Registered in England and Wales No. 01606702

Quilter Holdings Limited

(formerly Old Mutual Wealth Holdings Limited)

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 December 2021

CONTENTS

COMPANY INFORMATION

Directors	D J L Eardley J Mitchell M O Satchel M Sullivan A S Tuddenham
Secretary	Quilter CoSec Services Limited
Banker	National Westminster Bank Plc 68 Above Bar Street Southampton SO14 7DS
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants Savannah House 3 Ocean Way Southampton Hampshire SO14 3TJ
Registered office	Senator House 85 Queen Victoria Street London EC4V 4AB Telephone: 0808 171 2626 Website: www.quilter.com Registered in England and Wales No: 01606702

STRATEGIC REPORT

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

REVIEW OF THE BUSINESS AND PRINCIPAL ACTIVITIES

Quilter Holdings Limited (formerly Old Mutual Wealth Holdings Limited) (the "Company") forms part of the Quilter plc group (the "Group"). Quilter plc's ordinary shares are listed on the London and Johannesburg Stock Exchanges. Quilter plc acts as the parent Company and provides the Company with strategic and governance oversight. The Company forms part of the Head Office function of Quilter plc. On 8 June 2021, the Company changed its name from Old Mutual Wealth Holdings Limited to Quilter Holdings Limited. On the same date, it also changed its registered address from Old Mutual House to Senator House.

The Company is an investment holding company and as such its principal activities consist of monitoring liquidity and ensuring an adequate level of cash is available to the regulated trading entities should it be required. Conversely, should surplus cash arise in the trading entities, it will ensure this is passed from its subsidiaries to its parent Quilter plc. The Company also provides financing for the ongoing financial adviser firm acquisitions through its subsidiary Quilter Financial Planning Limited. The principal activities of the Company's subsidiaries during the year relates to pensions, investment products, asset management and financial advice in the UK and offshore and this will continue for the foreseeable future. Its subsidiaries are disclosed in note 8.

The results of the Company for the period are set out in the income statement on page 11.

QUILTER PLC STRATEGY

The Quilter strategy is focused on growing with its clients and advisers, enhancing the efficiency of its operations, increasing digitalisation across the business and being a responsible wealth manager. This will enable Quilter to increase flows from both its own advisers and independent financial advisers, manage more of those flows in investment solutions and increase efficiency of doing so, delivering top line growth and operating leverage. Those priorities are underpinned by embodying a diverse and inclusive culture, where colleagues embrace Quilter's cultural values of being pioneering, dependable and stronger together which aids achieving Quilter's goals and benefits all of its stakeholders.

KEY PERFORMANCE INDICATORS ("KPIs")

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

IFRS profit is one of the Company's key performance indicators. The profit for the year, after taxation, amounted to £409,603,000 (2020: £389,886,000).

Other internal KPIs used by management are net assets, dividends received, investment in subsidiaries and the return on investment (dividends received expressed as a percentage of investments in subsidiaries). Profit and net assets have increased predominantly as a result of the impairment reversals detailed in note 8.

Table A: Key performance indicators.

	2021 £'000	2020 £'000
IFRS profit for the financial year	409,603	389,886
Net assets	1,785,699	1,636,096
Dividends received	386,603	87,000
Investment in subsidiaries	1,842,853	1,719,370
Return on investment	21.3%	5.1%

FINANCIAL POSITION AT THE END OF THE YEAR

The Company's net assets have increased from £1,636,096,000 to £1,785,699,000 with cash and cash equivalents increasing from £188,381,000 to £225,174,000.

On 30 April 2021, the Company received a dividend of £20,000,000 from its subsidiary Quilter Cheviot Holdings Limited.

On 30 June 2021, the Company received a dividend of £11,000,000 from its subsidiary Quilter Investment Platform Limited (formerly Old Mutual Wealth Limited).

On 31 August 2021, the Company received a dividend of £88,603,000 from its subsidiary Quilter Financial Planning Limited. On the same date, the Company purchased £89,000,000 of £1 ordinary shares in its subsidiary Quilter Cheviot Holdings Limited, to fund the purchase of a subsidiary.

Over the course of the year, the Company invested a further £41,000,000 in its subsidiary Quilter Financial Planning Limited, to maintain capital levels.

On 1 October 2021, the Company received a dividend of £30,000,000 from its subsidiary Quilter Cheviot Holdings Limited.

On 21 December 2021, the Company received a dividend of £17,000,000 from its subsidiary Quilter Investment Platform Limited (formerly Old Mutual Wealth Limited).

On 21 December 2021, the Company received a dividend of £220,000,000 from its subsidiary Quilter UK Holding Limited (formerly Old Mutual Wealth UK Holding Limited).

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the Company's strategy through its subsidiaries is subject to a number of risks.

The Company has adopted the Enterprise Risk Management framework of the group. This provides the framework for the monitoring, management and governance of risk. The key risks affecting the business are described below.

The key risks affecting the Company are those that are relevant for the trading subsidiaries that the Company owns. These risks are described below.

Climate strategy

Quilter takes its responsibility to the environment seriously and is determined to play its part in reducing climate impacts. In order to do this, Quilter must develop and deliver an achievable, coherent, comprehensive and robust long-term climate strategy to manage climate-related financial and non-financial risks. Failure to do so would result in Quilter being unable to meet regulatory and other stakeholder expectations, and fulfil its strategic priority to become the responsible wealth manager.

Information technology

Quilter's business is dependent on its technology infrastructure and applications to perform necessary business functions. Much of Quilter's legacy IT estate is currently being replaced by cloud-based applications, thereby reducing internal complexity. Nevertheless, a range of legacy applications are still supported, including the technology platform underpinning the divested Quilter International business, which will be supported until 2023 under a Transitional Services Agreement. Failure to manage technology risk could have a material adverse impact on Quilter's business, resilience capabilities, operations, financial condition, and reputation.

Operational resilience

Quilter provides important services for its customers, and its ability to maintain these services during unforeseen events is key. The significant geopolitical tensions in Ukraine are creating market volatility and an uncertain economic environment, however, the response to the continuing COVID-19 pandemic has provided comfort on Quilter's ability to operate in a severe operational resilience scenario. Any failures in Quilter's preparation for, or response to, sudden disruptions could compromise the maintenance of important business services, resulting in the potential for customer detriment, financial loss, damage to reputation or regulatory sanction.

STRATEGIC REPORT (continued)

Capital management

As a member of the Quilter Group, the Company applies the Quilter Group capital management policy. Quilter manages its capital with a focus on capital efficiency and effective risk management. The capital management objectives are to maintain Quilter's ability to continue as a going concern while supporting the optimisation of return relative to the risks. Quilter ensures that it can meet its expected capital and financing needs at all times having regard to the business plans, forecasts, strategic initiatives and regulatory requirements in all businesses within the Group. Capital forecasts have been reviewed regularly during the year in response to emerging impacts and, where appropriate, management actions have been taken in response to these forecasts.

Liquidity risk

Quilter's 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 Company monitors liquidity and ensures that an adequate level of cash is available to the regulated entities should it be required.

SECTION 172 (1) STATEMENT

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

In order to ensure decision-making bodies within Quilter plc continue to take their decisions on a fully informed basis, the Group has taken steps to further embed management's and 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, other group entities, 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
28 September 2022

DIRECTORS' REPORT

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

The review of the business and its future developments, along with its principal risks and uncertainties, are disclosed within the strategic report.

DIRECTORS

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

D J L Eardley
J Mitchell
M O Satchel
M Sullivan (appointed 1 July 2021)
A S Tuddenham
A M Waters (resigned 1 July 2021)

The Company Secretary during the year was Quilter CoSec Services Limited.

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

DIVIDENDS

During the year dividends of £260,000,000 (2020: £nil) were paid.

EMPLOYEES

The Company has no employees (2020: nil). Management services are provided by Quilter Business Services Limited, a fellow subsidiary undertaking.

FINANCIAL INSTRUMENTS

The financial risk management objectives and policies of the Company are disclosed in the Strategic Report.

POLITICAL DONATIONS

During the year, the Company made no political donations (2020: £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 financial statements 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.

CLIMATE CHANGE

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

STREAMLINED ENERGY AND CARBON REPORTING

The Group is committed to managing its environmental impact and supports the Carbon Disclosure Project ("CDP"), a globally recognised initiative for companies to measure, manage, disclose and reduce their environmental impacts. A full explanation of how the Directors have had regard to the impact on the environment is contained within the Quilter plc Annual Report 2021 as per the requirements of Streamlined Energy and Carbon Reporting. The Company is exempt from reporting Company specific information as it is a subsidiary of the Group.

DIRECTORS' REPORT (continued)

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

CORPORATE GOVERNANCE STATEMENT
Quilter plc is subject to the requirements of the 2018 UK Corporate Governance 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.

EVENTS AFTER THE REPORTING DATE
Other than already disclosed in the financial statements, 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.

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 AUDITOR
PricewaterhouseCoopers LLP has been appointed by the Company to hold office in accordance with s 485 of the Companies Act 2006 for the 2021 financial year and have indicated its willingness to continue in office.

On behalf of the Board

M O Satchel
Director
28 September 2022

STATEMENT OF DIRECTORS' RESPONSIBLITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulation.

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

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

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

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

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

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 Holdings Limited

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2021; the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

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

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

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

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory requirements and unethical and prohibited business practices, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as 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 manual journal entries and management bias in accounting estimates and judgemental areas of the financial statements, such as the Investment in Subsidiaries impairment assessment. Audit procedures performed by the engagement team included:

- Discussions with the Board, management, senior management involved in the Quilter Group's Risk and Compliance function, Quilter Group's internal audit function and the Quilter Group's legal function, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud.
- Reviewing Board minutes as well as relevant meeting minutes.
- Testing the accuracy of the forecasts used in determining the recoverable amount of the investment in subsidiaries balance, and assessing the appropriateness of the entities cash generating unit. The reasonableness of the assumptions in arriving at forecasted cash flows were also assessed.
- Assessment of any matters reported on the Quilter plc group's whistleblowing register that relate to the Company, including the quality and results of management's investigation of such matters.
- Identifying and testing unusual manual journal entries posted during the year, which may be indicative of management bias and account manipulation.
- Incorporating an element of unpredictability in our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Helen Grainger (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton
28 September 2022

INCOME STATEMENT
for the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Revenue			
Investment return	3	389,816	88,288
Total revenue		389,816	88,288
Income/(expenses)			
Administrative expenses	4	(1,581)	(63)
Finance costs	6	(10,996)	(11,022)
Reversal of impairment to investment in subsidiary undertakings	8	29,629	310,244
Share of profit/(loss) of associate	9	41	(4)
Total other income/(expenses)		17,093	299,155
Profit before tax		406,909	387,443
Income tax credit	7	2,694	2,443
Profit for the financial year		409,603	389,886

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

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

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2021

	2021	2020
	£'000	£'000
Profit for the financial year	409,603	389,886
Total comprehensive income for the year		
All attributable to equity holder	409,603	389,886

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

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2021

	Note	Share capital	Retained earnings	Total equity holder's funds
		£'000	£'000	£'000
		116,100	1,519,996	1,636,096
Total comprehensive income		-	409,603	409,603
Dividends paid	20	-	(260,000)	(260,000)
Balance at 31 December 2021		116,100	1,669,599	1,785,699

	Share capital	Retained earnings	Total equity holder's funds
	£'000	£'000	£'000
Balance at 1 January 2020	116,100	1,130,110	1,246,210
Total comprehensive income	-	389,886	389,886
Balance at 31 December 2020	116,100	1,519,996	1,636,096

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

STATEMENT OF FINANCIAL POSITION
at 31 December 2021

	Note	2021 £'000	2020 £'000
Assets			
Investment in subsidiary undertakings	8	1,842,853	1,719,370
Investment in associate	9	1,502	1,461
Other investments	10	32	31
Loans and advances	11	122,704	142,704
Deferred tax assets	12	3,114	2,668
Current tax receivable		4,410	3,065
Other receivables	13	37	1
Cash and cash equivalents	14	225,174	188,381
Total assets		2,199,826	2,057,681
Equity and liabilities			
Equity			
Share capital	15	116,100	116,100
Retained earnings		1,669,599	1,519,996
Total equity attributable to equity holder		1,785,699	1,636,096
Liabilities			
Interest bearing liabilities	16	402,308	413,639
Other payables	17	11,819	7,946
Total liabilities		414,127	421,585
Total equity and liabilities		2,199,826	2,057,681

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

These financial statements on pages 11 to 33 were authorised and approved by the Board of Directors on 28 September 2022 and signed on its behalf by:

M O Satchel
Director

Company registered number: 01606702

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021

1 GENERAL INFORMATION

Quilter Holdings Limited (formerly Old Mutual Wealth Holdings Limited) (the "Company") forms part of the Quilter plc group (the "Group") and is a private company limited by shares incorporated in England and Wales and domiciled in the United Kingdom. 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 of The Company for the year ended 31 December 2021 have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ("FRS 101"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial instruments which have been recognised at fair value through profit or loss, and in accordance with the Companies Act 2006.

First time application of FRS101

The Company has transitioned to FRS 101 for the first time in 2021, the prior year was prepared in accordance with international accounting standards. No material adjustments have been required to the prior year in respect of the change in reporting approach.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the critical accounting estimates and judgements section on page 16.

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

- IFRS 7, 'Financial instruments: Disclosures'.
- Paragraph 38 of IAS 1, 'Presentation of financial statements' – comparative information requirements in respect of:
  - paragraph 79(a)(iv) of IAS 1;
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d) (statement of cash flows);
  - 16 (statement of compliance with all IFRS);
  - 38A (requirement for minimum of two primary statements, including cash flow statements);
  - 38B-D (additional comparative information);
  - 111 (statement of cash flows information); and
  - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a Company.

An exemption from producing consolidated financial statements has been applied in respect of S400 of the Companies Act 2006.

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

The 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.

Liquidity analysis of the statement of financial position

The Company's statement of financial position is in order of liquidity as is permitted by IAS 1 presentation of Financial Statements. For each asset and liability line item, those amounts expected to be recovered or settled after more than twelve months after the reporting date are disclosed separately in the notes to the consolidated financial statements.

SIGNIFICANT ACCOUNTING POLICIES (continued)

Standards, amendments to standards, and interpretations adopted by the company

There have been no new standards or interpretations which became effective 1 January 2021.

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

Critical accounting estimates and judgements

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

Critical accounting judgements

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

Area	Critical accounting judgements	Note
Impairment charges - presentation	Impairments to investments in subsidiaries are shown in the income statement or, if related only to the group's structure, shown directly within equity. Impairment charges in equity reflect management judgement in respect of the Company giving up expectations of certain future cash flows that would have arisen from subsidiaries, but for changes or planned changes to the group structure. Reversals of impairments charges shown directly in equity are recorded directly in the income statement.	8

Critical accounting estimates

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

Area	Critical accounting estimates	Note
Investment in subsidiaries – measurement	Investments in subsidiaries are initially held at historical cost and assessed annually for indicators of impairment. Where the values of the subsidiaries are impaired, then investments in subsidiaries are carried at management's estimate of the recoverable value, being the higher of the value-in-use or fair value less costs to sell. The recoverable value of the Company's asset management businesses including companies that have direct or indirect investments in underlying trading subsidiaries, is based on their value-in-use, which incorporates the discounted value of expected future cash flows. This calculation includes significant estimates relating to forecast cash flows, new business growth and discount rates. Fair value less costs to sell is used to measure the recoverable value of the Company's financial advisor subsidiaries. The fair value methodology uses the sum of net tangible assets, the discounted value of the expected future cash flows and the terminal value of the margins received from other subsidiaries within Quilter plc.	8

Significant changes in the year

The most significant change in the year is the sale of Quilter International Ireland dac, as part of the sale of Quilter International to the Utmost Group. There are no other significant changes in the current reporting period.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The Company assesses the objective of a business model in which an asset is held at a portfolio level because this best represents the way the business is managed and information is reported to management. The assessment considers the stated portfolio policies and objectives. 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 years 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 year after the Company changes its business model for managing financial assets. Reclassifications are expected to occur infrequently.

Measurement
The classification of financial assets depends on (i) the purpose for which they were acquired, (ii) the business model in which a financial asset is managed, and (iii) its contractual cash flow characteristics. Two categories are applicable to the Company's financial assets: fair value through profit or loss ("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 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.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Other investments
Investments are classified as FVTPL at initial recognition and are stated at fair value, with any resultant gain or loss recognised in the income statement. At the reporting date the equity investments are valued at quoted bid market price. Purchases and sales of securities are recognised on the trade date.

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

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

Other receivables
Other receivables are non-interest bearing and are stated at amortised cost using the effective interest rate method, less appropriate allowances for estimated irrecoverable amounts which approximates to 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.

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

Investments in subsidiaries
Company investments in subsidiary undertakings are initially stated at cost. Subsequently, investments in subsidiary undertakings are stated at cost less provision for impairment. An investment in a subsidiary is deemed to be impaired when its carrying amount is greater than its estimated recoverable amount, and there is evidence to suggest that the impairment occurred subsequent to the initial recognition of the asset in the financial statements. All impairments or reversals of impairments are recognised in the income statement as they occur, except where impairments arise only as the result of group structure in which case they are dealt with directly in equity.

Impairment of financial assets
The impairment model applies to financial assets measured at amortised cost. Financial assets at amortised cost include loans and advances, 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").

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

Application of the impairment model
The Company applies the ECL model to all financial assets that are measured at amortised cost:
- Other receivables, 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; and
- loans at amortised cost 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 and debt securities are written off (either partially or in full) when there is no realistic prospect of the amount being recovered. This is generally the case when the Company concludes that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment in associate
An associate is an entity over which the Company has significant influence but not control or joint control. The investment in associate is accounted for using the equity method of accounting, after initially being recognised at cost.

The Company's share of its associate's post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. Where the Company's share of losses in an associate equals or exceeds its interest in the associate, the Company does not recognise further losses.

Revenue recognition
Revenue is recognised as follows:

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.

Dividend income
Dividend income from investments is recognised when the shareholder's right to receive payments has been established.

Investment gains and losses
Realised investment gains and losses represent the difference between the net sales proceeds and the cost of the investment or value at the start of the year. The movement in unrealised investment gains and losses represents the difference between the carrying value of investments at the reporting date and the value at the start of the year, or the original cost where an investment is acquired during the year. The realised gains and losses and movement in unrealised gains and losses on investments arising in the year are included in the income statement.

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

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

Current tax is charged or credited to 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 year when the liability is settled or the asset is realised.

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

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.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021

3 INVESTMENT RETURN

	2021 £'000	2020 £'000
Investment income and realised gains		
Interest receivable from subsidiary undertaking[1]	743	1,121
Dividends from subsidiary Quilter UK Holding Limited (formerly Old Mutual Wealth Holding UK Limited)	220,000	30,000
Dividends from subsidiary Quilter Cheviot Holdings Limited	50,000	57,000
Dividends from subsidiary Quilter Investment Platform Limited (formerly Old Mutual Wealth Limited)	28,000	-
Dividends from subsidiary Quilter Financial Planning Limited	88,603	-
Profit on sale of subsidiaries (see note 8)	2,465	-
Interest on short term bank deposits (amortised cost)	5	43
Interest on short term bank deposits (mandatorily at FVTPL)	(1)	123
	389,815	88,287
Unrealised gains		
Unrealised gains on equities, net	1	1
	389,816	88,288

[1]Quilter UK Holding Limited (formerly Old Mutual Wealth UK Holding Limited)

Interest on short term bank deposits (mandatorily at FVTPL) is the only gain/loss on financial assets that are designated at fair value through the income statement. There has been no interest income earned on financial assets that are subject to impairment.

4 ADMINISTRATIVE EXPENSES

	2021 £'000	2020 £'000
Administrative expenses	1,581	63
Administrative expenses include:		
Management fees paid to subsidiary undertaking	1,562	61
Of which:		
Auditor remuneration: services paid to PricewaterhouseCoopers LLP	7	7

Amounts paid to PricewaterhouseCoopers LLP in 2021 were in respect of statutory audit fees of £7,259 (2020: £6,946). There are no non-audit fees (2020: nil).

5 REMUNERATION OF DIRECTORS

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.

	2021 £'000	2020 £'000
Aggregate directors' emoluments		
Aggregate emoluments excluding pension contributions	1,430	856
Company pension contribution to money purchase schemes	30	30
Payment for loss of office	27	-

Six directors had money paid to money purchase schemes during the year (2020: five). During the year one director resigned.

Six directors (2020: four) received or were due to receive shares or share options under a long-term incentive scheme. Six directors (2020: one) exercised options during the year.

Share-based payments were in Quilter plc shares.

	2021 £'000	2020 £'000
Emoluments of the highest paid director		
Aggregate emoluments excluding pension contributions	472	175
Company pension contribution to money purchase schemes	2	2

The highest paid director exercised share options in the current year and in the prior year.

The Directors' emoluments disclosed above are in respect of the six directors of the Company in office during the year who are directly employed by Quilter Business Services Limited, a fellow group undertaking (2020: five directors). During the year the Company paid £nil (2020: £nil), relating to directors' remuneration, to Quilter Business Services Limited as part of the management fee.

The above disclosure includes the remuneration of those Directors in relation to their services to this Company and its subsidiaries. The remuneration for each director is apportioned on the basis of time spent across the Company and its subsidiaries but restricted to the period in which they were a director of this Company.

As the Company performs an interim holding company role, the Directors' efforts are focussed on the operational entities and overall Group strategies. As a result, the Company receive no management recharge in respect of the cost of directors' time.

6 FINANCE COSTS

	2021 £'000	2020 £'000
Financing costs for liabilities held at amortised cost		
Interest payable to parent undertaking	9,980	10,341
Interest payable to subsidiary undertakings[1]	1,016	681
	10,996	11,022

[1]Quilter UK Holding Limited (formerly Old Mutual Wealth UK Holding Limited) and Quilter Financial Planning Limited

7 INCOME TAX CREDIT

	2021 £'000	2020 £'000
Current tax credit		
Current year corporation tax credit	(2,248)	(1,862)
Prior year corporation tax adjustment	-	(300)
	(2,248)	(2,162)
Deferred tax charge		
Current year deferred tax charge	(842)	(281)
Prior year deferred tax adjustment	396	-
	(446)	(281)
Tax credit for the year	(2,694)	(2,443)

	2021 £'000	2020 £'000
Factors affecting tax credit for the period		
Profit before tax	406,909	387,443
Corporation tax charge 19% (2020: 19%)	77,313	73,613
Effect of:		
UK dividends receivable not taxable	(73,454)	(16,530)
Gain on sale of subsidiary not taxable	(468)	-
Reversal of impairment of subsidiaries not tax deductible	(5,630)	(58,946)
Unrealised movements on trade investments	(9)	1
Prior year corporation tax adjustment	-	(300)
Prior year deferred tax adjustment	396	-
Effect on deferred tax for changes in tax rates	(842)	(281)
	(2,694)	(2,443)

Factors that may affect future charges
The main rate of corporation tax is 19%. This was due to increase to 25% with effect from 1 April 2023. On 23 September 2022, the UK Chancellor of the Exchequer announced that the intended increase in the UK corporate tax rate to 25% from April 2023 will be cancelled. This change has not been substantively enacted as at the date of these accounts, and so is not reflected in the Company's balance sheet. The impact of this change is not expected to be material to these accounts.

8 INVESTMENT IN SUBSIDIARY UNDERTAKINGS

	2021 £'000	2020 £'000
Investment in subsidiary undertakings	1,842,853	1,719,370

Investments in subsidiaries are stated at cost, less impairment in value.

Movement analysis	Investments in subsidiaries £'000
At 1 January 2020	1,340,126
Investment in subsidiaries	69,000
Impairment provision	(70,370)
Reversal of impairment provision	380,614
At 31 December 2020	1,719,370
Investment in subsidiaries	130,000
Disposal of subsidiary	(36,146)
Reversal of impairment provision	29,629
At 31 December 2021	1,842,853

2020 investment in subsidiaries

On 14 April 2020, the Company purchased £12,000,000 of £1 ordinary shares in its subsidiary Quilter Investment Platform Limited (formerly Old Mutual Wealth Limited).

On 21 April 2020, the Company purchased £12,000,000 of £1 ordinary shares in its subsidiary Quilter Financial Planning Limited.

On 1 May 2020, the Company purchased £12,000,000 of £1 ordinary shares in its subsidiary Quilter Cheviot Holdings Limited.

On 29 June 2020, the Company purchased £23,000,000 of £1 ordinary shares in its subsidiary Quilter Financial Planning Limited.

On 22 December 2020, the Company purchased £10,000,000 of £1 ordinary shares in its subsidiary Quilter Financial Planning Limited.

2021 investment in subsidiaries

On 30 March 2021, the Company purchased £17,000,000 of £1 ordinary shares in its subsidiary Quilter Financial Planning Limited.

On 30 June 2021, the Company purchased £10,000,000 of £1 ordinary shares in its subsidiary Quilter Financial Planning Limited.

On 31 August 2021, the Company purchased £89,000,000 of £1 ordinary shares in its subsidiary Quilter Cheviot Holdings Limited, to fund the purchase of a subsidiary.

On 15 November 2021, the Company purchased £14,000,000 of £1 ordinary shares in its subsidiary Quilter Financial Planning Limited.

On 30 November 2021, the Company sold the share capital of Quilter International Ireland dac, as part of the sale of Quilter International to Utmost.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021

8 INVESTMENTS IN SUBSIDIARIES (continued)

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

Company name	Share class	% Held	Registered office address
Quilter Life & Pensions Limited (formerly Old Mutual Wealth Life & Pensions Limited)	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Quilter Investment Platform Limited (formerly Old Mutual Wealth Limited)	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Quilter Investment Platform Nominees Limited (formerly Old Mutual Wealth Nominees Limited)	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Quilter UK Holding Limited (formerly Old Mutual Wealth UK Holding Limited)	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Quilter Pension Trustees Limited	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Quilter Private Client Advisers Limited	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Cheviot Capital (Nominees) Limited	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Quilpep Nominees Limited	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Quilter Cheviot Holdings Limited[1]	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Quilter Cheviot Limited	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Quilter Nominees Limited	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Violet No.2 Limited	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Blueprint Distribution Limited	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Blueprint Financial Services Limited	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Blueprint Organisation Limited	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Caerus Capital Group Limited	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Quilter Financial Limited	Ordinary A	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Caerus Holdings Limited	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Caerus Wealth Limited	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Caerus Wealth Solutions Limited	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Intrinsic Cirilium Investment Company Limited	Ordinary A	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Quilter Financial Services Limited	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB

8 INVESTMENTS IN SUBSIDIARIES (continued)

Quilter Financial Planning Limited [1]	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Quilter Mortgage Planning Limited	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Quilter Wealth Limited	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Quilter Financial Planning Solutions Limited	Ordinary	100	Riverside House, The Waterfront, Newcastle upon Tyne, NE15 8NY
Think Synergy Limited	Ordinary	100	Riverside House, The Waterfront, Newcastle upon Tyne, NE15 8NY
Falcon Financial Advice Limited	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Lighthouse Advisory Services Limited	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Lighthouse Benefits Limited	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Lighthouse Corporate Services Ltd	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Lighthouse Financial Advice Limited	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Lighthouse Group Limited	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Lighthouse Support Services Limited	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Lighthouse Wealth Management Limited	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
LighthouseWealth Limited	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
LighthouseXpress Limited	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Luceo Asset Management Limited	Ordinary	100	Senator House, 85 Queen Victoria Street, London,, EC4V 4AB
The Falcon Group Limited	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Quilter Financial Advisors Limited	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Charles Derby Group Limited	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Charles Derby Private Clients Limited	Ordinary A	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Charles Derby Wealth Management Limited	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Forward Thinking Wealth Management Limited	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Financial Services Advice & Support Limited	Ordinary	100	C/O Addleshaw Goddard LLP, 19 Canning Street, Edinburgh, Scotland, EH3 8EH

8 INVESTMENTS IN SUBSIDIARIES (continued)

Quilter Cheviot Europe Limited (incorporated in Ireland)	Ordinary	100	Hambledon House, 2nd Floor, 19/26 Lower Pembroke Street, Dublin 2
Quilter Insurance Company Limited (incorporated in the Isle of Man)	Ordinary	100	Third Floor. St George's Court, Upper Hill Street, Douglas, IM1 1EE
Pembroke Quilter (Ireland) Nominees Limited (incorporated in Ireland)	Ordinary	100	Hambledon House, 2nd Floor, 19/26 Lower Pembroke Street, Dublin 2
Quilter Cheviot International Limited (incorporated in Jersey)	Ordinary A	100	3rd Floor, Windward House, La Route de la Liberation, St Helier, JE1 1QJ
C.I.P.M. Nominees Limited (incorporated in Jersey)	Ordinary	100	3rd Floor, Windward House, La Route de la Liberation, St Helier, JE1 1QJ
QGCI Nominees Limited (incorporated in Jersey)	Ordinary	100	3rd Floor, Windward House, La Route de la Liberation, St Helier, JE1 1QJ
Charles Jacques Limited (in liquidation)	Ordinary	100	C/O Teneo Restructuring Limited, 156 Great Charles Street, Queensway, Birmingham, West Midlands, B3 3HN
Freedom Financial Planning (Manchester) Limited (in liquidation)	Ordinary A	100	C/O Teneo Restructuring Limited, 156 Great Charles Street, Queensway, Birmingham, West Midlands, B3 3HN
Prescient Financial Intelligence Limited (in liquidation)	Ordinary	100	C/O Teneo Restructuring Limited, 156 Great Charles Street, Queensway, Birmingham, West Midlands, B3 3HN
Lighthouse+ Limited (in liquidation)	Ordinary	100	C/O Teneo Restructuring Limited, 156 Great Charles Street, Queensway, Birmingham, West Midlands, B3 3HN
Lighthouseplus Limited (in liquidation)	Ordinary	100	C/O Teneo Restructuring Limited, 156 Great Charles Street, Queensway, Birmingham, West Midlands, B3 3HN
LighthouseTemple Limited (in liquidation)	Ordinary	100	C/O Teneo Restructuring Limited, 156 Great Charles Street, Queensway, Birmingham, West Midlands, B3 3HN
Lighthouse Pensions Help Limited (in liquidation)	Ordinary	100	C/O Teneo Restructuring Limited, 156 Great Charles Street, Queensway, Birmingham, West Midlands, B3 3HN
Lighthouse Financial Adviser Services Limited (in liquidation)	Ordinary	100	C/O Teneo Restructuring Limited, 156 Great Charles Street, Queensway, Birmingham, West Midlands, B3 3HN
Lighthouse Financial Advisers Limited (in liquidation)	Ordinary	100	C/O Teneo Restructuring Limited, 156 Great Charles Street, Queensway, Birmingham, West Midlands, B3 3HN
Lighthouse Direct Limited (in liquidation)	Ordinary	100	C/O Teneo Restructuring Limited, 156 Great Charles Street, Queensway, Birmingham, West Midlands, B3 3HN
Intrinsic Wealth Financial Solutions Limited (in liquidation)	Ordinary	100	C/O Teneo Restructuring Limited, 156 Great Charles Street, Queensway, Birmingham, West Midlands, B3 3HN
Maestro Financial Services Limited (in liquidation)	Ordinary	100	C/O Teneo Restructuring Limited, 156 Great Charles Street, Queensway, Birmingham, West Midlands, B3 3HN
NPL Financial Limited (in liquidation)	Ordinary	100	C/O Teneo Restructuring Limited, 156 Great Charles Street, Queensway, Birmingham, West Midlands, B3 3HN

8 INVESTMENTS IN SUBSIDIARIES (continued)

Premier Planning Limited (in liquidation)	Ordinary	100	C/O Teneo Restructuring Limited, 156 Great Charles Street, Queensway, Birmingham, West Midlands, B3 3HN

[1] Directly Owned

Impairment testing
In accordance with the requirements of IAS 36 *Impairment of Assets*, the investments in subsidiaries are assessed annually for indicators of impairment by comparing the carrying value of the underlying investment to the recoverable value, being the higher of the value-in-use or fair value less costs to sell. If applicable, an impairment charge is recognised when the recoverable amount is less than the carrying value.

The recoverable value of the Company's asset management companies, including companies that have direct or indirect investments in underlying trading subsidiaries, is based on their value-in-use, which incorporates the discounted value of expected future cash flows. This calculation includes significant estimates relating to forecast cash flows, new business growth and discount rates.

The value-in-use calculations for asset management companies are determined as the sum of net tangible assets and the discounted value of the expected future cash flows. The cash flows that have been used to determine the value-in-use of the cash generating units are based on three-year business plans. These cash flows grow at different rates because of the different strategies of the CGUs. In cases where the CGUs have made significant acquisitions in the recent past, the profits are forecast to grow faster than the more mature businesses. Post the three-year business plan, the growth rate used to determine the terminal value of the CGUs in the annual assessment approximates to the UK long-term growth rate of 2.0% (2020: 0.6%). Market share and market growth information are also used to inform the expected volumes of future new business.

Quilter Holdings Limited (formerly Old Mutual Wealth Holdings Limited) Investment in Quilter Cheviot Holdings Limited is based on the value generated by the Quilter Cheviot and Quilter Private Client Advisers Limited business unit.

Key assumptions in value-in-use calculations

	2021	2020
Period on which management approved forecasts are based	3 years	3 years
Growth rate applied beyond approved business plan period	2.0%	0.6%
Discount rate applied to future cash flows	9.5%	9.0%

Impairment tests on asset management companies
During the year there has been a reversal of a previous impairment of £1,473,000 in respect of the Company's investment in Quilter Investment Platform Limited (formerly Old Mutual Wealth Limited), as a result of the value-in-use recoverable value of £256,033,000 exceeding the carrying value. The adjustment partially reverses the previous impairment of £70,370,000 booked in 2020.

Sensitivity of impairment assessment for value-in-use calculation
The value-in-use calculation includes significant estimates relating to forecast cash flows, new business growth and discount rates. Due to the level of estimation involved in this calculation, it is subject to sensitivity tests, including the impacts of a 10% reduction in future cash flows and a 1% increase in the discount rate.

The following table shows the impact of the downside sensitivities of key assumptions within the value-in-use calculations on the carrying amount of the Company's investment in subsidiary balance at 31 December 2021:

	£000
Forecast cash flows reduced by 10%	18,557
Discount rate increased by 1%	6,396

8 INVESTMENTS IN SUBSIDIARIES (continued)

Investment in financial advisory subsidiary
Fair value less costs to sell is used to measure the recoverable value of the Company's financial advisor subsidiaries. The fair value methodology uses the sum of net tangible assets, the discounted value of the expected future cash flows and the terminal value of the margins received from other subsidiaries within Quilter plc.

The cash flows that have been used to determine the fair value less costs to sell are based on three-year business plans. Post the three-year business plan, the growth rate used to determine the terminal value in the annual assessment approximates to the UK long-term growth rate of 2.0% (2020: 0.6%).

Impairment tests performed on financial advisor companies
The impairment test indicated that the fair value less costs to sell of £429,239,000 exceeded the carrying value at 31 December 2021 and as such a partial reversal of previous impairments of £28,157,000 has been recognised.

Profit on sale of subsidiary undertaking
As a result of the sale of Quilter International Holdings Limited to the Utmost Group, the Company generated a profit on sale of £2,465,000. This represents the sale proceeds of £40,000,000, less directly-attributable sale costs of £1,389,000, less the carrying value of assets disposed of, which amounted to £36,146,000.

9 INVESTMENT IN ASSOCIATE

	2021 Carrying value £'000	2021 Company share of profit/(loss) £'000	2020 Carrying value £'000	2020 Company share of profit/(loss) £'000
Name of the Company				
360 DOT NET LIMITED	1,502	41	1,461	(4)

The registered office address is 12-14, Upper Marlborough Road, St. Albans, Hertfordshire, AL1 3UR.

10 OTHER INVESTMENTS

	2021 Cost £'000	2021 Fair value £'000	2020 Cost £'000	2020 Fair value £'000
Corporate investment	30	32	30	31
	30	32	30	31

Other investments are held at FVTPL which differs to their initial cost as shown in the table above.

11 LOANS AND ADVANCES

	2021 £'000	2020 £'000
Lending to subsidiary undertaking at 3 month LIBOR + 0.5%[1]	122,704	122,704
Lending to subsidiary undertaking at 1 month LIBOR + 0.5%[2]	-	20,000
	122,704	142,704

[1]Quilter UK Holding Limited ((formerly Old Mutual Wealth UK Holding Limited)
[2]Quilter Business Services Limited

All loans are recognised at amortised cost, with their carrying amount approximating to fair value.

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

12 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.

	Tax losses carried forward £'000
Asset at 1 January 2020	2,387
Movement in the year	281
Asset at 31 December 2020	2,668
Movement in the year	446
Asset at 31 December 2021	3,114

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

On 23 September 2022, the UK Chancellor of the Exchequer announced that the intended increase in the UK corporate tax rate to 25% from April 2023 referred to above will be cancelled. This change has not been substantively enacted as at the date of these accounts, and so is not reflected in the Company's balance sheet. The impact of this change is not expected to be material to these accounts.

A deferred tax asset or liability is recognised to the extent that there are other temporary differences expected to reverse in the foreseeable future. A sensitivity analysis shows a 20% reduction in group future taxable profits will necessitate a £2,800,000 write down in the value of the current deferred tax asset

The value of the deferred tax assets not recognised as at 31 December 2021 was £16,858,000 (2020: £12,812,000). This relates to gross carried forward losses of £67,433,000 (2020: £67,433,000). The increase in the value of the deferred tax asset not recognised is due to the UK change in tax rate.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021

13 OTHER RECEIVABLES

	2021 £'000	2020 £'000
Bank interest	11	1
Due from fellow group undertakings	26	-
	37	1

All amounts are current, short term and interest free and recognised at amortised cost, with the carrying amount approximating to fair value.

14 CASH AND CASH EQUIVALENTS

	2021 £'000	2020 £'000
Bank balances	68,386	61,482
Money market OEIC investments	156,788	126,899
Cash and cash equivalents	225,174	188,381
<u>Credit ratings</u>		
Bank balances		
A	68,386	61,482
	68,386	61,482
Money market OEIC investments		
AAA	156,788	126,899
	156,788	126,899

Bank balances are current and recognised at amortised cost. Money market investments are recognised mandatorily at FVTPL. Bank balances are subject to a 12-month ECL.

15 SHARE CAPITAL

	2021 £'000	2020 £'000
Allotted and called up		
Fully paid - 115,600,000 (2020: 115,600,000) ordinary shares of £1 each	115,600	115,600
Partly paid - 2,500,000 (2020: 2,500,000) ordinary shares of £1 each, 20p paid	500	500
	116,100	116,100

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021

16 INTEREST BEARING LIABILITIES

	2021 £'000	2020 £'000
Loan from immediate parent undertaking at 1 year LIBOR + 0.5%	89,829	89,829
Loan from immediate parent undertaking at 10%	82,479	74,810
Loan from immediate parent undertaking at 1 month LIBOR + 1.304%	131,000	131,000
Loan from subsidiary undertaking at 1 month LIBOR + 1.304%[1]	40,000	40,000
Loan from subsidiary undertaking at 1 month LIBOR + 0.5%[2]	21,000	56,000
Loan from subsidiary undertaking at 1 month LIBOR + 0.5%[3]	-	22,000
Loan from subsidiary undertaking at 1 month LIBOR + 0.5%[4]	38,000	-
	402,308	413,639

[1]lQuilter UK Holding Limited (formerly Old Mutual Wealth UK Holding Limited)
[2]Quilter Financial Planning Limited
[3]Quilter Investment Platform Limited (formerly Old Mutual Wealth Limited)
[4]Quilter Cheviot Holdings Limited

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

Amounts are recognised at amortised cost.

17 OTHER PAYABLES

	2021 £'000	2020 £'000
Due to subsidiary undertakings	3,406	35
Due to immediate parent	8,398	7,896
Commission	15	15
	11,819	7,946

All amounts are current and short term. Amounts due to group companies are unsecured, interest free and are settled quarterly. Amounts are recognised at amortised cost.

18 FINANCIAL AND CAPITAL COMMITMENTS

There are no material financial and capital commitments at 31 December 2021 (2020: £nil).

19 CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 December 2021 (2020: £nil).

20 DIVIDENDS

	2021 £000	2020 £000
Dividends paid		
2021 dividends paid to Quilter plc (2.24p per share)	260,000	-
Dividends paid to immediate parent	260,000	-

21 EVENTS AFTER THE REPORTING DATE

Other than already disclosed in the financial statements, 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.

22 ULTIMATE PARENT COMPANY

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

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

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