ANNUAL REPORT
AND
FINANCIAL STATEMENTS

31 December 2023

Quilter Investors Limited

Registered in England & Wales No. 04227837

CONTENTS

COMPANY INFORMATION

Executive Directors	S D Levin L H Williams
Non-executive Directors	S K Fromson T J Breedon
Secretary	Quilter CoSec Services Limited
Bankers	National Westminster Bank Plc 1 Princes Street London EC2R 8BP Barclays Bank Plc 1 Churchill Place Canary Wharf London E14 5RB Citibank Europe Plc 33 Canada Square Canary Wharf London E14 5LB
Independent Auditors	PricewaterhouseCoopers LLP Statutory Auditors and Chartered Accountants Savannah House 3 Ocean Way Southampton SO14 3TJ
Registered office	Senator House 85 Queen Victoria Street London EC4V 4AB Telephone: +44(0)20 7167 3500 Website: www.quilterinvestors.com Registered in England and Wales No. 04227837

STRATEGIC REPORT

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

Review of the business and principal activities

The principal activity of Quilter Investors Limited ("**Quilter Investors**" or the "**Company**"), is to provide multi-asset investment solutions, offering a broad range of solutions for its customers' accumulation and decumulation needs.

The Company is part of the Quilter plc group ("**Quilter**" or the "**Group**"). Quilter plc's ordinary shares are listed on the London and Johannesburg Stock Exchanges. Quilter plc provides the Group with strategic and governance oversight. The Company forms part of the Affluent segment. The Affluent segment is comprised of Quilter Investment Platform, Quilter Investors and Quilter Financial Planning.

The Company is an authorised investment fund manager ("**AIFM**") and authorised corporate director ("**ACD**") for a range of undertakings for the collective investment in transferable securities ("**UCITS**") and non-UCITS managed funds. The Company is committed to the objectives of the wider Group business and pursues these objectives through delivery of strong investment returns and innovative investment solutions within the UK. The Company's multi-asset investment portfolios are diversified across international markets and a wide range of asset classes and aim to provide full-service solutions for capital growth and income for retail customers, made available through Quilter distribution channels and direct retail investment platforms.

Quilter's 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 in the Group's investment solutions and increase the efficiency of doing so, delivering top line growth and operating leverage. Those priorities are underpinned by embodying a diverse and inclusive culture, where colleagues embrace Quilter's cultural values of being pioneering, dependable and stronger together which aids achieving Quilter's goals and benefits all stakeholders.

Quilter Investors strategy

Quilter Investors specialises in the creation and management of multi-asset investment portfolios with £22.3 billion of assets under management as at 31 December 2023 (2022: £21.0 billion). It is established as the manufacturer at the heart of the Quilter business, and its agreed purpose includes acting as the AIFM and ACD of unitized and sub-advised multi-asset funds, and the investment advisor on the multi-asset, in house funds. The Company offers a range of investment solutions aligning to customers ESG values and risk appetite, with the sub-advised funds acting as the building blocks to the Quilter Investment Platform's successful managed portfolio service, Wealth Select Managed, Responsible and Sustainable and this will continue to be offered in the future.

Quilter Investors forms part of Quilter's integrated proposition through the coming together of our advice, platform and investment businesses under the Affluent segment.

Key Performance Indicators ("KPIs")

The table below 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 14-16. Further details of APMs used by the Company are provided below.

STRATEGIC REPORT (continued)

Key Performance Indicators ("KPIs") (continued)

APM	Definition
Assets under management ("**AuM**")	Represents the total market value of all financial assets managed 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 net revenue.

Total assets under management increased during the year to £22.3 billion (2022: £21.0 billion) due to favourable market performance offset by net client cash outflows. Aggregate net client cash outflows for multi-asset funds were £0.4 billion (2022: net client cash outflows of £1.9 billion) driven by net outflows from Cirilium active partially offset by inflows into the Quilter Investors Global Partner sub-advised funds. Profit before tax for the year decreased to £51,665k in 2023 (2022: £70,124k) predominantly due to the reduction in the fee income associated with the reprice of the Cirilium fund range; the new AUM discount being applied to funds with assets higher than £0.75 billion; assets under management levels being, on average, lower in 2023, and revenue margin reduction associated with a change in product mix, offset by a reduction in expenses. Net assets for the year have decreased to £62,018k in 2023 (2022: £71,778) due to the reduction in management fee receivables and the dividend paid exceeding the profit after tax, noting that dividend payments are assessed against regulatory capital requirements.

Key performance indicators table	2023 £'000	2022 £'000
Management fee income	143,104	166,128
Administration expenses	(53,245)	(56,410)
Profit before tax for the year	51,665	70,124
Net assets	62,018	71,778
Cash and cash equivalents	79,004	90,057
Net client cash flow	(374,031)	(1,859,468)
Assets under management	22,299,829	20,975,637

Statement of going concern

The use of the going concern basis of accounting is considered appropriate, taking into account the Company's current financial position, future expected profitability, the principal risks facing the business and the effectiveness of the mitigating strategies which are or will be applied if required. 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 approving these financial statements. Further details of the assessment of going concern are included in note 2.

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 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, AuM 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.

Principal risks and uncertainties (continued)

Business Operation

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

Technology and Security

A stable, reliable and up-to-date technology environment underpins the delivery of our services to customers and advisers and ensures that the Company has technical resilience proportionate to its risk appetite. Disruption to the stability and availability of the Company's technology, 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 and Product 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 Commissioner's Office. The Company faces risks associated with compliance with these regulations, 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.

Business Concentration

Concentration of AUM in higher margin products from a dominant distribution channel presents a risk of disproportionate impact on operating profit should flows into higher margin products be adverse to plan.

Emerging risk radar

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.

Emerging risk radar (continued)

Cyber Threats
Malicious attempts by individuals or organisations to access, damage or disrupt networks. 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 shift
Aging population and intergenerational wealth transfer changes customer expectations. 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.

Advice Evolution
Changes in advice market could impact margin risk. Increased demand from younger generations for digital propositions and digital/hybrid advice presents opportunities and threats for the advice market. Adviser consolidation is likely to continue given consumer duty and the ageing demographic of financial advisers, provided the macroeconomic landscape is relatively stable.

Climate Change
To avoid a climate catastrophe, global emissions must reach net-zero by 2050. The speed of this transition to a greener economy impacts certain sectors and financial stability. For 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.

Further details of the risk management objectives and policies of the Company are disclosed in Note 3.

Section 172 (1) Statement
The Company is a wholly owned subsidiary of Quilter plc and therefore operates in line with the strategy, policies and practices that are set by the Quilter plc Board and are described in the Quilter plc Annual Report. The following statement should therefore be read in conjunction with the Quilter plc Annual Report 2023.

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

STRATEGIC REPORT (continued)

Section 172 (1) Statement (continued)

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.

The Board, and where appropriate, its Investment Oversight Committee ("**IOC**"), 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 our 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 meeting, and through in-person presentations.

The Board received the following regular reports during 2023:

- Chief Executive Officer's Report: provides the Chief Executive Officer's summary views of the significant matters impacting the Company's solutions.
- Chief Finance Officer's Report: updates the Board on the Company's financial performance against the Business Plan, prior year performance and other Key Performance Indicators.
- Chief Operating Officer's Report: this provides the Board with an update across Operations, covering Client Services and customer complaints.
- People and Culture Report: setting out people metrics such as staff engagement and turnover rates.
- Chief Risk Officer's Report: this report provides an update on the Second Line opinion on the material risks to which the Company is exposed.
- Customer Reports: these provide updates on customer outcomes, any changes to customer terms and conditions as well as monitoring of investment performance.
- Distribution Report: a regular performance update on gross and net client cash flows against the business plan, how the Company's products are performing and any relevant topics and influences impacting the market and sales.

Maintaining an open and transparent relationship with our regulators is a key priority and the Board 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 IOC 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 Board reviews the Company's conflicts of interest register at least annually to ensure that management are active in their assessment and mitigation of conflicts in order to protect the interests of Quilter's customers.

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.

The following are some examples of how the Directors have had regard to the matters set out in section 172 (1) when discharging their duties:

The Board has regularly reviewed analysis on how the Company has performed against the Group's core customer metrics and on areas that are critical in protecting customers' interests, including the robustness of the controls over client assets and action taken to address any issues impacting customers. All Board and Committee papers include, where appropriate, analysis of the impact on customers of business proposals.

Section 172 (1) Statement (continued)

The Board appointed Sarah Fromson, a Non-executive Director, as its Consumer Duty Champion. The Consumer Duty Champion supports the Chair and Chief Executive Officer to raise the Consumer Duty regularly at Board meetings and all other relevant discussions, in line with regulatory requirements. The Consumer Duty Champion seeks input from management, including the second and third line of defence, in order to inform the discussion at the Board on the effectiveness of how the Consumer Duty is embedded and operational at Quilter. The new duty aligns with a core part of Quilter's strategic rationale to deliver good outcomes for customers.

Another important area of focus for the Directors during the year was the annual Assessment of Value. Ahead of approving the Assessment of Value reports, which established that the Company's investment solutions had continued to provide value to customers, the IOC dedicated time to overseeing and challenging the assessment methodology within which the assessment was conducted, in order to ensure the integrity of the assessment and transparency of reporting to investors.

The Board dedicated time throughout the year to consider colleague engagement and wellbeing. Directors received regular updates from the Head of Human Resources, closely monitored the employee survey scores and turnover rates, and sought views and feedback from management to contextualise this data. The Board recognises the importance of attracting and retaining talented people in a highly competitive labour market, particularly in the context of the cost of living crisis. The Directors emphasised the need for management to uphold strong engagement with colleagues and take meaningful action in order to mitigate people risk.

FCA Consumer Duty

The new FCA Consumer Duty came into effect on 31 July 2023 and sets higher and clearer standards of consumer protection across the UK financial services industry and requires firms to put the needs of their customers first. Quilter is committed to treating customers fairly and remains focused on delivering good outcomes for customers to support them in meeting their lifetime goals.

Events after the Statement of Financial Position date

As stated in note 24 to the financial statements there are no material events to disclose.

On behalf of the board

L H Williams
Director
04 March 2024

DIRECTORS' REPORT

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

The review of the business and its future development is set out in the strategic report along with a review of the principal risks and uncertainties.

Events after the Statement of Financial Position date are disclosed in the strategic report.

Directors
The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Executive Directors:
S D Levin
L H Williams

Non-executive Directors:
R S Skelt (resigned 28 February 2023)
S K Fromson
T J Breedon

The Directors do not hold material shareholdings in Quilter plc.

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

Directors' emoluments
Details of Directors' emoluments are provided in note 9.

Dividends
The Company declared and paid an interim dividend of £50,000k for the year ended 31 December 2023 (2022: £62,000k). The Directors do not propose a final dividend.

Employees
The average number of persons (including Directors) employed by the Company during the year was 80 (2022: 97).

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

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

Business relationships statement
The Company forms part of the Quilter plc 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.

Business relationships statement (continued)

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, and the effect of that regard, including on the principal decisions taken by the Company during the financial year, has been set out in the report and accounts of the Quilter plc Annual Report for 2023, which does not form part of this report. There are no further considerations which would be relevant for the Company.

Energy and Carbon Reporting

The Group is committed to managing its environmental impact and discloses annually to CDP (formerly known as the Carbon Disclosure Project), a globally recognised initiative for companies to measure, manage, disclose and reduce their environmental impacts. A full explanation of how the Directors have had regard to the impact on the environment is contained within the Quilter plc Annual Report 2023. The Company is exempt from reporting company specific information in the 2023 Financial Statements, as it is a subsidiary of the Group. It will however publish its 'Task Force on Climate Related Financial Disclosure' ("**TCFD**") report and its 'TCFD Product' report, covering the multi asset and sub-advised funds, by 30 June 2024 with respect to the 2023 reporting period.

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 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.

Further details can be found online at: plc.quilter.com/responsible-business/reports-and-statements.

Investing Responsibly

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

Disclosure of information to auditors

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

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

Independent Auditors

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

On behalf of the board

L H Williams
Director
04 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.

Independent auditors' report to the members of Quilter Investors Limited

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

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

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

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

Strategic report and Directors' report

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors’ responsibilities for the audit of the financial statements

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the Financial Conduct Authority (FCA), 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 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:

- Discussions with the Board of Directors, management, internal audit, management involved in the risk and compliance functions and the Quilter group’s legal function, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing correspondence with the FCA and HMRC in relation to compliance with laws and regulations;
- Reviewing Board minutes as well as relevant meeting minutes, including those of the Board of Directors;
- Assessment of matters reported on the Quilter plc's whistleblowing register that relate to the company, including the quality and results of management’s investigation of such matters;
- Identifying and testing journal entries, in particular any 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 could lead to an inappropriate reduction in expenditure;
- Challenging assumptions made by management in accounting estimates and judgements;
- 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
4 March 2024

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2023

	Note	2023 £000's	2022 £000's
INCOME			
Fee income	4	143,104	166,128
Change in contract liabilities	5	24	76
Investment return	6	3,354	1,058
Other income	7	80	704
TOTAL INCOME		146,562	167,966
EXPENSES			
Commission and rebates paid to introducers	11	(41,652)	(41,432)
Administrative expenses	8	(53,245)	(56,410)
TOTAL EXPENSES		(94,897)	(97,842)
PROFIT BEFORE TAX		51,665	70,124
Tax charge on Profit	12	(12,224)	(13,411)
PROFIT FOR THE FINANCIAL YEAR		39,441	56,713
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		**39,441**	**56,713**

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

The notes on pages 17 to 41 are an integral part of these financial statements.

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

	Note	Share capital £000's	Capital contribution £000's	Capital contribution related to Share-based payment schemes £000's	Retained earnings £000's	Total equity-holder's funds £000's
Balance at 1 January 2022		12,600	1,500	2,380	59,288	75,768
Profit and total comprehensive income		-	-	-	56,713	56,713
Deferred tax charge to equity	13	-	-	(77)	-	(77)
Current tax charge to equity		-	-	-	3	3
Share-based payments		-	-	(100)	1,471	1,371
Dividends paid		-	-	-	(62,000)	(62,000)
Balance at 31 December 2022 and 1 January 2023		12,600	1,500	2,203	55,475	71,778
Profit and total comprehensive income		-	-	-	39,441	39,441
Deferred tax credit to equity	13	-	-	28	-	28
Share-based payments		-	-	(222)	993	771
Dividends paid		-	-	-	(50,000)	(50,000)
Balance at 31 December 2023		12,600	1,500	2,009	45,909	62,018

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

The notes on pages 17 to 41 are an integral part of these financial statements.

Dividend per share was £3.97 in 2023 (2022: £4.92).

STATEMENT OF FINANCIAL POSITION
at 31 December 2023

	Note	2023 £000's	2022 £000's
ASSETS			
Deferred tax assets	13	854	825
Investments in collective investment schemes	14	2	2
Trade and other receivables	15	121,761	80,941
Cash and cash equivalents	16	79,004	90,057
Total assets		201,621	171,825
EQUITY AND LIABILITIES			
EQUITY			
Share capital	17	12,600	12,600
Capital contribution related to share-based payment schemes		2,009	2,203
Capital contribution		1,500	1,500
Retained earnings		45,909	55,475
Total equity attributable to equity holders		62,018	71,778
LIABILITIES			
Contract liabilities	5	-	24
Current tax liabilities		25,645	29,247
Trade and other payables	18	113,958	70,776
Total liabilities		139,603	100,047
Total equity and liabilities		201,621	171,825

The notes on pages 17 to 41 are an integral part of these financial statements.

The financial statements on pages 14 to 41 were approved at a meeting of the Board of Directors on 04 March 2024 and signed on its behalf by:

L H Williams
Director

Company registered number: 04227837

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

1 GENERAL INFORMATION

Quilter Investors Limited ("**the Company**") is a private company limited by shares, incorporated in England and Wales and domiciled in the United Kingdom (**"UK"**). The address of its registered office is disclosed in the Company information section on page 1. The principal activities of the Company are disclosed in the strategic report on page 2.

The Company's business activities and financial risk management objectives, together with the factors likely to affect its future development, performance and position are set out in the strategic report on pages 2 to 7, Directors' report on pages 8 to 9 and note 3.

2 MATERIAL ACCOUNTING POLICIES

Basis of preparation
The financial statements of Quilter Investors Limited 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. The financial statements have been prepared under the historical cost convention, as modified by the financial assets measured at fair value through profit and loss.

These financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial instruments, which are recognised at fair value, and are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates and are rounded to the nearest thousand 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 18.

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, impairments, related party transactions, share-based payments, share capital and comparative information for certain types of assets. The Company has also taken advantage of the exemption from the requirement to disclose information when the Company has not applied a new accounting standard that has been issued but is not yet effective. Where required equivalent disclosures are included in the consolidated financial statements of Quilter plc.

Accounting policies have been applied consistently year on year, other than where new standards have been adopted.

New standards, amendments to standards, and interpretations adopted by the Company
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 were no other new standards or interpretations which became effective from 1 January 2023, nor any amendments to accounting standards that are effective for the year ended 31 December 2023, that have a material impact on the Company's financial statements.

Going concern
The Directors 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.

2 MATERIAL ACCOUNTING POLICIES (continued)

Going concern (continued)
A wider assessment was carried out at a 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 Group also took into consideration the 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.

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

Critical accounting judgements
Critical accounting judgements are those that management makes when applying its significant accounting policies and that have the most effect on the net profit and net assets recognised in the Company's financial statements. There are no critical accounting judgements for the Company for the current year or prior year.

Critical accounting estimates
The Company's critical accounting estimates are those that involve the most complex or subjective assessments and assumptions, which have a significant risk of resulting in material adjustment to the net carrying amounts of assets and liabilities within the next financial year. Management uses its knowledge of current facts and circumstances and applies estimation and assumption setting techniques that are aligned with relevant accounting standards and guidance to make predictions about future actions and events. For the current year and prior year, there were no critical estimates applied.

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

Financial instruments
Financial instruments cover a wide range of financial assets, including financial investments, trade receivables and cash and cash equivalents and certain financial liabilities, including trade 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.

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

2 MATERIAL ACCOUNTING POLICIES (continued)

Measurement (continued)

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

Fair value measurement

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

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

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

Classifying financial instruments into the three levels outlined above provides an indication about the reliability of inputs used in determining fair value. More information is provided in note 19.

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.

Financial investments

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)

Financial investments (continued)
The Company's interests in pooled investment funds are mandatorily at FVTPL, as they are part of the Company's financial assets which are managed and whose performance is evaluated on a fair value basis. These investments are recognised at fair value initially and subsequently, with changes in fair value recognised in investment return in the profit and loss.

The fair value of quoted financial investments is based on the bid value (within the bid-ask spread) which the Company considers to be the most representative of fair value.
The Company recognises purchases and sales of financial investments on trade date, which is the date that the Company commits to purchase or sell the assets. The costs associated with investment transactions are included within expenses in the profit and loss.

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. The value of the cash equivalent is subject to an insignificant risk of changes in value.

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

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

Trade and other payables and Trade and other receivables
All Trade and other payables and current Trade and other receivables are short-term, non-interest bearing and are stated at their amortised cost which is not materially different to cost and fair value due to their short-term nature. Non-current Trade and other receivables are also non-interest bearing and are stated at their amortised cost.

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 trade 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**").

2 MATERIAL ACCOUNTING POLICIES (continued)

Performing financial assets (continued)

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

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

Impaired financial assets:

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

Application of the impairment model
The Company applies the ECL model to two main types of assets that are measured at amortised cost:

- Trade and other receivables, to which the simplified approach prescribed by IFRS 9 is applied. This approach requires the recognition of a Lifetime ECL allowance on day one and thereafter.
- Inter-company receivables and cash and cash equivalents at amortised cost, to which the general three stage model (described above) is applied, whereby a 12 month ECL is recognised initially and the balance is monitored for significant increases in credit risk which triggers the recognition of a Lifetime ECL allowance.

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

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

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

An ECL credit loss of £33k has been recognised in the current year (2022: £nil).

2 MATERIAL ACCOUNTING POLICIES (continued)

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.

Provisions and contingent liabilities
Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more probable than not that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the reporting date. Where the effect of the time value of money is material, provisions are discounted and represent the present value of the expected expenditure. Provisions are not recognised for future operating costs or losses.

Accounting for client transactions
Bank and debtor/creditor balances reflect transfers made between Company and client bank accounts on the day following the reporting date. This reflects the daily update of client accounts which is required to be made within one business day under the UK Financial Conduct Authority ("**FCA**") rules, and gives a clearer presentation of Company bank balances and debtors/creditors represented by client balances as a result of transactions made on the last business day.

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

Fee income
Fees charged for managing investment contracts are calculated and recognised on a daily basis as revenue in line with the provision of the investment management services.

Fund of fund rebates paid to Quilter Investor funds are recognised in the profit and loss on an accrual basis within fee income, as they are deemed to be a reduction to income.

Contract liabilities/deferred fee income
Front-end fee income, comprising fees received at inception or receivable over an initial period for services not yet provided, is deferred through the creation of a contract liability on the statement of financial position and released to income as the services are provided. The contract liability principally comprises fee income already received in cash.

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

2 MATERIAL ACCOUNTING POLICIES (continued)

Investment return (continued)
unrealised gains and losses on investment arising in the year are included in the profit and loss. Interest from investments in financial instruments is included within investment return.

Other income
Other income represents management fees from Quilter Investors Portfolio Management Limited, a fellow subsidiary of Quilter plc, for the provision of management and administrative services provided. Management fees are charged at a mark-up. Management fee income is recognised in the same period the expenditure is incurred.

For 2022, other income includes expenses initially paid by the Company which are reimbursed by an external company, at cost as no service was provided.

Rebates paid
Rebates paid to introducers or group undertakings are based on agreed rates and vary according to the carrying value of the investments held in the funds and are recognised in the profit and loss on an accrual basis.

Other costs
All expenses are recognised in profit and loss as a cost on an accrual basis.

Tax on profit

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

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

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

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

2 MATERIAL ACCOUNTING POLICIES (continued)

Write-offs
Prefunding payments made to the funds are written off when there is no realistic prospect of the amount being recovered. This is generally the case when the Company concludes that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Defined contribution pension obligation
The Company operates defined contribution scheme, where the Company makes contributions to member's pension plans but has no further obligations once the contributions have been paid. Under a defined contribution plan, the Company's legal or constructive obligation is limited to the amount it agrees to contribute to a pension fund and there is no obligation to pay further contributions if the fund does not hold sufficient assets to pay benefits. Contributions in respect of defined contribution schemes for current service are expensed in the income statement as staff costs and other employee-related costs when incurred.

Employee share-based payments
The Group operates a number of share incentive plans for its employees. These involve an award of shares or options in the Company (equity-settled share-based payments). The Company has not granted awards under cash-settled plans in the current or prior year.

The Company's incentive plans have conditions attached before the employee becomes entitled to the award. These can be performance and/or service conditions (vesting conditions) or conditions that are often wholly within the control of the employee, for example where the employee has to provide funding during the vesting period, which is then used to exercise share options (non-vesting condition).

Performance conditions may be market-based or non-market based. Market performance conditions are those related to an entity's equity, such as achieving a specified share price or target based on a comparison of the entity's share price with an index of share prices. Non-market performance conditions are those related to an entity's profit or revenue targets, an example of which would be Earnings per Share ("**EPS**"). Market-based performance conditions and non-vesting conditions are taken into account when estimating the fair value of the share or option awards at the measurement date. The fair value of the share awards or options is not adjusted to take into account non-market performance features. These are taken into consideration by adjusting the number of equity instruments in the share-based payment measurement and this adjustment is made each period until the equity instruments vest.

The fair value of share-based payment awards granted is recognised as an expense in profit and loss over the vesting period which accords with the period for which related services are provided by the employee. A corresponding increase in equity is recognised for equity-settled plans.

For equity-settled plans, the fair value is determined at grant date and not subsequently re-measured.

At each period end the Company reassesses the number of equity instruments expected to vest and recognises any difference between the revised and original estimate in the profit and loss with a corresponding adjustment to the share-based payment capital contribution reserve in equity.

At the time the equity instruments vest, the amount recognised in the share-based payment capital contribution reserve in respect of those equity instruments is transferred to retained earnings.

2 MATERIAL ACCOUNTING POLICIES (continued)

Assessment of fund investments as structured entities
IFRS 12 defines a structured entity as 'an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to the administrative tasks only and the relevant activities are directed by means of contractual arrangements'.

The Company has assessed whether the funds it manages are structured entities. The Company has considered the voting rights and other similar rights afforded to other parties in these funds (investors and independent boards or Directors), including the rights to remove the Company as fund manager, liquidate the funds, or redeem holdings in the funds (if such rights are equivalent to liquidating the funds) and has concluded as to whether these rights are the dominant factor in deciding who controls the funds.

The Company has determined that its managed funds are structured entities and that it has an interest in these funds.

3 RISK MANAGEMENT FRAMEWORK AND RISK EXPOSURES

Risk management framework
Quilter's Risk Management 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 Company is supervised under the Investment Firms Prudential Regime ("**IFPR**"). To meet this regime, the Company operates a consistent approach to risk management across the Group. As such, we have integrated the Internal Capital Adequacy and Risk Assessment ("**ICARA**") process into the risk management framework. Analysis is undertaken into the capital and liquidity required to protect the sustainability of the Group and the Company, and how those requirements might develop over the planning period.

The FCA provides prudential supervision of the Company. The Company complies with the Investment Firms Prudential Regime. In accordance with IFPR, the Internal Capital Adequacy and Risk Assessment process is performed to assess the level of capital and liquidity which should be retained by the Company to mitigate the risks of harm to customers, the firm and the market.

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

Policies supporting the system of internal control
The Group Governance Manual ("**GGM**") and policies form an integral part of our governance and risk management framework, ensuring an appropriate system of internal control. Together they form the basis of clear delegated authorities and accountabilities; ensuring there is appropriate Board oversight and control of important decisions; and efficient and effective management of day to day business. The GGM and policies are approved and adopted by the Quilter plc Board.

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

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

3 RISK MANAGEMENT FRAMEWORK AND RISK EXPOSURES (continued)

Operational risk (continued)
The Company's executive management have responsibility for implementing the Group risk management methodologies and framework and for the development and implementation of action plans to manage risk levels within acceptable tolerances and to resolve issues.

The Company accepts a level of operational risk as an integral and unavoidable part of our business where it arises out of the activities we undertake in order to provide services to our customers and generate profits for our shareholders.

The primary objectives of operational risk management within the Group are to ensure there is:

- A robust risk culture so that employees are able to identify, assess, manage and report against the key risks the business is faced with and/or may face as it looks to the horizon and implements the Group business strategy;
- An appropriate balance between minimising risk and the cost of control;
- A defined risk appetite within which risks are managed; and
- A swift and effective response to events in order to minimise impact.

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

The Company's principal assets are cash and cash equivalents, investment management fees due from the funds it manages, and unsettled trade debtors, including amounts due from Group undertakings, in connection with dealings into and out of its managed funds.

Cash is held across a diversified set of counterparties, primarily banks and money market funds, with high credit ratings assigned by international credit rating agencies. Management fees due from managed funds are settled monthly and underpinned by assets held within those funds. Unsettled trade debtors are settled on standard settlement terms (typically T+4), and outstanding trades are fully collateralised by the underlying assets held within the fund.

The majority of loans and receivable balances are all short-term in nature. The principal amounts receivable on these balances are materially the same as fair value and as such credit risk has not had a significant impact on the valuation of the balances.

Details on the Company's exposure to credit risk from cash and cash equivalents is included in note 16 Cash and Cash equivalents.

3 RISK MANAGEMENT FRAMEWORK AND RISK EXPOSURES (continued)

Market risk
Market risk is defined as 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 from fluctuations in equity prices, interest rates and foreign exchange rates, where assets and liabilities are not precisely matched.

The Group has established a market risk policy which sets out the minimum requirements for the management of market risk.

Market risk arises from movement in the following variables:

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

The Company is exposed to interest rate risk. Interest rate risk arises primarily from cash balances and financial instruments held which are exposed to fluctuations in interest rates.

The effective interest rate applicable is as follows:

	2023 Variable	2022 Variable
Assets		
Deposits with credit institutions	5.00%	1.33%
Deposits with banks	2.49%	0.01%

The prior year only reported the deposits with credit institutions, but due to materiality the deposits with banks has now been included.

Equity risk
The Company does not invest shareholder assets in equities, or related collective investments, except for small seed capital positions which are subject to internal limits.

Foreign exchange rate risk
The Company has no material exposure to foreign exchange risk. The Company holds some foreign currency balances; these amounted to a debit balance of £1,697k (2022: £1,746k) in US dollars, and a debit balance of £524k (2022: £882k) in Euros.

Liquidity risk
The Company is exposed to the risk that assets cannot be liquidated in a short time period. This risk is managed through maintaining shareholder cash balances in instantly accessible bank accounts and in money market funds which maintain daily and weekly liquidity levels in line with regulatory requirements. Liquidity risk is measured through the Liquidity Risk Assessment, which is used to determine the level of liquidity required for ongoing operations to cover liquidity exposures which arise during the normal course of business and also potential liquidity stresses.

The Company has access to an undrawn loan facility with Quilter Holdings Limited which can be drawn down upon should cash levels fall below the Liquidity Early Warning Threshold as monitored under the Company's financial risk appetite framework.

3 RISK MANAGEMENT FRAMEWORK AND RISK EXPOSURES (continued)

Liquidity risk (continued)
Financial liabilities of the Company consist of trade and other payables of £113,958k (2022: £70,776k) which are expected to mature within three months. Financial assets of the Company include trade and other receivables of £121,102k (2022: £80,062k), the majority of which are all expected to mature within three months, £659k are non-current (2022: £879k).

Capital risk
Capital risk is the risk of insufficient capital to meet regulatory and stakeholder requirements resulting in the potential to place constraints on the business plan/strategy, inability to absorb losses, damage to reputation and or regulatory fines and / or censure. The Group's Capital Management policy sets out the key considerations and restrictions regarding the amounts of capital that is retained.

Capital is managed by ensuring that the Company has sufficient capital resources to meet its liabilities to its customers, except in the event of extreme adverse circumstances with an acceptably small likelihood of occurrence. The Company also retains sufficient capital resources to meet regulatory capital requirements and to maintain working capital to provide for fluctuations in experience.

The Company regards the regulatory statutory capital resources of £42,622k (unaudited) (2022: £43,531k unaudited) as capital. The regulatory capital requirements have been met throughout the year. The ICARA process is used to assess the level of capital which should be retained by the Company. The ICARA process considers all the risks faced by the Company and the degree to which risks have similar or related causes and so could occur together.

Expenses
Expense risk is the risk that actual expenses exceed the expectation when preparing the business plan. This may result in emerging profit falling below the Company's profit objectives.

Expense levels are monitored monthly against budgets and forecasts. An activity-based costing process is used to allocate costs relating to processes and activities to individual products.

Sensitivity tests
Sensitivity analysis has been performed by applying the following parameters to the statement of financial position and statement of comprehensive income as at 31 December 2023 and 31 December 2022. The same methods and assumptions have applied to both 2023 and 2022 comparatives.

Interest rate risk
The Company is exposed to interest rate risk. Interest rate risk arises primarily from bank balances held which are exposed to fluctuations in interest rates. The Company's maximum exposure to loss caused by interest rate changes is limited to the interest revenue it earns on deposits with banks and credit institutions, which was £3,456k in 2023 (2022: £870k).

A decrease in interest rate by 1% from the start of the year would have decreased profit by £593k after tax (2022: £470k). An equal change in the opposite direction would have increased profit by £604k after tax (2022: £729k). A 1% movement is assessed as being reasonably possible.

3 RISK MANAGEMENT FRAMEWORK AND RISK EXPOSURES (continued)

Sensitivity tests (continued)

Market risk

A 10% movement in assets under management would impact the annual fee income, and rebates payable to third parties. The sensitivity is applied as an instantaneous shock to equity and property prices at the start of the year (e.g. if the current assets under management is £10.0 billion, the test allows for the effect of an immediate change in assets under management to £9.0 billion and to £11.0 billion).

A decrease in value of assets under management by 10% from the start of the year would have decreased profit by £7,740k after tax (2022: £8,553k). An equal change in the opposite direction would have increased profit by £7,740k after tax (2022: £8,553k).

Expenses risk

The increase in expenses is assumed to apply to the costs associated with the maintenance and acquisition of contracts. 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 decreased profit by £1,819k after tax (2022: £2,192k).

4 FEE INCOME

Income is derived from continuing operations in the United Kingdom and Ireland.

	2023 £000's	2022 £000's
Investment management income	143,104	166,128
	143,104	166,128

5 CHANGE IN CONTRACT LIABILITIES

	2023 £000's	2022 £000's
Opening balance	24	100
Amortisation of contract liabilities	(24)	(76)
Change in contract liabilities	(24)	(76)
Closing balance	-	24

The entity expected to recognise the prior year closing balance as revenue over the following years as below, but the full balance was amortised in 2023.

	2023 £000's	2022 £000's
Within one year	-	15
One to five years	-	9
Closing balance	-	24

6 INVESTMENT RETURN

	2023 £000's	2022 £000's
Interest receivable from cash deposits	3,456	870
Total (Loss)/Profit on financial instruments at fair value through the profit and loss	(2)	10
Foreign exchange	(100)	178
Total investment return	3,354	1,058

Investment return classified as held at fair value through the profit and loss relates to net gains/losses on units held in the managed funds.

7 OTHER INCOME

	2023 £000's	2022 £000's
Other income from Group undertakings	80	635
Other income	-	69
Total other income	80	704

Other income relates to inter-company income from Quilter Investors Portfolio Management Limited in respect of services provided and for 2022, other income includes expenses initially paid by the Company which are reimbursed by an external company, at cost as no service was provided.

8 ADMINISTRATIVE EXPENSES

	2023 £000's	2022 £000's
Fund administration costs	13,043	14,093
Management fees paid to fellow Group undertakings	16,371	15,217
Other expenses	23,831	27,100
	53,245	56,410

In 2023 and 2022 the Company had direct employees whose costs are included in other expenses, the details of which are disclosed in Note 10.

Auditor's remuneration

	2023 £000's	2022 £000's
Fees payable to the Company's auditor for the audit of the Company's annual accounts	133	127
Fees payable to the funds' auditor for the audit of the funds' annual accounts	858	780
Fees payable to the Company's auditor for non-audit services	122	113
Fees payable to the funds' auditor for non-audit services	16	20

Fees payable to the funds' auditor for the audit of the funds' annual accounts consist of fund audit fees paid. Company non-audit services consist of profit verification (prior year only) and CASS audit work. Non-audit services in relation to the funds consist of solvency statement and termination statement work. Fees relate to PricewaterhouseCoopers LLP.

Fees payable to the Company's auditor for the audit of the Company's annual accounts and non-audit services are paid by another entity within the Quilter Group and are recharged to the Company.

9 DIRECTORS' REMUNERATION

	2023 £000's	2022 £000's
Aggregate Directors' emoluments		
Remuneration by trading Company	346	898
Pension by trading Company	9	18
Loss of office	-	256
Total share based payments	67	352
Emoluments of the highest paid Director		
Aggregate emoluments excluding pension contributions	136	187
Pension contributions	9	2
Loss of office	-	256
Share based payments	40	134

2 Directors had money paid to money purchase schemes during the year (2022: 3).

No Directors received or were due to receive shares or share options under a long-term incentive scheme (2022: 3).

2 Directors exercised options during the year (2022: 3).

The highest paid Director exercised share options during the current year and the prior year. The highest paid Director had money paid to money purchase schemes in the current year and the prior year. The highest paid Director was not eligible to receive shares or share options in the current year and but was eligible to receive shares or share options in the prior year.

During the year there was no compensation for loss of office paid to Directors (2022: £256k); this includes the estimated money value of the following benefits: payment in lieu of notice, loss of participation in the Save As You Earn scheme, pay-out of contractual long term incentive, pension contributions, bonus and statutory redundancy.

Of the Directors' emoluments shown above, £263k (2022: £746k) is included in management fees payable to Group undertakings shown in note 8.

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

10 EMPLOYEE BENEFITS

	2023 £000's	2022 £000's
Wages and salaries	11,708	12,543
Share-based payments	770	1,370
Social security costs	1,612	1,681
Pension costs	760	896
Total employee benefits	14,850	16,490

The pension costs shown above are the Company's contributions into defined contribution pension plans.

	2023 Number	2022 Number
The monthly average number of employees was as follows		
Dealing and investments	28	16
Administration and support	52	81
	80	97

11 COMMISSION AND REBATES PAID TO INTRODUCERS

	2023 £000's	2022 £000's
Rebates paid to Group undertakings	911	1,209
Rebates paid to external introducers	15,020	17,242
Investment adviser fees paid to Group undertakings	985	906
Investment adviser fees	24,736	22,075
	41,652	41,432

12 TAX ON PROFIT

Tax charged to profit	2023 £000's	2022 £000's
Current Tax		
United Kingdom	12,224	13,386
Adjustments to current tax in respect of prior years	1	1
Total current tax charge	12,225	13,387
Deferred tax		
Origination and reversal of temporary differences	23	114
Effect on deferred tax of changes in tax rates	(23)	(94)
Adjustment to deferred tax in respect of prior periods	(1)	4
Total deferred tax (credit)/charge	(1)	24
Total tax charged to profit and loss	12,224	13,411

Reconciliation of total income tax expense
The income tax charged to profit differs from the amount that would apply if all of the Entity's profits had been taxed at the UK standard corporation tax rate. The difference in the effective rate is explained below:

	2023 £000's	2022 £000's
Profit before tax	51,665	70,124
Corporation tax charge at 23.5% (2022: 19%)	12,141	13,324
Effect of:		
Expenses not deductible for tax purposes	106	176
Adjustments to current tax in respect of prior years	1	1
Effect on deferred tax for changes in tax rates	(23)	(94)
Adjustments to deferred tax in respect of prior years	(1)	4
Total tax charged to profit and loss	12,224	13,411

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

Pillar II Taxes
On 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 Group 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.

12 TAX ON PROFIT (continued)

Pillar II Taxes (continued)

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 UK impact based on current guidance and historical data and although it may expect the UK ETR to be close to 15% in the near term, there are scenarios where the rate may fall below the minimum rate. The Company is therefore currently unable to estimate with any reasonable level of certainty any future charge.

13 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 years.

	Accelerated Depreciation	Share based payments	Other temporary differences	Closing deferred tax asset/ (liability)
	£000's	£000's	£000's	£000's
Assets at 1 January 2022	37	524	365	926
Tax (charged)/credited to profit	(5)	(69)	50	(24)
Tax (charged) to equity	-	(77)	-	(77)
Assets at 31 December 2022	32	378	415	825
Tax (charged)/credited to profit	(6)	(36)	43	1
Tax credited to equity	-	28	-	28
Assets at 31 December 2023	26	370	458	854

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

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

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

14 INVESTMENTS IN COLLECTIVE INVESTMENT SCHEMES

	2023 £000's	2022 £000's
Financial assets mandatorily at fair value through profit or loss		
Investments in collective investment schemes	2	2

Investments in collective investment schemes are classified as financial investments mandatorily at fair value through profit or loss and are recoverable within 12 months.

15 TRADE AND OTHER RECEIVABLES

	2023 £000's	2022 £000's
Due from Group undertakings	49,925	35,441
Trade debtors	58,097	29,566
Investment management fees receivable	11,899	13,303
Other receivables	1,840	2,631
	121,761	80,941
Current	121,102	80,062
Non-current	659	879
	121,761	80,941

All amounts due from Group undertakings are short-term and interest-free with the carrying amount approximating to fair value and are subject to the 12-month ECL model. There have been no non-performing receivables. The £33k ECL impairment in 2023 of aged balances related to prefunding withholding tax for closed funds (2022: £nil). None of the receivables reflected above have been subject to the renegotiation of terms. Other receivables are short term and interest free and are carrying at amounts that approximate their fair value. All trade and other receivables are deemed to be financial assets at amortised cost except £1,206k (2022: £1,436k) of prepayments deemed to be non-financial assets. The current and non-current information is shown in the table above.

16 CASH AND CASH EQUIVALENTS

	2023 £000's	2022 £000's
Financial assets at amortised cost		
Cash held at bank	26,304	32,057
Financial assets designated at fair value through the profit or loss		
Cash held in money market funds	52,700	58,000
Total cash and cash equivalents	79,004	90,057

The cash and cash equivalents comprised of balances held in current bank accounts and sterling liquidity funds.

Cash held at bank is held with A rated counterparties and is subject to the 12-month ECL model. Cash held in money market funds are held with AAA rated counterparties.

17 SHARE CAPITAL

	2023 £000's	2022 £000's
Allotted, called up and fully paid		
12,600,000 ordinary shares of £1 each (2022: 12,600,000 of £1 each)	12,600	12,600

There were no issuances during the current or prior year. The shares have full voting rights attached. There is no limit on the number of authorised shares.

18 TRADE AND OTHER PAYABLES

	2023 £000's	2022 £000's
Due to Group undertakings	20,448	12,405
Trade creditors	85,943	48,757
Accrued expenses	4,666	4,999
Other creditors	2,901	4,615
	113,958	70,776

Trade creditors principally comprise amounts due to clients and investment settlements outstanding. The Directors consider that the carrying amount of trade and other payables approximates to their fair value. All trade and other payables are short-term and interest-free. Amounts due to Group undertakings are unsecured, interest-free and current.

£5,262k of the total is classified as a non-financial liability (2022: £5,246k restated from amortised cost). The remaining balance is recognised at amortised cost.

19 FINANCIAL INSTRUMENTS

Fair value hierarchy

The table below analyses financial instruments into a hierarchy based in 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).

As at 31 December 2023	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
Investments in collective investment schemes	2	-	-	2
Investments in money market funds	52,700	-	-	52,700
	52,702	-	-	52,702

As at 31 December 2022	Level 1 £000's	Level 2 £000's	Level 3 £000's	Total £000's
Investments in collective investment schemes	2	-	-	2
Investments in money market funds	58,000	-	-	58,000
	58,002	-	-	58,002

Level 1 to 2 transfers

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

Master netting or similar agreements

The Company may from time to time offset 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 at a simultaneous time. The Company did not offset any financial assets or liabilities under any master netting or similar agreement during the 2023 or 2022 financial year.

Unconsolidated structured entities

The Company manages several investment funds, which are unconsolidated structured entities. This note provides additional information on these funds. The Company holds interests in these funds through the receipt of management and other fees and an equity holding in certain of these funds. The investment funds are open-ended investment companies and professional investment funds, and are beneficially owned by third party investors.

The Company has interest in unconsolidated structured entities relating 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.

20 CAPITAL CONTRIBUTION RELATED TO SHARE-BASED PAYMENT SCHEMES

During the year ended 31 December 2023, the Company participated in a number of share-based payment arrangements. This note describes the nature of the plans and how the share options and awards are valued.

20 (a) Description of share-based payment arrangements

The Company operates the following share-based payment schemes with awards over Quilter plc shares:

	Description of award					Vesting conditions		
Scheme	Restricted shares	Conditional shares	Options	Other	Dividend entitlement[1]	Contractual life (years)	Typical service (years)	Performance (measure)
Quilter plc Performance Share Plan	-	-	☑	-	☑	Up to 10	3	AP EPS CAGR[2] and Relative Total Shareholder Return
Quilter plc Performance Share Plan	-	☑	-	-	☑	Not less than 3	3	Conduct, Risk & Compliance Underpins
Quilter plc Share Reward Plan	-	☑	-	-	☑	Typically, 3	3	-
Quilter plc Share Incentive Plan	☑	-	-	-	☑	Not less than 3	2	-
Quilter plc Sharesave Plan[3]	-	-	☑	☑	-	$3^{1/2}$ - $5^{1/2}$	3 & 5	-

[1]Participants are entitled to actual dividends for the Share Incentive Plan. For all other schemes participants are entitled to dividend equivalents.
[2]Adjusted Profit compound annual growth rate ("CAGR").
[3]The Quilter plc Sharesave Plan is linked to a savings plan.

20 (b): Options and awards

Dividend equivalent shares are included in the number of outstanding options for the first time in 2023, previously these shares were not included. Comparatives have been updated.

No options were exercised in 2023 (2022: 92,445). 944,902 options outstanding at 31 December 2023 (restated 2022: 390,163) have an exercise price of £nil for the Quilter plc Performance Share Plan, and between £0.69 and £1.17 for the Quilter plc Sharesave Plan, with a weighted average remaining contractual life of 2.7 years. At 31 December 2022, the exercise price was £nil for the Quilter plc Performance Share Plan, and between £1.17 and £1.31 for the Quilter plc Sharesave Plan, with a restated weighted average remaining contractual life of 2.6 years.

At 31 December 2023 1,851,882 (2022: 1,684,733) conditional share awards were outstanding.

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21 FINANCIAL AND CAPITAL COMMITMENTS

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

22 CONTINGENT LIABILITIES

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

23 ULTIMATE PARENT COMPANY

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

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

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

24 EVENTS AFTER THE REPORTING DATE

There were no events subsequent to the year-end which require disclosure in, or amendment to, the financial statements.