ANNUAL REPORT
AND
FINANCIAL STATEMENTS

31 December 2023

Quilter Investment Platform Limited

Registered in England and Wales No. 01680071

CONTENTS

COMPANY INFORMATION

Directors as at reporting date	N A Atkar T J Breedon T Essani M Kilcoyne S D Levin (Chief Executive Officer) R Markland (Chair) P S Matthews G M Reid C J L Samuel M O Satchel
Secretary	Quilter CoSec Services Limited
Independent Auditors	PricewaterhouseCoopers LLP Savannah House 3 Ocean Way Ocean Village Southampton SO14 3TJ
Registered office	Senator House 85 Queen Victoria Street London EC4V 4AB

STRATEGIC REPORT

The Directors present their Strategic Report for the year ended 31 December 2023.

REVIEW OF THE BUSINESS AND PRINCIPAL ACTIVITIES

Quilter Investment Platform Limited ("the Company") is a leading investment platform provider of retail advised wealth management products and services, operating in the UK. It largely serves an affluent customer base through the Quilter Group's Quilter Financial Planning business and third party financial advisers.

The Company and its sister company, Quilter Life & Pensions Limited, comprise the Quilter Investment Platform business, which forms part of the Affluent segment within Quilter plc group ("Quilter" or the "Group").

Quilter plc is the ultimate parent company and delivers strategic and governance oversight. Quilter plc's ordinary shares are listed on the London and Johannesburg Stock Exchanges.

The Company is authorised and regulated by the Financial Conduct Authority ("FCA") under the Investment Firms Prudential Regime ("IFPR").

Quilter plc Strategy

Quilter's strategy is focused on growing with its clients and advisers, enhancing the efficiency of its operations, increasing digitalisation across the business, and being a responsible wealth manager. This will enable Quilter to increase flows from both its own advisers and independent financial advisers, manage more of those flows into 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.

Quilter Investment Platform Limited Strategy

The Company is focused on the delivery of key strategic growth initiatives to drive platform flows from both the Quilter and independent financial advisor channels whilst deepening the value of Quilter's integrated proposition through the coming together of our advice, platform and investment businesses under the Affluent segment. The Company is focused on building a strong and growing business delivering to advisors and customers whilst working with our technology partners to enhance efficiency and deliver end to end digital solutions.

STRATEGIC REPORT (continued)

KEY PERFORMANCE INDICATORS (KPIs)

Table A shows the key performance indicators the Company uses to manage business performance. The Company assesses its financial performance using a variety of alternative performance measures ("APMs"). APMs are not defined by the relevant financial reporting framework, but the Directors use them to provide greater insight into the financial performance, financial position and cash flows of the Company and the way it is managed. APMs should be read together with the audited statement of comprehensive income and statement of financial position, which are presented in the financial statements on pages 15 and 17, respectively. Further details of APMs used by the Company are provided below.

APM	Definition
Adjusted profit before tax	Represents the adjusted profit before tax of the Company. It adjusts profit for key adjusting items and excludes non-core operations, the quantum of these is shown in table B. Due to the nature of the Company's business, we believe that adjusted profit is an appropriate basis by which to assess the Company's underlying operating results and it enhances comparability and understanding of the financial performance of the Company.
Gross sales	Gross sales are the gross client cash inflows received from customers during the period and represent our ability to increase assets under administration and revenue.
Assets under management and administration (AuMA)	Represents the total market value of all financial assets administered on behalf of customers and excludes shareholder assets.
Net client cash flow (NCCF)	The difference between money received from and returned to customers during the relevant period. This measure is considered to be a lead indicator of reported total revenue.
Return on assets	An indicator of how profitable the Company is, relative to its total assets.

The Company achieved gross sales of £2.9bn (2022: £3.1bn). Gross sales are down on prior year as the market wide impacts of an increased cost of living (due to high interest rates and inflation), the attractiveness of cash saving rates and geo-political issues continued across the year. This has been partially off-set by an initiative to simplify the process for transferring customers' back books, administered on external platforms, to Quilter.

NCCF was £0.6bn net outflow (2022: £0.4bn net inflow). NCCF has worsened compared to 2022 as a reduced gross sales performance was compounded by an increase in outflows year-on-year. AuMA have increased to £30.7bn (2022: £28.8bn) as positive market movements across the year significantly exceeded the negative NCCF.

The business continues to be profitable on an adjusted profit basis. The Company's pre-tax adjusted profit has increased by £19.0m to £36.1m in 2023. The Company received lower annual management charges during 2023, a result of reduced margins attributable to the application of a price reduction. This was more than offset by the introduction of a margin retention on client cash interest, a full year's benefit of Wealth Select MPS fees (part-year in 2022) and a material increase in investment return aligned to increases in bank and money market rates. The improved revenue position was alongside a favourable administrative expense variance versus 2022.

On a statutory basis, the business has made a post-tax profit of £40.3m (2022: £13.8m).

STRATEGIC REPORT (continued)

Table A: Key performance indicators:

	2023 £m	2022 £m
Gross sales	2,876	3,130
Net client cash flow	(606)	372
Assets under management and administration	30,653	28,794
Return on assets (calculated as adjusted profit after tax / total assets)	20%	11%
Adjusted profit (AP) before tax	36.1	17.1
Profit after tax	40.3	13.8

Table B: Reconciliation between adjusted profit before tax and profit after tax:

	2023 £m	2022 £m
Adjusted profit before tax	**36.1**	**17.1**
Adjusting items	0.0	0.0
Profit before tax	**36.1**	**17.1**
Total tax	4.2	(3.3)
Profit after tax for the financial year	**40.3**	**13.8**

FINANCIAL POSITION AT THE END OF THE YEAR

The Company's total net assets have increased from £109.8m to £127.1m over the course of the year. During 2023, £23m was paid in dividends to the parent company, Quilter Holdings Limited (2022: £9m).

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 2023 Annual Report.

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 2023 Annual Report.

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

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

STRATEGIC REPORT (continued)

The Board, and where appropriate its Audit Committee, Risk Committee and Investment Oversight Committee, considers and discusses information from across the organisation to help it understand the impact of the Company's operations, and the interests and views of its key stakeholders. It also reviews strategy, financial, and operational performance as well as information covering areas such as key risks, legal and regulatory compliance. This information is provided to the Board through reports sent in advance of each Board and Committee meeting, and through in-person presentations. Some examples of how the directors have considered the Company's key stakeholders in 2023 are set out below.

The Board is committed to ensuring good client outcomes and regularly reviews and challenges operational service performance to provide assurance that the Company is delivering a good service to its clients. The Board scrutinises a regular Customer Report which includes feedback on the perceived quality of services to ensure the business is continually learning from the feedback received from customers and their advisers. The Customer Report has been refreshed to provide the Board with enhanced metrics to evidence the protection of customers and the prevention of customer harm. The Audit Committee dedicated time each quarter to scrutinising areas that are critical in protecting our clients' interests, including assurance on the robustness of the controls over client assets. During the year, the Board has overseen the implementation of the regulator's Consumer Duty which came into effect on 31 July 2023. The implementation of this new duty aligns with a core part of the Company's strategic rationale to deliver good outcomes for clients. The Board, and the Risk Committee, will continue to oversee management's continued focus to deliver these outcomes and maintain compliance with the duty.

Maintaining an open and transparent relationship with our regulators is a key priority and the Board and the Risk Committee receive regular reporting on key regulatory engagement, and the Chief Risk Officer, as a standing attendee of each meeting, provides further updates as needed. The Board received regular updates on regulatory developments in 2023, including a number of Dear CEO letters. The Risk Committee has also spent time reviewing the regulatory horizon and the action being taken to ensure the Company is, and will continue to, meet regulatory expectations.

The importance of our suppliers is acknowledged by the Board and supplier relationships are managed and maintained in line with Quilter Group policy. Please refer to the Quilter plc 2023 Annual Report for further information on how we foster relationships with our suppliers.

STRATEGIC REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the Company's strategy is subject to a number of risks. The 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. The key risks affecting the business are described below.

Business Strategy and Performance
The Company's principal revenue streams are related to the value of assets under management and administration ("AuMA") and as such the Company is exposed to the condition of global economic markets. Geopolitical risk remains high due to ongoing conflicts in Ukraine and the Middle East.

Throughout 2023, external economic conditions have remained challenging and this has impacted flows, AuMA and revenues.

The Company has continued on its transformation journey during 2023 through strategic initiatives relating to business efficiency, cost reduction and proposition enhancement. The Company's focus is to maintain pace of strategic delivery and agility in order to continue to provide a compelling proposition in a rapidly changing industry.

Business Operation
Operational complexity and the efficacy of controls and processes related to the day-to-day running of the business pose an inherent risk to the Company. This includes those processes which have been outsourced to third parties and where oversight is critical for the Company to gain assurance over activities delegated outside of its direct control. The Company's operations provide services to customers and as such need to be effective and resilient to ensure that good customer outcomes are delivered and maintained. The Company has continued to work towards simplifying its operational environment, where team synergies are being harnessed to support a reduction in duplication, inconsistency and complexity.

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

Customer Product and Proposition
The Company's purpose is underpinned by having a suite of product propositions which drive good customer outcomes and processes in place to ensure that foreseeable harm is identified and addressed. The Company remains focused on ensuring that products and services are designed and maintained in line with the Consumer Duty.

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

People

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

STRATEGIC REPORT (continued)

Emerging risks

The Company monitors risks which are less certain in terms of timescales and impacts. This assessment is carried out regularly and the emerging risk profile is subject to regular review by management committees and the Board. The identification of these risks contributes to our stress and scenario testing, feeding into our strategic planning process. The most significant emerging risks to the Company are:

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

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

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

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

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 the Company'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 the Company's and its critical third parties' operations which must be considered as part of operational resilience planning.

On behalf of the Board

M O Satchel
Director
5 March 2024

DIRECTORS' REPORT

The Directors present their Annual Report and financial statements for the year ended 31 December 2023.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The review of the business and principal risks and uncertainties, as well as likely future developments in the business, are disclosed within the Strategic Report.

DIRECTORS

The Directors of the Company who were in office during the year and up to the date of signing are listed below. The names of the current directors are listed on page 1.

N A Atkar	(appointed 1 September 2023)
A M Barnes	(resigned 31 August 2023)
T J Breedon	(appointed 1 September 2023)
T Essani	(appointed 1 September 2023)
J E Gill	(resigned 31 August 2023)
M Kilcoyne	(appointed 1 September 2023)
S D Levin	(Chief Executive Officer)
R Markland	(Chair appointed 1 September 2023)
P S Matthews	(appointed 1 September 2023)
G M Reid	
C J L Samuel	(appointed 1 September 2023)
M O Satchel	(appointed 14 September 2023)
L H Williams	(resigned 13 September 2023)

QUALIFYING THIRD-PARTY INDEMNITIES

Qualifying third-party indemnity provisions were in force (as defined by section 234 of the Companies Act 2006) during the course of the financial year ended 31 December 2023 for the benefit of the then Directors, and at the date of this report, are in force for the benefit of the Directors in relation to certain losses and liabilities which may occur (or have occurred) in connection with their duties/powers or office.

DIVIDENDS

During the year £23m of dividends were remitted to Quilter Holdings Limited (2022: £9m). The Directors do not propose a dividend payment before or on the date of approval of the accounts.

EMPLOYEES

The Company has no employees (2022: nil). As stated in note 6, 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 note 3.

POLITICAL DONATIONS

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

DIRECTORS' REPORT (continued)

BUSINESS RELATIONSHIPS

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.

Our Third-Party Risk Management policy sets out requirements with respect to our procurement, outsourcing and supplier management activities. Our Supplier Code of Conduct applies to all suppliers and their sub-contractors that provide goods and services to Quilter. It sets out the minimum standards we expect our suppliers to adhere to when doing business with Quilter in addition to the contractual terms agreed. The Code covers legal compliance, ethical standards, conflicts of interest, anti-bribery and corruption, brands, trademarks and intellectual property, information and data protection, labour standards, living wage, discrimination, health and safety, and environmental management. We also expect our suppliers to promote these standards in their own supply chain where practical.

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 Section 172 (1) Statement within the Strategic Report and in the Quilter plc 2023 Annual Report, which does not form part of this report.

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 2023 Annual Report. 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 Manual which sets out certain minimum standards and guidance for the governance frameworks of Quilter plc's subsidiaries.

The Board benefits from strong representation of independent Non-executive Directors who are considered independent under the Code and who represent a majority on the Board. There is a clear division of responsibilities on the Board with the roles of the Chairman and the Executive Directors being clearly articulated in the Board Charter adopted by the Board.

The composition, succession plans and evaluation of the Board are overseen by the Quilter plc Board Corporate Governance and Nominations Committee. The Board has established an Audit Committee, Risk Committee and Investment Oversight Committee whose responsibilities include risk oversight, review of internal controls, review of financial reporting, review of investment portfolio performance and the governance framework for the business. The Board has not established a Remuneration Committee or a Nominations Committee as the functions of such committees in relation to the Company are discharged at Quilter plc level.

STATEMENT OF GOING CONCERN

The use of the going concern basis of accounting is considered appropriate, reflecting future expected profitability. There are no material uncertainties, related events or conditions that may cast significant doubt over the ability of the Company to meet its liabilities as they fall due, for at least 12 months from the date of approving these financial statements. Further details of the assessment of going concern, are included in note 2.

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)

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 2023 as per the requirements of Streamlined Energy and Carbon Reporting. The Company is exempt from reporting Company specific information in the 2023 Annual Report and Financial Statements, as it is a subsidiary of the Group.

DISCLOSURE OF INFORMATION TO AUDITORS

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

- so far as the Directors are each aware, there is no relevant audit information of which the Company's auditors are unaware;
- 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.

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditors in accordance with section 485 of the Companies Act 2006.

On behalf of the Board

M O Satchel
Director
5 March 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and 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 website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

M O Satchel
Director
5 March 2024

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF QUILTER INVESTMENT PLATFORM LIMITED

Report on the audit of the financial statements

Opinion
In our opinion, Quilter Investment Platform 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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF QUILTER INVESTMENT PLATFORM LIMITED (continued)

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 breaches of UK regulatory principles such as those governed by the Financial Conduct Authority, 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 manipulating growth in pre tax profits through posting of inappropriate journal entries to either increase revenue or reduce expenditure of the company, and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF QUILTER INVESTMENT PLATFORM LIMITED (continued)

- Discussions with the Board Audit Committee, internal audit, management involved in the risk and compliance functions and the Quilter group's legal function, including considerations of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing correspondence with the Financial Conduct Authority and HMRC in relation to compliance with laws and regulations;
- Reviewing minutes of meetings of the board of directors, as well as those Board Audit Committee meetings for matters of relevance to the audit;
- Assessment of matters reported on Quilter plc's whistleblowing register that relate to the company, including the quality and results of management's investigation of such matters;
- Identifying and testing journal entries, in particular journal entries posted with unusual account combinations, such as non-standard and unusual journals to revenue which may be indicative of the overstatement or manipulation of revenue and unusual expenditure journals which lead to an inappropriate reduction in expenditure.
- Challenging assumptions made by management in accounting estimates and judgements, including the measurement of the deferred tax position at the year end;
- 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
5 March 2024

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2023

	Note	2023 £m	2022 £m
INCOME			
Fee income and other income from service activities	4	88.2	81.2
Other income			
Investment return	5	10.1	1.0
TOTAL INCOME		98.3	82.2
EXPENSES			
Commission		-	0.1
Change in contract costs	10	(0.3)	0.1
Administrative expenses	6	(61.9)	(65.4)
Impairment gains		-	0.1
TOTAL EXPENSES		(62.2)	(65.1)
PROFIT BEFORE TAX		36.1	17.1
Taxation	8	4.2	(3.3)
PROFIT FOR THE YEAR		40.3	13.8
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		40.3	13.8

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

The notes on pages 18 to 38 are an integral part of these financial statements.

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

	Share capital £m	Retained earnings £m	Total equityholders' funds £m
Balance at 1 January 2022	66.4	38.6	105.0
Total comprehensive income for the year	-	13.8	13.8
Dividends paid	-	(9.0)	(9.0)
Balance at 31 December 2022	66.4	43.4	109.8
Total comprehensive income for the year	-	40.3	40.3
Dividends paid	-	(23.0)	(23.0)
Balance at 31 December 2023	66.4	60.7	127.1

Retained earnings include capital contributions made to the Company in prior years.

The notes on pages 18 to 38 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
at 31 December 2023

	Note	2023 £m	2022 £m
ASSETS			
Contract costs	10	3.3	3.6
Deferred tax assets	15	14.4	2.9
Other receivables	11	13.1	12.3
Cash and cash equivalents	12	112.2	106.6
Total assets		143.0	125.4
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Share capital	13	66.4	66.4
Retained earnings		60.7	43.4
Total equity attributable to equity holders		127.1	109.8
LIABILITIES			
Current tax liability		10.6	3.0
Other payables	16	5.3	12.6
Total liabilities		15.9	15.6
Total equity and liabilities		143.0	125.4

The notes on pages 18 to 38 are an integral part of these financial statements.

The financial statements on pages 15 to 38 were authorised and approved by the Board of Directors on 5 March 2024 and signed on its behalf by:

M O Satchel
Director

Company registered number: 01680071

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

1 GENERAL INFORMATION

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

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

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), and in accordance with the Companies Act 2006 as applicable to companies using FRS101. The financial statements have been prepared under the historical cost basis, as modified by the revaluation of certain financial instruments which have been recognised at fair value through profit or loss ("FVTPL"). They have been prepared in sterling and are rounded to the nearest hundred thousand pounds.

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 page 19.

The Company has taken advantage of the disclosure exemptions available under FRS 101 in relation to the presentation of a cash flow statement, contracts with customers, related party transactions 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.

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

Pillar II Disclosures

The Company has applied the narrow scope amendment to IAS12 in respect of the OECD Pillar II international tax rules issued in the current period. In doing so, the Company has applied the exception in IAS12.4A and shall neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar II income taxes.

There are no other amendments to accounting standards, or International Financial Reporting Interpretations Committee ("IFRIC") interpretations that are effective for the year ended 31 December 2023 that have a material impact on the Company's financial statements.

2 MATERIAL ACCOUNTING POLICIES (continued)

Going concern

The Directors have considered the resilience of the Company, its current financial position, the principal risks facing the business and the effectiveness of any mitigating strategies which are or could be applied. This included an assessment of capital and liquidity over a three-year planning period concluding that the Company can withstand a severe but plausible downside scenario for at least the next 12 months after the date of signing the 2023 financial statements.

A wider assessment was carried out at a Quilter Group level and incorporated a number of stress tests covering a broad range of scenarios, including economic and market shocks of up to 40% falls in equity markets, mass lapse events, new business growth scenarios and severe business interruption, equivalent to 1-in-50 and 1-in-200 year events. The assessment also included consideration of risks related to climate change.

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

Basis of consolidation

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

Critical accounting estimates and judgements

The preparation of financial statements requires management to exercise judgement in applying material accounting policies and make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Critical accounting estimates and judgements are those that 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 actuarial and accounting guidance to make predictions about future actions and events. Actual results may differ from those estimates.

The Board reviews the reasonableness of judgements and estimates applied and the appropriateness of material accounting policies adopted in the preparation of these financial statements. The area where an estimate has the most potential to significantly affect the amounts recognised in these financial statements is summarised below:

Area	Critical accounting estimate	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 administration, which are subject to a large number of factors including worldwide stock market movements, related movements in foreign exchange rates and net client cash flow, together with estimates of expenses and other charges. The business plan, adjusted for known and estimated tax sensitivities, is used to determine the extent to which deferred tax assets are recognised. In general, the Company assesses recoverability based on estimated taxable profits over a 5 year horizon.	15

This is discussed in more detail in the relevant accounting policy and notes to the financial statements.

Significant changes in the current reporting period

There are no significant changes in the current reporting period.

2 MATERIAL ACCOUNTING POLICIES (continued)

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

The Company assesses the objective of a business model in which an asset is held at a portfolio level because this best represents the way the business is managed and information is reported to management. The assessment considers the stated portfolio policies and objectives. The Company determines its strategy in holding the financial asset, particularly considering whether the Company earns contractual interest revenue, for example to match the duration of financial assets to the duration of liabilities that are funding those assets or to realise cash flows through the sale of the assets. The frequency, volume and timing of sales in prior periods may be reviewed, along with the reasons for such sales and expectations about future sales activity. These factors enable management to determine which financial assets should be measured at FVTPL.

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

Subsequent measurement
The classification of financial assets depends on (i) the purpose for which they were acquired, (ii) the business model in which a financial asset is managed, and (iii) its contractual cash flow characteristics. Two categories are applicable to the Company: 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 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 measured 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.

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

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

Investments in subsidiary undertakings
Investments in subsidiary undertakings are initially stated at cost. Subsequently, investments in subsidiary undertakings are stated at cost less any 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 are recognised in profit or loss as they occur.

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

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

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

Stage 2
Following a significant increase in credit risk relative to the initial recognition of the financial asset, a stage 2 loss allowance is recognised equal to the credit losses expected from all possible default events over the remaining lifetime of the asset ("Lifetime ECL").
The assessment of whether there has been a significant increase in credit risk requires considerable judgement, based on the lifetime probability of default ("PD"). Stage 1 and 2 allowances are held against performing loans; the main difference between stage 1 and stage 2 allowances is the time horizon. Stage 1 allowances are estimated using the PD with a maximum period of 12 months, while stage 2 allowances are estimated using the PD over the remaining lifetime of the asset.

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

2 MATERIAL ACCOUNTING POLICIES (continued)

Application of the impairment model
The Company applies the ECL model to all financial assets that are measured at amortised cost:
- Other receivables (which are of a trading nature), to which the simplified approach prescribed by IFRS 9 is applied. This approach requires the recognition of a Lifetime ECL allowance on day one and thereafter.
- Intercompany receivables and cash and cash equivalents, to which the general three-stage model (described above) is applied, whereby a 12-month ECL is recognised initially and the balance is monitored for significant increases in credit risk which 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 ECL, taking into account forward-looking information in determining the appropriate level of allowance. In addition, it has identified indicators and set up procedures for monitoring for significant increases in credit risk.

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

Presentation of impairment
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets with any change in the loss allowance recognised in expenses.

Contract costs
Incremental costs, that are directly attributable to securing investment contracts are deferred and recognised as contract costs if they can be identified separately and measured reliably and it is probable that the costs will be recovered. Contract costs are linked to the contractual right to benefit from providing investment management services, they are therefore amortised through expenses as the related revenue is recognised. The period of amortisation is 8 years, which reflects the average term that policies stay within the business.

After initial recognition, contract costs are reviewed by category of business and are impaired to the extent that they are no longer considered to be recoverable. All other costs are recognised as expenses when incurred.

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

2 MATERIAL ACCOUNTING POLICIES (continued)

Client money and client assets
The Company holds money on behalf of clients in accordance with the Client Money Rules of the Financial Conduct Authority. Such client monies and other client assets held via its nominee subsidiary are not reflected in the statement of financial position as the Company is not beneficially entitled to them.

Fee income and other income from service activities
Fee income and other income from service activities represents the fair value of services provided, net of value-added tax. Revenue is only recognised to the extent that management is satisfied that it is highly probable that no significant reversal of the revenue recognised will be required when uncertainties are resolved.

Fees are charged periodically based on the market valuation of the investment contracts. They are calculated and recognised on a daily basis in line with the provision of investment management services.

Investment return
Comprises interest income earned on Company cash deposits and the interest margin retained on customers' cash deposits. Interest income is accrued on a daily 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. Interest payable to customers is accrued daily based on the rate published on the Group website.

Other expenses
All other 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.

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

Deferred tax

Deferred taxes are calculated according to the statement of financial position method, based on temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised and is charged or credited to profit or loss, except when it relates to items recognised directly in equity or in other comprehensive income.

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.

Capital contributions
Capital contributions represent the amount received from the parent company and are reflected within equity as there is no obligation to repay the contribution nor is there any interest payable on the contribution. Capital contributions are distributable reserves.

3 RISK MANAGEMENT FRAMEWORK AND RISK EXPOSURES

Risk management framework
The Company has adopted the Quilter Risk Management framework as articulated in the Risk Review section of the Quilter plc Annual Report. This framework has been refined to enable the development of a more data-led risk intelligence strategy that enables the firm to take a more quantitative approach to the understanding and management of risks. This supports the evaluation and management of business opportunities, uncertainties and threats in a structured and disciplined manner.

The risks faced by the Company are described below:

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

The Company has adopted the Group's credit risk framework that includes a Credit Risk Policy and Credit Risk Appetite. This framework applies to all activities where the Company is exposed to credit risk, either directly or indirectly, ensuring appropriate identification, measurement, management, monitoring and reporting of credit risk exposures.

The credit risk arising from all exposures is mitigated through ensuring the Company only enters into relationships with appropriately robust counterparties, adhering to the Credit Risk Policy. For each asset, consideration is given as to:

- the credit rating of the counterparty, which is used to derive the probability of default;
- the potential recovery which may be made in the event of default; and
- any second order risks that may arise where the Company holds collateral against the credit risk exposure.

Credit risk exposures are monitored regularly to ensure that counterparties remain creditworthy, to ensure there is appropriate diversification of counterparties and to ensure that exposures are within approved limits. At 31 December 2023, the Company's material credit exposures were to financial institutions and individuals (primarily through fund management trade settlement activities).

There is no direct exposure to Eurozone sovereign debt (outside of the UK) within the Company's investments.

The Company has no significant concentrations of credit risk exposure.

Investment of Company's funds
The risk of counterparty default in respect of the investment of the Company's funds is managed through:

- setting minimum credit rating requirements for counterparties;
- setting limits and key risk indicators for individual counterparties and counterparty concentrations;
- monitoring exposures regularly against approved limits; and
- ongoing monitoring of counterparties and associated limits.

Other credit risks
The Company is exposed to the risk of default by fund management groups in respect of settlements. This risk is managed through the due diligence process which is completed before entering into any relationship with a fund group. Amounts due to and from fund groups are monitored for prompt settlement and appropriate action is taken where settlement is not timely.

Legal contracts are maintained where the Company enters into credit transactions with a counterparty.

3 RISK MANAGEMENT FRAMEWORK AND RISK EXPOSURES (continued)

Impact of credit risk on fair value
Due to the Company's limited credit risk exposure, credit risk does not have a material impact on the fair value movement of financial instruments for the year under review. The fair value movements on these instruments are predominantly due to changes in market conditions.

Maximum exposure to credit risk
The Company's maximum exposure to credit risk does not differ from the carrying value disclosed in the relevant notes to the accounts. Credit ratings for financial instruments are enclosed in the relevant notes. The Company does not have any significant exposure arising from items not recognised on the statement of financial position.

Market risk
Market risk is the risk of an adverse change in the level or volatility of market prices of assets, liabilities or financial instruments resulting in loss of earnings or reduced solvency.

Market risk arises primarily through potential reductions in future revenues. This may occur due to a fall in the value of underlying assets as a result of fluctuations in equity prices, bond prices, property prices, interest rates and foreign exchange rates.

The Company has adopted the Quilter Market Risk Policy which sets out the market risk management governance framework, permitted and prohibited market risk exposures, maximum limits on market risk exposures, management information and stress testing requirements.

The Company does not undertake any principal trading for its own account. The Company's revenue is however affected by the value of assets under administration and consequently it has exposure to equity market levels and economic conditions. Scenario testing is undertaken to test the resilience of the business to severe but plausible events and to assist in the identification of management actions.

Interest rate risk

Exposures of profit or loss and shareholder equity within the statement of financial position to interest rates are summarised in sensitivities later in this section.

Interest rates applicable to shareholder interest bearing financial instruments as at the reporting date:

	2023 Variable	2022 Variable
Assets		
Deposits with credit institutions	4.89%	3.05%

Equity and property price risk
In accordance with the market risk policy, the Company does not invest shareholder assets in equity or property assets (or related collective investments). Exposure to this risk is therefore immaterial.

The Company derives revenues (e.g. annual management charges) and incurs costs (e.g. asset-based outsource costs) which are linked to the value of the underlying assets. Therefore, future earnings will be affected by equity and property market performance.

Sensitivity of profit to changes in equity and property prices is given in the sensitivity analysis later in this section.

3 RISK MANAGEMENT FRAMEWORK AND RISK EXPOSURES (continued)

Currency risk
The Company is not exposed to direct foreign exchange risk and holds no foreign currency balances. However, the Company is exposed to foreign exchange risk indirectly through fund-based fees derived from client funds which hold assets denominated in foreign currencies. Therefore, a movement in exchange rates would affect the value of future fund-based fees received by the Company.

The sensitivity of profit to movements in exchange rates is given in the sensitivity analysis.

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

The Company manages liquidity on a daily basis through:
- maintaining adequate high-quality liquid assets and banking facilities that are readily available, the level of which is informed through appropriate liquidity stress testing;
- continuously monitoring forecast and actual cash flows; and
- monitoring a number of key risk indicators to help in the identification of a liquidity stress.

The Company maintains and manages its local liquidity requirements according to its business needs within the overall Group Liquidity Risk Framework that includes a Group Liquidity Risk Policy and Group Liquidity Risk Appetite Statement. The framework is applied consistently across all businesses in the Group to identify, manage, measure, monitor and report on all liquidity risks that have a material impact on liquidity levels. This framework considers both short term liquidity and cash management considerations and longer term funding risk considerations.

Liquidity is monitored centrally by Group Treasury, with management actions taken at a business level to ensure each company has sufficient liquidity to cover its Minimum Liquidity Requirement, with an appropriate buffer set in line with the Group Risk Appetite Statement.

The Group maintains contingency funding arrangements to provide liquidity support to the Company if required. The Company has a contingency funding plan in order to set out the approach and management actions that would be taken should liquidity levels fall below the liquidity risk appetite thresholds.

Maturity schedule
The maturity dates of financial liabilities are shown below.

	<3 months £m	3-12 months £m	1-5 years £m	>5 years £m	Total £m
2023					
Amounts due to fellow group undertakings	0.1	-	-	-	0.1
Other payables	5.2	-	-	-	5.2
	5.3	-	-	-	5.3
2022					
Amounts due to fellow group undertakings	8.2	-	-	-	8.2
Other payables	4.4	-	-	-	4.4
	12.6	-	-	-	12.6

3 RISK MANAGEMENT FRAMEWORK AND RISK EXPOSURES (continued)

Operational risk
Operational risk is the risk that failure of people, processes, systems or external events results in financial loss, damage to the brand/reputation or adverse regulatory intervention or government or regulatory fine.

Operational risk includes all risks resulting from operational activities, excluding the risks already described above and excluding strategic risks and risks resulting from being part of a wider group of companies.

Operational risk includes the effects of failure of administration processes, IT maintenance and development processes, investment processes (including settlements with fund managers, fund pricing and matching and dealing), product development and management processes, legal risks, risks relating to the relationship with third party suppliers and outsourcers, and the consequences of financial crime and business interruption events.

Operational risks are managed in accordance with the Group Operational Risk Policy and related standards consistent with the Risk Management Framework, which has been adopted by the Company. Operational risk exposure is measured primarily through scenario assessments which are informed by internal and external loss event data, Risk and Control Self-Assessments and expert judgment provided by the key subject matter experts. Resultant exposures are evaluated against the Company's risk appetite which is the process that drives operational risk reporting and management action.

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

The Board has responsibility for implementing the Group Operational Risk management methodologies and frameworks, and for the development and implementation of action plans to manage risk levels within acceptable tolerances and resolve issues identified.

Risk and capital management
The potential impacts on the capital resources and future profits of the Company are assessed regularly. Market and investment contract risks are assessed through stress tests applied to business plan financial projections by varying assumptions for future experience. Operational risks are assessed using scenario based risk assessments. Credit risks are assessed by determining the financial exposure to material counterparties and the likelihood of default of these counterparties. Credit ratings are used to assess the likelihood of default.

The Group Capital Management policy sets out the key considerations and restrictions with regard to the amounts of capital that is retained.

Capital is managed to the Company's solvency target which is set to ensure that the business maintains capital in excess of the Regulatory Capital Requirement and to maintain working capital to provide for fluctuations in experience, in particular in respect of new business volumes. The Company regards the regulatory statutory capital resources of £79.1m (unaudited) (2022: £89.6 unaudited) as capital. The regulatory capital requirements have been met throughout the year.

The Internal Capital Adequacy and Risk Assessment (ICARA) process is used to assess the level of capital which should be retained by the Company. It is a consolidated assessment for the investment and advice firms within the Group. The ICARA considers all of the risks faced by the Company and the degree to which risks have similar or related causes and so could occur together. Capital resources are then allocated appropriately within the entities forming the ICARA group taking into account the risks faced by each business.

The Company uses a variety of metrics to monitor its capital position including IFRS capital and reserves, which are £127.1m as at 31 December 2023 (2022: £109.8m).

3 RISK MANAGEMENT FRAMEWORK AND RISK EXPOSURES (continued)

Sensitivity tests
Sensitivity analysis has been performed by applying the following parameters to the statement of financial position at 31 December 2023 and statement of comprehensive income for the year ended 31 December 2023.

Interest rate risk
The impact of an increase and decrease in market interest rate of 1% is tested (e.g. if the current interest rate is 5%, the test allows for the effects of an instantaneous change to 4% and 6% from the reporting date). The test allows consistently for similar changes in investment returns and the market value of assets under management and administration ("AuMA") from which fee revenue derives. The sensitivity of both profit and shareholder's equity to interest rates is provided.

A 1% rise in interest rates would impact the value of AuMA and therefore impact the fee income that is based on its market value. AuMA would move by around 1.2% as a shift of 1% in gilt yields moves gilt market values by 4.4%, but only 27.9% of AuMA consists of fixed interest assets such as bonds and gilts.

A decrease in interest rate by 1% would have reduced the profit and reduced shareholder's equity by £0.3m after tax (2022: £0.1m); an equal change in the opposite direction would have increased the profit by £0.3m after tax (2022: £0.1m).

Market risk
A 10% movement in AuMA would impact the annual fee income received from customers and expenses paid to the platform provider. There are no impacts on the balances in the statement of financial position. The sensitivity is applied as an instantaneous shock to equity and property prices at the start of the year (e.g. if the current AuMA is £10.0bn, the test allows for the effect of an immediate change in AuMA to £9.0bn and to £11.0bn).

A decrease of 10% in assets under administration would have reduced the profit and reduced shareholder's equity by £6.1m (2022: £6.6m) after tax while an increase of 10% in assets under administration would have increased the profit and increased shareholder's equity by £6.1m after tax (2022: £6.6m).

Exchange rates
Within AuMA, there are underlying assets held which are denominated in foreign currency. The value of AuMA will be impacted by movements in exchange rates and will therefore impact the fee income that is based on its market value. A 5% increase in the value of sterling would adversely impact the value of AuMA by approximately 3.5%, as assets denominated in foreign currency make up 66.1% of the total value.

A 5% increase in the value of sterling against foreign currencies would reduce profit by £2.2m after tax (2022: £2.1m). An equal change in the opposite direction would have increased the profit by £2.2m after tax (2022: £2.1m).

Expenses
The increase in expenses is assumed to apply to the costs associated with the maintenance and acquisition of contracts. The only administrative expenses that are deferrable are sales bonuses but as new business volumes are unchanged in this sensitivity, sales bonuses and the associated deferrals have not been increased, therefore there are no impacts on the statement of financial position balances. It is assumed that these expenses are increased by 10% from the start of the year, so is applied as an expense shock rather than a gradual increase.

An increase in expenses of 10% would have reduced the profit by £4.7m after tax (2022: £5.3m).

4 FEE INCOME AND OTHER INCOME FROM SERVICE ACTIVITIES

	2023 £m	2022 £m
Investment contracts		
Fund based fees	88.2	81.2

5 INVESTMENT RETURN

	2023 £m	2022 £m
Total interest and similar income		
Cash and cash equivalent	10.1	1.0

The current year includes £24.8m of interest received by the Company on pooled client money placed with the Company's external banking partners, of this amount, £19.6m was paid to clients.

The above investment return includes £2.6m interest arising from assets recognised mandatorily at FVTPL (2022: £0.6m). The remainder is recognised at amortised cost.

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

6 ADMINISTRATIVE EXPENSES

	2023 £m	2022 £m
Administrative expenses	61.9	65.4
Administrative expenses include:		
Management fees paid to fellow group undertakings	60.6	64.6
Of which:		
Auditors' remuneration	0.5	0.4

Auditors remuneration represents services paid to PricewaterhouseCoopers LLP.
The amounts paid in respect of statutory audit fees were £0.2m (2022: £0.2m), and for other audit related assurance services were £0.3m (2022: £0.2m).

Management fees are in respect of management services and fixed assets, which are provided by Quilter Business Services Limited, a fellow group undertaking. Those management fees are charged after addition of a mark-up.

7 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.

Directors' emoluments shown below are included in management fees charged by Quilter Business Services Limited, the employing entity of the directors, payable to fellow subsidiary undertakings shown in note 6.

	2023 £m	2022 £m
Aggregate directors' emoluments		
Aggregate emoluments excluding pension contributions	0.2	0.3
Aggregate share based payments	0.1	0.1

During the year ended 31 December 2023, the aggregate value of contributions to directors' pension schemes was £5k (2022: £3k).

3 directors, including the highest paid director had money paid to money purchase schemes during the year (2022: 2, including the highest paid director).

None of the directors, including the highest paid director received or were due to receive shares or share options in Quilter plc under a long term incentive scheme (2022: 2, including the highest paid director). 3 directors, including the highest paid director (2022: 2, including the highest paid director) exercised options during the year.

Shares or share options were in Quilter plc shares for the period from listing date onwards.

	2023 £m	2022 £m
Emoluments of the highest paid director		
Aggregate emoluments excluding pension contributions	0.1	0.2

During the year ended 31 December 2023, the value of contributions to the highest paid director's pension scheme was £1k (2022: £1k) and the value of share based payments to the highest paid director was £38k (2022: £79k).

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

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

The products within the Company are available to all employees of the Company on preferential staff terms, the impact of which is immaterial to the Company's financial statements. During the year ended 31 December 2023, key management personnel and their close family members contributed £0.2m (2022: £33k) to investments (in both internal and external funds). The total value of investments in investment products by key management personnel serving at any point during the year and their close family members was £1.9m (2022: £0.5m) at the end of the year.

8 TAXATION

Tax (credited)/charged to profit and loss

	2023 £m	2022 £m
Current Tax		
United Kingdom	7.3	3.3
Total current tax charge	7.3	3.3
Deferred tax		
Origination and reversal of temporary differences	(10.8)	-
Effect on deferred tax of changes in tax rates	(0.7)	-
Total deferred tax credit	(11.5)	-
Tax (credited)/charged to profit and loss	(4.2)	3.3

Reconciliation of total income tax (credit)/expense

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

	2023 £m	2022 £m
Profit before tax	36.1	17.1
Corporation tax charge at 23.5% (2022: 19%)	8.5	3.2
Effect of:		
Expenses not deductible for tax purposes	-	0.1
Movements in previously unrecognised deferred tax assets	(12.0)	-
Effect on deferred tax for changes in tax rates	(0.7)	-
Total tax (credited)/charged to profit and loss	(4.2)	3.3

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 15. The Company considers that future years' profits will be sufficient to utilise the tax asset carried forward.

Pillar II Taxes

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

The Company continues to assess the full impact of the introduction of Pillar II taxes in the UK. The rules are complex and there remains areas of uncertainty in HMRC guidance. Management has assessed the likely impact based 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.

9 INVESTMENTS IN SUBSIDIARIES

Quilter Investment Platform Limited holds all of the ordinary shares of Quilter Investment Platform Nominees Limited. The investment is valued at original cost of £2 (2022: £2) and due to materiality it is not shown separately on the statement of financial position.

Quilter Investment Platform Nominees Limited is incorporated in England & Wales and its registered office address is: Senator House, 85 Queen Victoria Street, London, EC4V 4AB.

The subsidiary holds investments on behalf of the clients of Quilter Investment Platform Limited in a nominee capacity. It did not trade during the current or prior year and consequently there are no results or dividends in either year. This is expected to continue for the foreseeable future.

10 CONTRACT COSTS

	2023 £m	2022 £m
Opening balance	3.6	3.5
Capitalisation of contract costs	0.5	1.0
Amortisation of contract costs	(0.8)	(0.9)
Change in contract costs	(0.3)	0.1
Closing balance	3.3	3.6
Current	0.8	0.8
Non-current	2.5	2.8
	3.3	3.6

The recoverability of contract costs is impairment tested with reference to future profits as estimated in the latest business plan. No impairment was required in the current or prior year.

11 OTHER RECEIVABLES

	2023 £m	2022 £m
Due from fellow group undertakings	4.4	-
Accrued income	3.4	3.8
Accrued interest	1.2	0.7
Other	4.1	7.8
	13.1	12.3

'Other' principally comprises amounts due from clients.

The Directors consider the carrying amount of other receivables to approximate to their fair value. There have been no non-performing receivables. All amounts are current, unsecured and interest free.

There has been £0.3m of ECL impairment applied to other receivables in the financial year (2022: £0.1m). None of the receivables reflected above have been subject to the renegotiation of terms.

12 CASH AND CASH EQUIVALENTS

	2023 £m	2022 £m
Bank balances	71.3	50.9
Money market OEIC investments	40.9	55.7
Cash and cash equivalents	112.2	106.6

All cash and cash equivalents are current, and recognised at amortised cost, apart from money market OEIC investments, which are recognised mandatorily at FVTPL.

Investments in money market OEICs are classified as cash and cash equivalents. Management hold these investment funds for short term liquidity purposes. The funds are highly liquid, have a AAA credit rating and a very low risk of reduction in value. Bank balances are all credit rated AA and A.

Bank overdrafts are used to fulfil short term liquidity needs and are repayable on demand. Individual bank accounts are permitted to be overdrawn subject to the aggregate balance across all accounts being at least zero.

13 SHARE CAPITAL

	2023 £m	2022 £m
Allotted, called up and fully paid		
66,430,000 (2022: 66,430,000) ordinary shares of £1 each	66.4	66.4

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

14 FINANCIAL INSTRUMENTS AT FAIR VALUE

Fair value hierarchy

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

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

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
2023				
Financial assets mandatorily at fair value through profit or loss				
Money Market OEIC investments	40.9	-	-	40.9
2022				
Financial assets mandatorily at fair value through profit or loss				
Money Market OEIC investments	55.7	-	-	55.7

Structured entities
The table below summarises the types of structured entities in which the Company holds an interest:

Type of structured entity	*Nature*	*Purpose*	*Interest held by the Company*
Investments in money market funds	Manage company funds through the investment in assets	Generate interest from managing assets	Investment in units issued by the fund

Investments in unconsolidated structured entities
The only interest in unconsolidated structured entities relates to cash and cash equivalents held in money market OEIC investments. This represents the ownership of collective investment vehicles that have a narrow and well defined objective. The maximum exposure to losses is equal to the carrying amount of assets held.

14 FINANCIAL INSTRUMENTS AT FAIR VALUE (continued)

Master netting or similar agreements

The Company offsets financial assets and liabilities in the statement of financial position when it has a legal enforceable right to do so and intends to settle on a net basis or simultaneously. The only such offsetting relates to the pooling of bank accounts and, in some circumstances a bank account may be overdrawn and therefore offset. There are no overdrawn bank accounts as at 31 December 2023 (2022: £nil).

15 DEFERRED TAX

Recognised deferred tax assets

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

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

	Tax losses £m	Closing deferred tax asset £m
Assets at 1 January 2022	2.9	2.9
Assets at 31 December 2022	2.9	2.9
Tax credited to profit and loss	11.5	11.5
Assets at 31 December 2023	14.4	14.4

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

The Company has recognised £46 million of Pre April 2017 UK tax losses in the period. These are supported by the profits over the business plan cycle.
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 shows a 20% reduction in Group future taxable profits will result in the deferred tax assets being recoverable over a longer period i.e. 3-5 years, rather than 3 years. We do not expect this to necessitate a write down in the deferred tax assets.

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

15 DEFERRED TAX (continued)

Unrecognised deferred tax assets

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

	31 December 2023		31 December 2022	
	Gross amount £m	Tax £m	Gross amount £m	Tax £m
Pre April 2017 UK tax losses	42.2	10.6	93.2	23.3
Total unrecognised deferred tax assets	42.2	10.6	93.2	23.3

The movement in the period primarily relates to first time recognition of Pre April 2017 UK tax losses as explained above. The remaining unrecognised assets will continue to be assessed as we progress through the business plan.

Unrecognised losses are available to carry forward with no expiry date, subject only to the continuation of the business.

16 OTHER PAYABLES

	2023 £m	2022 £m
Due to fellow group undertakings	0.1	8.2
Other	4.8	4.1
Other taxes and social security costs	0.4	0.3
	5.3	12.6

The Directors consider that the carrying amount of other payables approximates their fair value. All balances are current, unsecured and interest free.
Amounts due to group companies are unsecured, interest free and payable on demand. ‘Other’ principally contains amounts due to advisers.

The balance is recognised at amortised cost.

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

17 FINANCIAL AND CAPITAL COMMITMENTS

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

18 EVENTS AFTER THE REPORTING DATE

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

19 CONTINGENT LIABILITIES

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

20 ULTIMATE PARENT COMPANY

The Company is fully owned by its immediate parent, Quilter Holdings Limited, a company registered in England & Wales.

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

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