAGR**').

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

[4]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.

26 SHARE BASED PAYMENTS (continued)

Reconciliation of movements in options

The movement in the options outstanding under the Performance Share Plan and Sharesave Plan arrangements during the year is detailed below:

	Year ended 31 December 2020		Year ended 31 December 2019	
Options over shares (London Stock Exchange)	**Number of options**	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Outstanding at beginning of the year	10,263,835	£0.70	1,748,275	£0.00
Granted during the year	2,533,144	£0.00	9,198,620	£0.86
Forfeited during the year	(509,012)	£1.25	(406,656)	£0.30
Exercised during the year	(213,524)	£1.25	(45,716)	£0.01
Expired during the year	(188,504)	£1.25	(39,120)	£1.25
Cancelled during the year	(252,729)	£1.25	(191,568)	£1.25
Outstanding at end of the year	11,633,210	£0.49	10,263,835	£0.70

The weighted average fair value of options at the measurement date, for options granted during the year ended 31 December 2020 is £0.95, and for the year ended 31 December 2019 was £0.56.

The options outstanding at 31 December 2020 have exercise prices of £nil for the Quilter plc Performance Share Plan and £1.25 for the Quilter plc Sharesave Plan, with a weighted average remaining contractual life of 1.6 years. At 31 December 2019 the exercise price was £nil for the Quilter plc Performance Share Plan and £1.25 for the Quilter Sharesave Plan, with a weighted average remaining contractual life of 2.5 years.

26 SHARE BASED PAYMENTS (continued)

Measurements and assumptions

In determining the fair value of equity-settled share-based awards and the related charge to the income statement, the Company makes assumptions about future events and market conditions. Specifically, management makes estimates of the likely number of shares that will vest and the fair value of each award granted which is valued and 'locked in' at the grant date.

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of fair value of share options granted is measured using either a Black-Scholes option pricing model or a Monte Carlo simulation.

The inputs used in the measurement of the fair values at the grant date for awards granted during 2020 were as follows:

Scheme	Weighted average share price £	Weighted average exercise price £	Weighted average expected volatility	Weighted average expected life (years)	Weighted average risk free interest rate	Weighted average expected dividend yield	Expected forfeitures per annum
Quilter plc Performance Share Plan - Share Options (Nil cost options)	1.17	0.00	35.1%	3.00	0.1%	0.0%	4%
Quilter plc Performance Share Plan - Conditional Shares	1.17	0.00	35.1%	3.02	0.1%	0.0%	4%
Quilter plc Performance Reward Plan - Conditional Shares	1.17	0.00	36.4%	2.00	0.1%	0.0%	4%

The expected volatility used was based on the historical volatility of the share price over the period for which trading history is available. The risk-free interest rate was based on the yields available on UK government bonds as at the date of grant. The bonds chosen were those with a similar remaining term to the expected life of the share awards.

Share grants

The following summarises the fair value of Restricted Share and Conditional Shares granted by the Company during the year:

Instruments granted during the year	Year ended 31 December 2020		Year ended 31 December 2019	
	Number granted	Weighted average fair value	Number granted	Weighted average fair value
Quilter plc Performance Share Plan - Conditional Shares	1,882,904	£1.17	2,287,286	£1.39
Quilter plc Share Reward Plan - Conditional Shares	4,496,276	£1.17	4,167,275	£1.39

Financial impact

The share-based payment reserve of £17,243k (2019: £19,214k) represents the cumulative expense of the Company for the unsettled portion of equity awarded schemes.

The total expense recognised for the year arising from equity compensation plans was as follows:

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Total expense arising from equity-settled share and share option plans	8,692	11,026

27 CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 December 2020 (2019: £nil).

28 RELATED PARTY TRANSACTIONS

The following transactions were entered into with related parties during the period:

	2020 £'000	2019 £'000
Fellow group undertakings - purchase of services	10,745	9,798
Fellow subsidiaries - management services rendered	228,039	330,854
Parent undertaking - management services rendered	54,344	46,571
Loan from fellow subsidiary	20,000	-
Loan interest paid to fellow subsidiary	19	-

The Company provides management and administrative services to Quilter plc group. Management fees are charged at a mark up except to former subsidiary undertaking Old Mutual Wealth Life Assurance Limited during 2019, and fellow subsidiary undertaking Old Mutual Wealth Life & Pensions Limited, where due to being life assurance entities, fees are charged at cost.

Amounts due from or to fellow subsidiary undertakings at the reporting date are included in notes 16 and 23 respectively.

Amounts due from or to the parent company at the reporting date are included in notes 16 and 23 respectively.

Details of an intragroup loan are given in note 20 and the interest thereon in note 9.

Transactions with key management personnel, remuneration and other compensation
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company. Details of transactions with key management personnel are provided in note 8.

Key management personnel transactions
Key management personnel of the Company and members of their close family have undertaken transactions with the Company or an entity within the Quilter group 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 2020, key management personnel and their close family members contributed £80,000 (2019: £173,000, restated from nil) to pensions and investments (in both internal and external funds). The total value of investments in pensions investment products by key management personnel serving at any point during the year and their close family members was £1,108,000 (2019: £1,000,000, restated from nil) at the end of the year. The prior year comparatives have been restated due to the subsequent identification of additional investments in Group products associated with key management personnel in the year.

29 EVENTS AFTER THE REPORTING DATE

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

30 ULTIMATE PARENT COMPANY

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

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

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