Registered in England and Wales No. 01606702

Quilter Holdings Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 December 2023

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COMPANY INFORMATION

Directors	D J L Eardley A Fisher J Mitchell M O Satchel L H Williams
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 2023.

REVIEW OF THE BUSINESS AND PRINCIPAL ACTIVITIES

Quilter Holdings Limited (the “Company”) forms part of the Quilter plc Group (hereafter “Quilter” or 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 the Group.

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, the Company 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 providing 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 year are set out in the statement of comprehensive income on page 10.

QUILTER PLC STRATEGY

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

KEY PERFORMANCE INDICATORS (“KPIs”)

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

IFRS profit or loss is one of the Company’s key performance indicators. The profit for the year, after taxation, amounted to £327,698,000 (2022: £476,442,000 loss). The profit has arisen predominantly due to increased dividends received and a reversal of a previous impairment in investment in subsidiaries.

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 closing investments in subsidiaries).

	2023 £’000	2022 £’000
IFRS profit/(loss) for the financial year	327,698	(476,442)
Net assets	1,596,955	1,309,257
Dividends received	119,940	50,500
Investment in subsidiaries	1,670,611	1,337,912
Return on investment	7.2%	3.8%

FINANCIAL POSITION AT THE END OF THE YEAR

The Company’s net assets have increased from £1,309,257,000 to £1,596,955,000, primarily due to the Company increasing its investments in its subsidiaries Quilter Financial Planning Limited and Quilter Cheviot Holdings Limited; the investment in the former also benefitting from the reversal of a prior year impairment, with the latter including a further impairment in the year. Cash and cash equivalents decreased from £298,304,000 to £239,657,000.

Over the course of the year the Company invested a further £58,000,000 in its subsidiary Quilter Financial Planning Limited, to maintain capital levels. In addition, on 10 July 2023, the Company purchased £60,000,000 of £1 Ordinary Shares in its subsidiary Quilter Cheviot Holdings Limited.

On 25 May 2023, the Company received a dividend of £10,000,000 from its subsidiary Quilter UK Holding Limited.

On 25 May 2023, the Company received a dividend of £16,000,000 from its subsidiary Quilter Cheviot Holdings Limited.

On 23 June 2023, the Company received a dividend of £13,000,000 from its subsidiary Quilter Investment Platform Limited.

On 10 July 2023, the Company received a dividend of £53,940,000 from its subsidiary Quilter Cheviot Holdings Limited.

STRATEGIC REPORT (continued)

On 7 December 2023, the Company received a dividend of £10,000,000 from its subsidiary Quilter Investment Platform Limited.

On 20 December 2023, the Company received a dividend of £17,000,000 from its subsidiary Quilter Cheviot Holdings 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 Risk Management framework of the Group which supports the evaluation and management of business opportunities, uncertainties and threats in a structured and disciplined manner (further information is detailed in the Quilter plc Annual Report 2023). The key risks to the Company are described below.

Credit risk

The Company is exposed to the risk of counterparty default by banks or financial institutions in respect of cash deposits in bank accounts and holdings in money market funds. The Company manages counterparty exposures in line with counterparty limits which are set in order to limit the risk of default and concentrations to individual counterparties and by monitoring credit risk exposures using key risk indicators.

Liquidity risk

The Company maintains cash balances in order to provide contingency funding to Quilter's operating entities in line with Quilter's Contingency Funding Plans. The Company is exposed to the risk that assets cannot be liquidated in a short time period. This risk is managed through maintaining cash balances in instantly accessible bank accounts and in money market funds which maintain daily and weekly liquidity levels in line with regulatory requirements.

Emerging Risk – Climate Change

To avoid a climate catastrophe, global emissions must reach net-zero by 2050. The speed of this transition to a greener economy impacts certain sectors and financial stability. For Quilter's customers, this is likely to impact the desirability of investment in sectors such as coal, oil, gas and manufacturing. Opportunities exist in the shift to a greener economy. Physical climate risks continue to crystallise and are expected to become more extreme and more frequent in future, threatening the stability of the UK's infrastructure. This poses challenges to both Quilter's and its critical third parties' operations which must be considered as part of operational resilience planning.

SECTION 172 (1) STATEMENT

The Company is a wholly owned subsidiary of Quilter plc and therefore operates in line with the strategy, policies and practices that are set by the Quilter plc Board and are described in the Quilter plc Annual Report. The following statement should therefore be read in conjunction with the Quilter plc Annual Report 2023.

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

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

L H Williams
Director
30 April 2024

DIRECTORS' REPORT

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

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

DIRECTORS

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

D J L Eardley	
A Fisher	(appointed 1 October 2023)
J Mitchell	
M O Satchel	
M Sullivan	(resigned 15 June 2023)
A S Tuddenham	(resigned 26 September 2023)
L H Williams	(appointed 15 June 2023)

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

DIRECTORS' THIRD-PARTY INDEMNITIES

Qualifying third-party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the course of the year ended 31 December 2023 for the benefit of the then Directors and, at the date of this report, are in force for the benefit of the Directors in relation to certain losses and liabilities which they may incur, (or have incurred) in connection with their duties, powers and office. In addition, the Company maintains Directors' and Officers' Liability Insurance which gives appropriate cover for legal action brought against its Directors.

DIVIDENDS

During the year dividends of £40,000,000 (2022: £nil) were paid.

EMPLOYEES

The Company has no employees (2022: nil). Management services are provided by Quilter Business Services Limited, a fellow Group 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 (2022: £nil).

BUSINESS RELATIONSHIPS STATEMENT

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

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

CLIMATE CHANGE

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

DIRECTORS' REPORT (continued)

ENERGY AND CARBON REPORTING
The Group is committed to managing its environmental impact and discloses annually to CDP (formerly known as the Carbon Disclosure Project), a globally recognised initiative for companies to measure, manage, disclose and reduce their environmental impacts. A full explanation of how the Directors regard the impact on the environment is contained within the Quilter plc Annual Report 2023. The Company is exempt from reporting company-specific information as it is a subsidiary of the Group.

INVESTING RESPONSIBLY
Within our investment management businesses, we embed Environmental, Social and Governance factors within our investment process and Quilter is a signatory of the UK Stewardship code and the UN-backed Principles for Responsible Investment ("PRI"). Within our advice and suitability processes we enable our clients to invest in accordance with their responsible investment preference.

CORPORATE GOVERNANCE STATEMENT
Quilter plc is subject to the requirements of the 2018 UK Corporate Governance Code (the "Code") and sets out its compliance with the Code's provisions during the year in the Quilter plc Annual Report 2023. 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 themself 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
As reported in the preliminary results announcement of Quilter PLC on 6 March 2024, subsequent to the year-end date, on 15 February 2024, the FCA wrote to around 20 advice firms, including Quilter, requesting information regarding ongoing servicing to assess what, if any, further regulatory work the FCA may undertake in this area. Quilter committed to undertake a review of historical data and practices across the Quilter Financial Planning Limited network of appointed representative firms ("AR Firms"). The purpose of this review being to determine if the AR Firms have met their ongoing servicing obligations to customers and, if not, remediate customers to the extent appropriate. Following discussion with the FCA, the review will be conducted by a skilled person. This may lead to remedial costs being incurred by the Company's subsidiaries, but it is too early to quantify. Until the Company has further clarity of its position on this matter, there remains uncertainty as to the potential financial and non-financial implications that may arise.

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

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. The Company is in a net current liability position as a result of intragroup funding arrangements. The Directors are satisfied on the basis of confirmations received, that there is no intention for the loans to be recalled. 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 Section 485 of the Companies Act 2006 for the 2023 financial year and have indicated their willingness to continue in office.

On behalf of the Board

L H Williams
Director
30 April 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

The Directors are also responsible for the maintenance and integrity of the Company’s financial statements published on the ultimate parent company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report to the members of Quilter 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 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of financial position as at 31 December 2023; the Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

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

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

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

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors’ responsibilities for the audit of the financial statements

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management’s incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the misappropriation of assets by posting inappropriate manual journal entries and management bias in accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Discussions with the Board of Directors and with management (including those involved within the Finance function, Internal Audit, Legal, Risk and Compliance), including consideration of their process for identifying and responding to the risk of fraud, and any known or suspected instances of fraud or non-compliance with laws and regulations;
- Reviewing all minutes of meetings of the Board of Directors;
- Challenging assumptions made by management in accounting estimates, particularly in relation to the impairment assessments of investment in subsidiaries;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, which may be indicative of management bias and account manipulation;
- Performing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- Reviewing the disclosures in the Annual Report and financial statements against the specific legal requirements, for example within the Directors' Report.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements.

Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

M Taplin

Matthew Taplin (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton
30 April 2024

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2023

	Note	2023 £'000	2022 £'000
Revenue			
Investment return	3	137,210	55,794
Total revenue		137,210	55,794
Expenses			
Administrative expenses (charge)/credit	4	(165)	16
Finance costs	6	(26,109)	(13,941)
Impairment of investment in subsidiary undertakings	8	(23,295)	(519,941)
Reversal of impairment of investment in subsidiary undertakings	8	237,994	-
Share of loss of associate	9	(53)	(4)
Total expenses credit/(charge)		188,372	(533,870)
Profit/(loss) before tax		325,582	(478,076)
Income tax credit	7	2,116	1,634
Profit/(loss) for the year after tax		327,698	(476,442)
Total comprehensive income/(expense) for the financial year		327,698	(476,442)

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

The notes on pages 13 to 31 are an integral part of these financial statements.

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

	Note	Ordinary Share capital	Retained earnings	Total shareholder equity
		£'000	£'000	£'000
Balance at 1 January 2023		116,100	1,193,157	1,309,257
Total comprehensive income for the year		-	327,698	327,698
Dividends paid	16	-	(40,000)	(40,000)
Balance at 31 December 2023		116,100	1,480,855	1,596,955

	Ordinary Share capital	Retained earnings	Total shareholder equity
	£'000	£'000	£'000
Balance at 1 January 2022	116,100	1,669,599	1,785,699
Total comprehensive expense for the year	-	(476,442)	(476,442)
Balance at 31 December 2022	116,100	1,193,157	1,309,257

The notes on pages 13 to 31 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
at 31 December 2023

	Note	2023 £'000	2022 £'000
Assets			
Investments in subsidiary undertakings	8	1,670,611	1,337,912
Investment in associate	9	2,444	1,498
Loans and advances	10	122,704	122,704
Deferred tax assets	11	3,114	3,114
Current tax assets		3,750	3,882
Other receivables	12	938	752
Cash and cash equivalents	13	239,657	298,304
Total assets		2,043,218	1,768,166
Equity and liabilities			
Equity			
Share capital	14	116,100	116,100
Retained earnings		1,480,855	1,193,157
Total equity		1,596,955	1,309,257
Liabilities			
Interest bearing liabilities	15	446,030	449,738
Other payables	17	233	9,171
Total liabilities		446,263	458,909
Total equity and liabilities		2,043,218	1,768,166

The notes on pages 13 to 31 are an integral part of these financial statements.

The financial statements on pages 10 to 31 were approved by the Board of Directors on 30 April 2024 and signed on its behalf by:

L H Williams
Director

Company registered number: 01606702

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

1 GENERAL INFORMATION

Quilter Holdings Limited (the “Company") forms part of the Quilter plc Group (the “Group”) and is a private limited company, that is limited by shares, incorporated in England and Wales and domiciled in the United Kingdom (“UK”). 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 on pages 2 to 3.

2 MATERIAL ACCOUNTING POLICIES

Basis of preparation
The financial statements of the Company for the year ended 31 December 2023 have been prepared in accordance with Financial Reporting Standard 101, ‘Reduced Disclosure Framework’ (“FRS 101”), the Companies Act 2006 and applicable regulations.

The accounting policies have been applied consistently for the years presented in these financial statements.

These financial statements have been prepared on the historical cost basis and are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates, and are rounded to the nearest thousand.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed on pages 13 and 14.

The Company has taken advantage of the disclosure exemptions available under FRS 101 in relation to the presentation of a cash flow statement, disclosures relating to capital management, fair value measurement, financial instruments, impairments, related party transactions, share capital and comparative information for certain types of assets. The Company has also taken advantage of the exemption from the requirement to disclose information when the Company has not applied a new accounting standard that has been issued but is not yet effective. Where required equivalent disclosures are included in the consolidated financial statements of Quilter plc.

The Company is a wholly owned subsidiary of Quilter plc. It is included in the consolidated financial statements of Quilter plc, which are publicly available. Therefore, the Company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements. The address of the ultimate parent’s registered office can be found in note 21.

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. The Company is in a net current liability position as a result of intragroup funding arrangements. The Directors are satisfied on the basis of confirmations received, that there is no intention for the loans to be recalled. 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 12 months after the reporting date are disclosed separately in the notes to the financial statements.

New standards, amendments to standards, and interpretations adopted by the Company
There were no new standards or interpretations which became effective from 1 January 2023 which had a material impact upon the Company. In addition, there were no amendments to IFRIC interpretations that have a material impact on the Company’s financial statements.

The Company has applied the narrow scope amendment to IAS 12 in respect of the OECD Pillar II international tax rules issued in the current financial year. In doing so, the Company has applied the exception in IAS 12.4A and shall neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar II income taxes. There were no other amendments to accounting standards that have a material impact on the Company’s financial statements during the year.

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

2 MATERIAL ACCOUNTING POLICIES (continued)

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

Area	Critical accounting judgements	Note
Impairment of investment in subsidiaries – recognition and presentation	Impairments to investments in subsidiaries are shown in the statement of comprehensive income. In assessing whether an impairment should be recognised, the Company evaluates the likelihood of the carrying value of the investment being lower than the recoverable amount, being the higher of each cash generating unit's ("CGU") value in use and its fair value less costs to sell. Impairment charges reflect management judgement in respect of the Group's expectations of future cash flows arising from subsidiaries, and the CGU that these cash flows will ultimately benefit. In carrying out this assessment, management makes judgements as to the appropriate allocations of synergies between the holdings in the Company's subsidiaries.	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 standards and guidance to make predictions about future actions and events. Actual results may differ from those estimates.

Area	Critical accounting estimates	Note
Investments 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 earned within other subsidiaries within Quilter plc.	8
Area	**Other accounting estimates**	**Note**
Deferred tax measurement	The estimation of future taxable profits is performed as part of the annual business planning process and is based on estimated levels of assets under management, which are subject to a large number of factors including global stock movements, related movements in foreign exchange rates and net client cash flows, together with estimates of expenses and other charges. The Group Business Plan is used to determine the extent to which deferred tax assets are recognised. In general, the Company assesses the recoverability of assets based on the Group's estimated taxable profits over a three-year planning horizon.	11

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

Material accounting policies
There have been no changes to the Company's material accounting policies as a result of changes in accounting standards during the year. The accounting policies disclosed in these notes have been consistently applied throughout the current and prior financial year.

2 MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments
Financial instruments cover a wide range of financial assets, including loans and advances, cash and cash equivalents and other receivables 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. The Company determines its strategy in holding the financial asset, particularly considering whether the Company earns contractual interest revenue, for example to match the duration of financial assets to the duration of liabilities that are funding those assets or to realise cash flows through the sale of the assets. The frequency, volume and timing of sales in prior periods may be reviewed, along with the reasons for such sales and expectations about future sales activity. These factors enable management to determine whether financial assets should be measured at fair value through profit or loss ("FVTPL").

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

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

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

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

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

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

The 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.

2 MATERIAL ACCOUNTING POLICIES (continued)

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.

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

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

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 and reversals of impairments are recognised in profit and loss as they occur, except where impairments arise only as the result of Group structure in which case they are dealt with directly in equity.

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.

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.

Other receivables
Other receivables are current and interest free and recognised at amortised cost, with the carrying amount approximating 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 statement of comprehensive income 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.

Impairment of financial assets
The expected loss accounting model for credit losses applies to financial assets measured at amortised cost, but not to financial assets at FVTPL. Financial assets at amortised cost include loans and advances, cash and cash equivalents (excluding money market collective investment funds which are measured at fair value) and other receivables.

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

2 MATERIAL ACCOUNTING POLICIES (continued)

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

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

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

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

Application of the impairment model
The Company applies the ECL model to all financial assets that are measured at amortised cost:
- Loans at amortised cost, other 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 would trigger the recognition of a Lifetime ECL allowance.

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

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

Intercompany balances are assessed for expected credit loss, but due to the value of cash within the Group, which could be waterfalled around each business, and no historical losses incurred on intercompany balances, no ECL has been recognised on intercompany balances.

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

2 MATERIAL ACCOUNTING POLICIES (continued)

Presentation of impairment
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. Impairment losses are presented as a separate line item in the statement of comprehensive income.

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.

Revenue recognition
Revenue comprises the fair value for services, net of value-added tax. 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 rights to receive payments have 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 profit and loss.

Expense recognition
All expenses are recognised as a cost when incurred.

Taxation

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

Current tax is charged or credited to profit and loss, except when it relates to items recognised directly in equity or in other comprehensive income.

Deferred tax
Deferred tax is calculated according to the statement of financial position method, based on temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is calculated at the tax rates that are expected to apply in the 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. For the Company, the recognition of deferred tax assets is subject to the estimation of future taxable profits, which is based on the flows of the Company and the Group, and in particular on estimated levels of assets under management, which are subject to a large number of factors including worldwide stock market movements and related movements in foreign exchange rates, together with estimates of net client cash flow, expenses and other charges.

Deferred tax is charged or credited to profit and loss, except when it relates to items recognised directly in equity or in other comprehensive income. In certain circumstances, as permitted by accounting standards, deferred tax balances are not recognised. In particular, where the liability relates to the initial recognition of goodwill, or transactions that are not a business combination and at the time of their occurrence affect neither accounting nor taxable profit. Note 11 includes further detail of circumstances in which the Company does not recognise temporary differences.

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

3 INVESTMENT RETURN

	2023	2022
	£'000	£'000
Investment and similar income		
Interest receivable from Group undertakings	6,251	2,198
Dividends from subsidiary Quilter UK Holding Limited	10,000	-
Dividends from subsidiary Quilter Cheviot Holdings Limited	86,940	41,500
Dividends from subsidiary Quilter Investment Platform Limited	23,000	9,000
Interest on short-term bank deposits (amortised cost)	11,022	3,115
	137,213	55,813
Losses on financial instruments at FVTPL	(3)	(19)
	137,210	55,794

4 ADMINISTRATIVE EXPENSES

	2023	2022
	£'000	£'000
Administrative expenses charge/(credit)	165	(16)

The administrative expenses for 2023 relate to redress paid in respect of Investment Strategies Limited, a former subsidiary of Quilter Holdings Limited.

The administrative expenses for 2022 relate to the clearance of some small historical balances and the release of a provision, previously held for data storage costs of £15,000, due to the provision no longer being required.

Auditors' remuneration paid to PricewaterhouseCoopers LLP, of £8,310 (2022: £7,767), is borne by Quilter Business Services Limited, a fellow Group company.

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

5 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.

	2023 £'000	2022 £'000
Aggregate Directors' emoluments		
Aggregate emoluments excluding pension contributions	1,635	1,463
Company pension contribution to money purchase schemes	46	27
Payment for loss of office	145	-

Seven Directors had money paid to money purchase schemes during the year (2022: five). During the year two Directors resigned.

Seven Directors (2022: five) received or were due to receive shares or share options under a long-term incentive scheme. Seven Directors (2022: five) exercised options during the year.

Shares or share options were in Quilter plc shares.

	2023 £'000	2022 £'000
Emoluments of the highest paid Director		
Aggregate emoluments excluding pension contributions	709	530
Company pension contribution to money purchase schemes	7	3

The highest paid Director received or was due to receive shares or share options under a long-term incentive scheme, and also exercised share options during the year.

The Directors' emoluments disclosed above are in respect of the seven Directors of the Company in office during the year who are directly employed by Quilter Business Services Limited, a fellow group undertaking (2022: five Directors). During the year, the Company paid £nil (2022: £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 focused on the operational entities and overall Group strategies. As a result, the Company received no management recharge in respect of the cost of Directors' time.

6 FINANCE COSTS

	2023 £'000	2022 £'000
Finance costs for liabilities held at amortised cost		
Interest payable to immediate parent	19,843	11,552
Interest payable to Group undertakings[1]	6,266	2,389
	26,109	13,941

[1]Quilter UK Holding Limited, Quilter Financial Planning Limited, Quilter Business Services Limited and Quilter Cheviot Limited

7 TAXATION

Tax credited to profit and loss	2023 £'000	2022 £'000
Current tax		
United Kingdom	(2,116)	(1,634)
Total current tax credit	(2,116)	(1,634)
Deferred tax		
Total deferred tax credit	-	-
Total tax credited to profit/(loss)	(2,116)	(1,634)

Reconciliation of total income tax expense

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

	2023 £'000	2022 £'000
Profit/(loss) before tax	325,582	(478,076)
Corporation tax charge/(credit) at 23.5% (2022: 19%)	76,512	(90,835)
Effect of:		
Dividends received not taxable	(28,186)	(9,595)
(Reversal of impairment)/impairment of subsidiaries not tax deductible	(50,454)	98,789
Expenses not deductible for tax purposes	12	7
Total tax credited to profit/(loss)	(2,116)	(1,634)

Factors that may affect future charges

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

The Company has recognised deferred tax assets as disclosed in note 11. The Company considers that future years' Group profits will be sufficient to utilise the tax asset carried forward.

Pillar II Taxes

On the 20 June 2023, The Finance (No.2) Act 2023 was substantively enacted in the UK, introducing the Pillar II minimum effective tax rate of 15%. The legislation implements a Multinational Top-up Tax ("MTT") and a Domestic Top-up Tax ("DTT"), effective for accounting periods starting on or after 31 December 2023. As these rules are not in effect in the current period, these rules have had no current tax impact in 2023. The Company has applied the exception under IAS12.4A and will neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar II income taxes.

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

8 INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

	2023 £'000	2022 £'000
Investments in subsidiary undertakings	1,670,611	1,337,912

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

Movement analysis	Investments in subsidiaries £'000
At 1 January 2022	1,842,853
Investment in subsidiaries	15,000
Impairment of subsidiary undertakings	(519,941)
At 31 December 2022	1,337,912
Investment in subsidiaries	118,000
Impairment of subsidiary undertakings	(23,295)
Reversal of impairment of subsidiary undertakings	237,994
At 31 December 2023	1,670,611

2022 investment in subsidiaries

On 30 March 2022, the Company purchased £15,000,000 of £1 Ordinary Shares in its subsidiary Quilter Financial Planning Limited.

2023 investment in subsidiaries

On 20 March 2023, the Company purchased £28,000,000 of £1 Ordinary Shares in its subsidiary Quilter Financial Planning Limited.

On 27 June 2023, the Company purchased £20,000,000 of £1 Ordinary Shares in its subsidiary Quilter Financial Planning Limited.

On 10 July 2023, the Company purchased £60,000,000 of £1 Ordinary Shares in its subsidiary Quilter Cheviot Holdings Limited.

On 6 December 2023, the Company purchased £10,000,000 of £1 Ordinary Shares in its subsidiary Quilter Financial Planning Limited.

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	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Quilter Investment Platform Limited[1]	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Quilter Investment Platform Nominees Limited	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Quilter UK Holding Limited[1]	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 (in liquidation)	Ordinary	100	1 More London Place, London, SE1 2AF
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 (in liquidation)	Ordinary A	100	C/O Teneo Financial Advisory Limited, The Colmore Building, 20 Colmore Circus, Queensway, Birmingham, B4 6AT
Quilter Financial Services Limited	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB

8 INVESTMENTS IN SUBSIDIARIES (continued)

Company name	Share class	% Held	Registered office address
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 Foundation[2]	N/A	-	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Quilter Financial Planning Solutions Limited	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
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 (in liquidation)	Ordinary	100	1 More London Place, London, SE1 2AF
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 (in liquidation)	Ordinary	100	1 More London Place, London, SE1 2AF
Lighthouse Wealth Management Limited (in liquidation)	Ordinary	100	1 More London Place, London, SE1 2AF
LighthouseWealth Limited	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
LighthouseXpress Limited (in liquidation)	Ordinary	100	1 More London Place, London, SE1 2AF
Luceo Asset Management Limited (in liquidation)	Ordinary	100	1 More London Place, London, SE1 2AF
The Falcon Group Limited (in liquidation)	Ordinary	100	C/O Teneo Financial Advisory Limited, The Colmore Building, 20 Colmore Circus, Queensway, Birmingham, B4 6AT
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 (in liquidation)	Ordinary A	100	1 More London Place, London, SE1 2AF

8 INVESTMENTS IN SUBSIDIARIES (continued)

Company name	Share class	% Held	Registered office address
Charles Derby Wealth Management Limited	Ordinary	100	Senator House, 85 Queen Victoria Street, London, EC4V 4AB
Forward Thinking Wealth Management Limited (in liquidation)	Ordinary	100	1 More London Place, London, SE1 2AF
Financial Services Advice & Support Limited (in liquidation)	Ordinary	100	Atria One, 144 Morrison Street, Edinburgh, Scotland, EH3 8EX
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
Quilter Cheviot PCC Limited (incorporated in Guernsey)	Ordinary	100	1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL
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
Prescient Financial Intelligence Limited (in liquidation)	Ordinary	100	C/O Teneo Restructuring Limited, 156 Great Charles Street, Queensway, Birmingham, West Midlands, B3 3HN

[1] Directly Owned

[2] The Quilter Foundation (registered charity no. 1175555) is an independent charity. Quilter Holdings Limited is the Foundation’s sole member and appoints the trustees of the charity.

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.

Investment in asset management subsidiaries

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 the most recent management approved three-year profit forecasts, which are contained in the Business Plan. Forecast cash flows are impacted by movements in underlying assumptions, including equity market levels, revenue margins and NCCF. These profit forecasts change at different rates because of the different strategies of the CGUs. The Company considers that forecast cash flows are most sensitive to movements in equity markets because they have a direct impact on the level of the subsidiary company’s fee income. Post the three-year forecast period, the growth rate used to determine the terminal value of the CGUs in the annual assessment was 2.0% (2022: 2.0%), which is lower than the UK long-term growth rate. Market share and market growth information are also used to inform the expected volumes of future new business.

8 INVESTMENTS IN SUBSIDIARIES (continued)

Quilter Holdings Limited's 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

	2023	2022
Growth rate applied beyond approved business plan period	2.0%	2.0%
Discount rate applied to future cash flows	10.0%	11.4%

Impairment tests on asset management companies
The impairment test indicated that the recoverable value of Quilter Cheviot Holdings Limited was lower than its carrying value at 31 December 2023 and as such an impairment has been recognised in the statement of comprehensive income. There was no impairment required in respect of the Company's investment in Quilter Investment Platform Limited.

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 Company believes these assumptions are reasonably possible.

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 asset management subsidiary balance at 31 December 2023:

	£'000
Forecast cash flows reduced by 10%	32,437
Discount rate increased by 1%	2,074

Investment in financial advisory subsidiaries
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 the most recent management approved three-year profit forecasts. Post the three-year forecast period, the growth rate used to determine the terminal value was 2.0% (2022: 2.0%), which is lower than the UK long-term growth rate.

Impairment tests performed on financial advisor companies
The impairment test indicated that the recoverable value of Quilter Financial Planning Limited was higher than its carrying value at 31 December 2023 and therefore a partial reversal of previous impairment of £237,994,000 has been recognised in the statement of comprehensive income.

During the normal course of business, from time to time, the Company's subsidiaries receive complaints and claims from customers including, but not limited to, complaints to the Financial Ombudsman Service and legal proceedings related thereto, enters into commercial disputes with service providers and other parties, and is subject to discussions and reviews with regulators. The costs, including legal costs, of these issues as they arise can be significant and, where appropriate, provisions have been established by the Company's subsidiaries. The recoverable value of the Company's investments in subsidiaries will therefore be sensitive to these provisions. Any provisions recognised by the Company's subsidiaries at year end have been included within the assessment of impairment in investment in subsidiaries. Please also refer to note 20: Events after the reporting date, in respect of a review announced on 6 March 2024.

Sensitivity of impairment assessment for value-in-use calculation
The fair value less costs to sell 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

8 INVESTMENTS IN SUBSIDIARIES (continued)

of a 10% reduction in future cash flows and a 1% increase in the discount rate. The Company believes these assumptions are reasonably possible.

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 financial advisor subsidiary balance at 31 December 2023:

	£'000
Forecast cash flows reduced by 10%	69,315
Discount rate increased by 1%	16,504

9 INVESTMENT IN ASSOCIATE

	2023	2023	2022	2022
	Carrying value	Company share of loss	Carrying value	Company share of loss
	£'000	£'000	£'000	£'000
Name of the Company				
360 DOT NET LIMITED	2,444	(53)	1,498	(4)

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

10 LOANS AND ADVANCES

	2023	2022
	£'000	£'000
Lending to subsidiary undertaking[1] at Bank of England ("BoE") base rate + 0.5%	122,704	122,704

[1]Quilter UK Holding Limited

The loan is recognised at amortised cost, with its carrying amount approximating to fair value. The BoE base rate was 5.25% at the accounting date (2022: 3.5%).

The loan is repayable on demand, with all loan repayment decisions being undertaken at Group level. There have been no non-performing loans, loans subject to renegotiations or material impairments on loans and advances.

11 DEFERRED TAX ASSETS

Recognised deferred tax assets and liabilities

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

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

	Tax losses	Total deferred tax asset
	£'000	£'000
Assets at 1 January 2022	3,114	3,114
Assets at 31 December 2022	3,114	3,114
Assets at 31 December 2023	3,114	3,114

Deferred tax assets or liabilities are recognised to the extent that temporary differences are expected to reverse in the foreseeable future. The timing of reversals is estimated based on the Company's annual Business Plan. Deferred tax assets are recognised to the extent that they are supported by the Company's Business Plan or where appropriate the Group's Business Plan.

Deferred tax assets are recognised for tax losses carried forward only to the extent that realisation of the related tax benefit is probable, being where, on the basis of all available evidence, it is considered more likely than not that there will be suitable taxable profits against which the reversal of the deferred tax asset can be deducted.

Sensitivity analysis demonstrates headroom in the recoverable amount of the deferred tax asset over the taxable profits contained within the three-year planning horizon. The impacts of a 20% decrease in profitability have been assessed and do not give rise to concerns over recoverability.

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

Unrecognised deferred tax assets

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

	31 December 2023		31 December 2022	
	Gross amount	Tax	Gross amount	Tax
	£'000	£'000	£'000	£'000
Pre-April 2017 UK tax losses	67,433	16,858	67,433	16,858
Total unrecognised deferred tax assets	67,433	16,858	67,433	16,858

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

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

12 OTHER RECEIVABLES

	2023 £'000	2022 £'000
Accrued bank interest	880	725
Due from subsidiary undertaking	58	27
	938	752

All amounts due from Group companies are unsecured and are settled quarterly. All amounts are current and interest free and recognised at amortised cost, with the carrying amount approximating to fair value.

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

13 CASH AND CASH EQUIVALENTS

	2023 £'000	2022 £'000
Bank balances	47,727	46,680
Money market funds	191,930	251,624
Cash and cash equivalents	239,657	298,304

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

14 SHARE CAPITAL

	2023 £'000	2022 £'000
Allotted and called up		
Fully paid - 115,600,000 (2022: 115,600,000) Ordinary Shares of £1 each	115,600	115,600
Partly paid - 2,500,000 (2022: 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 2023

15 INTEREST BEARING LIABILITIES

	2023 £'000	2022 £'000
Loan from immediate parent at 0.75%	89,829	89,829
Loan from immediate parent at 10%	100,201	90,909
Loan from immediate parent at BoE base rate + 0.5%	131,000	131,000
Loan from subsidiary undertaking[1] at BoE base rate + 0.5%	40,000	40,000
Loan from Group undertaking[2] at BoE base rate + 0.5%	60,000	60,000
Loan from subsidiary undertaking[3] at BoE base rate + 0.5%	25,000	38,000
	446,030	449,738

[1]Quilter UK Holding Limited
[2]Quilter Business Services Limited
[3]Quilter Cheviot Limited

Amounts borrowed are at amortised cost, unsecured and repayable on demand, with all loan repayment decisions being undertaken at Group level. The carrying amount approximates to fair value which is valued as the principal amount repayable. The BoE base rate was 5.25% (2022: 3.5%) at the accounting date.

16 DIVIDENDS

	2023 £'000	2022 £'000
Dividends paid		
Dividends paid to immediate parent	40,000	-

17 OTHER PAYABLES

	2023 £'000	2022 £'000
Due to Group undertakings	46	20
Due to immediate parent	187	9,151
	233	9,171

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

18 FINANCIAL AND CAPITAL COMMITMENTS

There are no material financial and capital commitments at 31 December 2023 (2022: £nil).

19 CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 December 2023 (2022: £nil).

20 EVENTS AFTER THE REPORTING DATE

As reported in the preliminary results announcement of Quilter Plc on 6 March 2024, subsequent to the year end date, on 15 February 2024, the FCA wrote to around 20 advice firms, including Quilter, requesting information regarding ongoing servicing to assess what, if any, further regulatory work the FCA may undertake in this area. Quilter committed to undertake a review of historical data and practices across the Quilter Financial Planning Limited network of appointed representative firms (“AR Firms”). The purpose of this review being to determine if the AR Firms have met their ongoing servicing obligations to customers and, if not, remediate customers to the extent appropriate. Following discussion with the FCA, the review will be conducted by a skilled person. This may lead to remedial costs being incurred by the Company’s subsidiaries, but it is too early to quantify. Until the Company has further clarity of its position on this matter, there remains uncertainty as to the potential financial and non-financial implications that may arise.

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

21 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