Registered in England and Wales No. 02019022

Quilter Perimeter (GGP) Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 December 2023

Quilter Perimeter (GGP) Limited

CONTENTS

COMPANY INFORMATION

DIRECTORS

D J L Eardley
K S Lee-Crossett
M O Satchel

COMPANY SECRETARY

Quilter CoSec Services Limited

BANKER

National Westminster Bank Plc
68 Above Bar Street
Southampton
SO14 7DS

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants
Savannah House
3 Ocean Way
Southampton
Hampshire
SO14 3TJ

REGISTERED OFFICE

Senator House
85 Queen Victoria Street
London
EC4V 4AB

Telephone: 0808 171 2626
Website: www.quilter.com

Registered in England and Wales
No. 02019022

STRATEGIC REPORT

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

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

Quilter Perimeter (GGP) Limited (the "Company") forms part of the Quilter plc Group (hereafter "Quilter" or the "Group"). Quilter plc's ordinary shares are listed on the London and Johannesburg Stock Exchanges. Quilter plc acts as the parent company and provides the Company with strategic and governance oversight. The Company forms part of the Head Office function of the Group.

The principal activity of the Company is that of a financing company and the administration of the healthcare obligations provided to the retirees of the Gerrard & National business which was sold by the Company in 2002. No significant change in the nature of its activities has occurred during the year and the Directors believe that the activities of the Company will remain unchanged for the foreseeable future.

The results of the Company for the year are set out in the statement of comprehensive income on page 10.

QUILTER PLC STRATEGY

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

KEY PERFORMANCE INDICATORS ("KPIs")

The table below shows the KPIs that the Company uses to manage its business performance. The Company's primary KPIs are net assets and cash and cash equivalents. Net assets have increased in the year as a consequence of profits exceeding dividend distributions.

	2023 £000	2022 £000
Net assets	570,044	566,640
Cash and cash equivalents	12,168	11,905

DIVIDEND DISTRIBUTIONS

During the year the Company's Board approved dividend payments of £12,164,000 (2022: £6,293,000), in aggregate, to its immediate parent and majority equity holder Quilter Perimeter Holdings Limited, and to its minority equity holder Quilter Perimeter Limited.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties of the Company arise from the ability of its immediate parent undertaking to repay its outstanding loan. In addition, risks and uncertainties affecting the Company also arise from the orderly administration of the outstanding obligations in respect of the healthcare scheme covering retirees of former Group companies.

The Company has adopted the Risk Management framework of the Group which supports the evaluation and management of business opportunities, uncertainties and threats in a structured and disciplined manner (further information is detailed in the Quilter plc Annual Report 2023). The key risks to the Company are described below.

Credit risk

The Company is exposed to the risk of counterparty default by banks or financial institutions in respect of cash deposits in bank accounts. The Company manages counterparty exposures in line with counterparty limits which are set in order to limit the risk of default and concentrations to individual counterparties and by monitoring credit risk exposures using key risk indicators. The Company additionally makes loans to other entities in the Group which are monitored to ensure the credit and counterparty risk is appropriately managed. The Company's maximum exposure to credit risk does not differ from the carrying value disclosed in the relevant notes to the financial statements.

Liquidity risk

The Company maintains cash balances and is exposed to the risk that assets cannot be liquidated in a short time period. This risk is managed through maintaining cash balances in instantly accessible bank accounts which maintain daily and weekly liquidity levels in line with regulatory requirements.

STRATEGIC REPORT (continued)

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

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

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

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

On behalf of the Board

M O Satchel
Director
13 June 2024

DIRECTORS' REPORT

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

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

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

D J L Eardley
K S Lee-Crossett
M O Satchel

All Directors are employed by and receive their emoluments from fellow Group undertakings. The Directors holding office during the year ended 31 December 2023 consider that their services to the Company are incidental to their other duties within the Group and accordingly no remuneration has been apportioned to this Company.

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

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

DIVIDENDS
During the year, dividends totalling £12,164,000 were declared and paid (2022: £6,293,000).

EMPLOYEES
The Company had no employees during or at the end of the year (2022: nil).

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

POLITICAL DONATIONS
During the year, the Company made no political donations (2022: £nil).

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

An explanation of how the Directors have had regard to the need to foster the Company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the Company during the financial year, has been set out in the 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 regard the impact on the environment is contained within the Quilter plc Annual Report 2023. The Company is exempt from reporting company-specific information as it is a subsidiary of the Group.

STATEMENT OF GOING CONCERN
The financial statements have been prepared on a going concern basis. The Company forms part of the Quilter Perimeter sub-group of entities which have common control and directorships, and for this reason the Board has reviewed this sub-group's projections for the next 12 months and beyond, as a whole. The intra-group transactions for this sub-group aggregate to nil and transactions external to the sub-group also broadly net to nil and typically are cash-generating. Therefore the Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approving these financial statements.

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

DIRECTORS' REPORT (continued)

DISCLOSURE OF INFORMATION TO THE AUDITORS
Each Director at the date of approval of this report confirms that:

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

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

INDEPENDENT AUDITORS
PricewaterhouseCoopers LLP has been appointed by the Company to hold office in accordance with Section 485 of the Companies Act 2006 for the 2023 financial year and have indicated their willingness to continue in office.

On behalf of the Board

M O Satchel
Director
13 June 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

Independent auditors' report to the members of Quilter Perimeter (GGP) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Quilter Perimeter (GGP) Limited's financial statements:

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

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

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

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

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

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

Strategic report and Directors' Report

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

- Reviewing the disclosures in the Annual Report and financial statements against the specific legal requirements, for example within the Directors' Report.

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

M Taplin

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

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2023

	Note	2023 £000	2022 £000
Revenue			
Investment return	3	19,993	9,479
Expenses			
Administrative expenses credit	4	364	608
Profit before tax		20,357	10,087
Income tax charge	5	(4,789)	(1,264)
Profit for the year after tax		15,568	8,823
Total comprehensive income for the financial year		15,568	8,823

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

The notes on pages 13 to 23 are an integral part of these financial statements.

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

	Note	Ordinary Share capital £000	Ordinary Share premium account £000	Capital redemption reserve £000	Retained earnings £000	Total shareholder equity £000
Balance at 1 January 2023		141,732	406,698	6,300	11,910	566,640
Profit and total comprehensive income		-	-	-	15,568	15,568
Dividends paid	6	-	-	-	(12,164)	(12,164)
Balance at 31 December 2023		141,732	406,698	6,300	15,314	570,044

	Note	Ordinary Share capital £000	Ordinary Share premium account £000	Capital redemption reserve £000	Retained earnings £000	Total shareholder equity £000
Balance at 1 January 2022		141,732	406,698	6,300	9,380	564,110
Profit and total comprehensive income		-	-	-	8,823	8,823
Dividends paid	6	-	-	-	(6,293)	(6,293)
Balance at 31 December 2022		141,732	406,698	6,300	11,910	566,640

The notes on pages 13 to 23 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
at 31 December 2023

	Note	2023 £000	2022 £000
Assets			
Investments	7	484	468
Loans and advances	8	563,566	559,296
Deferred tax assets	9	578	742
Other receivables	10	1,443	193
Cash and cash equivalents	11	12,168	11,905
Total assets		578,239	572,604
Equity and liabilities			
Equity			
Ordinary Share capital	12	141,732	141,732
Ordinary Share premium account		406,698	406,698
Capital redemption reserve		6,300	6,300
Retained earnings		15,314	11,910
Total equity		570,044	566,640
Liabilities			
Amounts due to group undertakings	13	-	604
Other payables	14	484	468
Current tax liabilities		6,360	3,078
Provisions	15	1,351	1,814
Total liabilities		8,195	5,964
Total equity and liabilities		578,239	572,604

The notes on pages 13 to 23 are an integral part of these financial statements.

The financial statements on pages 10 to 23 were approved by the Board of Directors on 13 June 2024 and signed on its behalf by:

M O Satchel
Director

Company registered number: 02019022

1 GENERAL INFORMATION

Quilter Perimeter (GGP) Limited (the "Company") is a private limited company, that is limited by shares, incorporated in England and Wales and domiciled in the United Kingdom ("UK"). The address of its registered office is disclosed in the Company information section on page 1. The principal activities of the Company are disclosed in the strategic report on pages 2 to 3.

2 MATERIAL ACCOUNTING POLICIES

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

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

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

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

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

Going Concern
The financial statements have been prepared on a going concern basis. The Company forms part of the Quilter Perimeter sub-group of entities which have common control and directorships, and for this reason the Board has reviewed this sub-group's projections for the next 12 months and beyond, as a whole. The intra-group transactions for this sub-group aggregate to nil and transactions external to the sub-group also broadly net to nil and typically are cash-generating. Therefore the Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approving these financial statements.

Liquidity analysis of the statement of financial position
The Company's statement of financial position is in order of liquidity as is permitted by IAS 1 Presentation of Financial Statements. For each asset and liability line item, those amounts expected to be recovered or settled after more than 12 months after the reporting date are disclosed separately in the notes to the financial statements.

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

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

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

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

2 MATERIAL ACCOUNTING POLICIES (continued)

Area	Critical accounting judgements	Note
Provisions – recognition	In assessing whether a provision should be recognised, the Company evaluates the likelihood of a constructive or legal obligation to settle an event that took place in the past and whether a reliable estimate can be made. The provision is in respect of healthcare cover obligations provided to retirees of the Gerrard & National business for whom a legacy benefit of private medical insurance cover is still in existence.	15

Critical accounting estimates
The Company's critical accounting estimates are shown below and involve the most complex or subjective assessments and assumptions, which have a significant risk of resulting in material adjustment to the carrying amounts of assets and liabilities within the next financial year. Management uses its knowledge of current facts and circumstances and applies estimation and assumption setting techniques that are aligned with relevant accounting standards and guidance to make predictions about future actions and events. Actual results may differ from those estimates. There are no critical accounting estimates for the Company for the current or prior year, however set out below are two other accounting estimates which are relevant for the Company.

Area	Other accounting estimates	Note
Provisions – measurement	The provision has been determined with regards to forecast premiums and claims costs. The provision will be utilised over the remaining lives of the retirees. The key assumptions in respect of determining the present value of the healthcare provision are the discount rate and the future premium inflation rate. Management applied a premium inflation rate of 8% (2022: 8%) and used the SII risk-free curve as the discount rate (2022: SII risk-free curve). Risk-free rates increased significantly over 2022, leading to a much larger discounting impact.	15
Deferred tax – measurement	The estimation of future taxable profits is performed as part of the annual business planning process and is based on estimated levels of assets under management, which are subject to a large number of factors including global stock movements, related movements in foreign exchange rates and net client cash flows, together with estimates of expenses and other charges. The Group Business Plan is used to determine the extent to which deferred tax assets are recognised. In general, the Company assesses the recoverability of assets based on the Group's estimated taxable profits over a three-year planning horizon.	9

A sensitivity analysis has been undertaken in respect of the assumptions related to provisions and these are provided in the table below:

Assumption	Change in estimate	Change in provision
Discount rate	+/- 1%	- £0.1 million / + £0.1 million
Premium inflation rate	+/- 2%	+ £0.3 million / - £0.2 million

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

Material accounting policies
There have been no changes to the Company's material accounting policies as a result of changes in accounting standards during the year.

The accounting policies disclosed in these notes have been consistently applied throughout the current and prior financial year.

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

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

2 MATERIAL ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

Financial assets that are held for trading or whose performance is evaluated on a fair value basis are measured at FVTPL because this best reflects the way they are managed.

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

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

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

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

All cash and cash equivalents are classified as amortised cost which means they are initially recognised at fair value and subsequently carried at amortised cost using the effect interest method and are subject to the impairment requirements outlined below. The carrying amount of cash and cash equivalents approximates to their fair value.

2 MATERIAL ACCOUNTING POLICIES (continued)

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

Payables and receivables
Payables relating to the Company's investments are non-current and designated at FVTPL. All other payables and receivables are classified at amortised cost. Due to their short-term nature, their carrying amount is considered to be the same as their fair value.

Impairment of financial assets
The expected loss accounting model for credit losses applies to financial assets measured at amortised cost, but not to financial assets at FVTPL. Financial assets at amortised cost include loans and advances, other receivables and cash and cash equivalents.

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

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

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

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

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

Application of the impairment model
The company applies the ECL model to all financial assets that are measured at amortised cost:

- Loans at amortised cost, other receivables and cash and cash equivalents, to which the general three-stage model (described above) is applied, whereby a 12-month ECL is recognised initially and the balance is monitored for significant increases in credit risk which would trigger the recognition of a Lifetime ECL allowance.

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

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

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.

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

Provisions
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. Where the Company expects some or all of a provision to be reimbursed, for example under the Company's insurance arrangements, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit and loss net of any reimbursement. If the effect of discounting is material, provisions are discounted. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Provision is made for the expected future obligations of the healthcare cover provided to retirees of the Gerrard & National business for whom a legacy benefit of private medical insurance cover is still in existence. The provision has been determined in respect of forecast premiums. The provision will be utilised over the remaining lives of the retirees.

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

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

Taxation

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

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

Deferred tax
Deferred tax is calculated according to the statement of financial position method, based on temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. For the Company, the recognition of deferred tax assets is subject to the estimation of future taxable profits, which is based on the flows of the Company and the Group, and in particular on estimated levels of assets under management, which are subject to a large number of factors including worldwide stock market movements and related movements in foreign exchange rates, together with estimates of net client cash flow, expenses and other charges.

Deferred tax is charged or credited to profit and loss, except when it relates to items recognised directly in equity or in other comprehensive income. In certain circumstances, as permitted by accounting standards, deferred tax balances are not recognised. In particular, where the liability relates to the initial recognition of goodwill, or transactions that are not a business combination and at the time of their occurrence affect neither accounting nor taxable profit. Note 9 includes further detail of circumstances in which the Company does not recognise temporary differences.

3 INVESTMENT RETURN

	2023 £000	2022 £000
Interest received on loan to parent undertaking	19,631	9,479
Interest on short-term bank deposits (amortised cost)	362	-
	19,993	9,479

4 ADMINISTRATIVE EXPENSES

	2023 £000	2022 £000
Post-retirement healthcare provision reduction during the year	(366)	(608)
Other expenses relating to the handling of gold and silver bullion	2	-
	(364)	(608)

Auditors' remuneration paid to PricewaterhouseCoopers LLP, of £5,982 (2022: £5,591), is borne by Quilter Business Services Limited, a fellow Group company.

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

5 TAXATION

	2023 £000	2022 £000
Tax charged to profit		
Current tax		
United Kingdom	4,625	1,734
Total current tax charge	4,625	1,734
Deferred tax		
Origination and reversal of temporary differences	159	(295)
Effect on deferred tax of changes in tax rates	5	(175)
Total deferred tax charge/(credit)	164	(470)
Total tax charged to profit	4,789	1,264

Reconciliation of total income tax expense

The income tax charged to profit or loss 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	2022 £000
Profit before tax	20,357	10,087
Corporation tax charge at 23.5% (2022: 19%)	4,784	1,917
Effect of:		
Net movement on unrecognised deferred tax assets	-	(478)
Effect on deferred tax for changes in tax rates	5	(175)
Total tax charged to profit	4,789	1,264

Factors that may affect future charges

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

The Company has recognised deferred tax assets as disclosed in note 9. The Company considers that future years' Group profits will be sufficient to utilise the tax asset carried forward.

Pillar II Taxes

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

The Company continues to assess the full impact of the introduction of Pillar II taxes in the UK. The rules are complex and there remains areas of uncertainty in HMRC guidance. Management has assessed the likely impact based on current guidance and historical data and although may expect the UK effective tax rate 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.

6 DIVIDENDS PAID

	2023 £000	2022 £000
Dividends paid		
Dividend paid to Quilter Perimeter Holdings Limited 2.15p per share (2022: 1.11p per share)	10,995	5,688
Dividend paid to Quilter Perimeter Limited 2.15p per share (2022: 1.11p per share)	1,169	605
	12,164	6,293

7 INVESTMENTS

	2023 £000	2022 £000
Investments held at fair value through profit and loss		
At 1 January	468	416
Unrealised gains on investments	16	52
At 31 December	484	468

The investments represent gold and silver bullion and are categorised as level 1 investments. These investments are valued using quoted prices in active markets. There have been no transfers between level 1 and 2, or level 2 and 3, in the year.

The investments are designated at FVTPL.

8 LOANS AND ADVANCES

	2023 £000	2022 £000
Lending to immediate parent company at fixed rate of 5.75%[1]	488,542	490,731
Lending to immediate parent company at fixed rate of 5.75%[2]	75,024	68,565
	563,566	559,296

[1] The Company has a term loan of £488,542,000 (2022: 488,542,000) with Quilter Perimeter Holdings Limited that expires on 30 September 2024. Interest is charged at a fixed rate of 5.75% (Bank of England (BoE) base rate plus 0.5% set as at 30 September 2023) (2022: 2.75%).

[2] The Company has a £300,000,000 revolving credit facility with Quilter Perimeter Holdings Limited. The facility is recallable on demand. Interest is charged at a fixed rate of 5.75% (BoE base rate plus 0.5% set as at 30 September 2023) (2022: 3.5%).

The carrying amount of loans approximates to their fair value which is measured as the principal amounts receivable under the loan agreements.

All loans are repayable on demand, or by 30 September 2024 and are recognised at amortised cost.

9 DEFFERED TAX ASSETS

Recognised deferred tax assets and liabilities

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

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

	Accelerated depreciation	Deferred expenses	Closing deferred tax asset
	£000	£000	£000
Assets at 1 January 2022	272	-	272
Income statement credit	18	452	470
Assets at 31 December 2022	290	452	742
Income statement charge	(50)	(114)	(164)
Assets at 31 December 2023	240	338	578

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

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

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

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

10 OTHER RECEIVABLES

	2023	2022
	£000	£000
Due from fellow group undertakings	-	193
Due from immediate parent	1,443	-
	1,443	193

All amounts are current, unsecured, interest free and recognised at amortised cost.

11 CASH AND CASH EQUIVALENTS

	2023	2022
	£000	£000
Bank balances	12,168	11,905

Bank balances are current and recognised at amortised cost. They are subject to a 12-month ECL, and are credit rated A.

12 SHARE CAPITAL

	2023 £000	2022 £000
Issued and fully paid:		
566,926,412 (2022: 566,926,412) Ordinary Shares of 25p each	141,732	141,732

13 AMOUNTS DUE TO GROUP UNDERTAKINGS

	2023 £000	2022 £000
Due to Quilter Perimeter Holdings Limited	-	604
	-	604

All amounts are current, unsecured, interest free and recognised at amortised cost.

14 OTHER PAYABLES

	2023 £000	2022 £000
Other payables	484	468

Other payables relate to amounts payable in respect of legacy obligations to former customers of entities that were previously in the same group as the Company. All amounts are non-current and designated at FVTPL.

15 PROVISIONS

	2023 £000	2022 £000
Brought forward at 1 January	1,814	2,515
Utilised during the year	(97)	(99)
Release of provision	(366)	(602)
Balance carried forward at 31 December	1,351	1,814

The provision is in respect of healthcare cover obligations provided to retirees of the Gerrard & National business for whom a legacy benefit of private medical insurance cover is still in existence. The provision has been determined in respect of forecast premiums and claims costs. The provision will be utilised over the remaining lives of the retirees.

16 FINANCIAL INSTRUMENT RISK

The Company complies with Group risk policies on the key risks associated with the business. These cover the UK Prudential Regulatory Authority defined risk categories of group, credit, insurance, liquidity, operational and market risk. The policies, approved by the Board of the ultimate parent company, Quilter plc, are reviewed annually as part of the risk appetite assessment process. Each component risk is assigned a risk owner at director level who is responsible for the ongoing review, mitigation and execution of appropriate action plans. The Company is exposed to limited liquidity, credit and market risk since the loan balances are with Group companies.

17 CONTINGENT LIABILITIES

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

18 FINANCIAL AND CAPITAL COMMITMENTS

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

19 CAPITAL MANAGEMENT

Total equity attributable to the equity holders is managed as capital and there are no externally imposed capital requirements on the Company. The Company reviews its obligations to ensure it has sufficient capital to fulfil its purpose as a holding company.

20 EVENTS AFTER THE REPORTING DATE

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

21 ULTIMATE PARENT COMPANY

The Company's immediate parent is Quilter Perimeter Holdings Limited, a company registered in England and Wales.

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

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