

## Statement of Directors' responsibilities in respect of the interim financial statements

For the period ended 30 June 2024

Each of the Directors of Quilter plc confirms to the best of their knowledge and belief that:

- The condensed consolidated interim financial statements, which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and the related explanatory notes, have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the United Kingdom and give a true and fair view of the assets, liabilities, financial position and profits of the Group for the period ended 30 June 2024. These interim financials have been prepared and published in compliance with the acceptable accounting frameworks of the London Stock Exchange ("LSE"), where the Company has its primary listing.
- The interim management report includes a fair review of the information required by:
  - a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed consolidated interim financial statements, and a description of the principal risks and uncertainties for the remaining six months of the year; and
  - b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the financial year and that have materially affected the financial position or performance of the Group during that period, and any changes in the related party transactions described in the Group's 2023 Annual Report that could do so.

Consistent with principle N of the UK Corporate Governance Code, the results for the six months ended 30 June 2024 taken as a whole, present a fair, balanced and understandable assessment of the Company's position and prospects.

Quilter plc is listed with a primary listing on the LSE and a secondary listing on the Johannesburg Stock Exchange ("JSE").

A list of the current Directors is maintained on the Group's website: <https://plc.quilter.com/about-us/quilter-leadership/>.

Signed on behalf of the Board

**Steven Levin**  
Chief Executive Officer  
6 August 2024

**Mark Satchel**  
Chief Financial Officer  
6 August 2024

## Independent review report to Quilter plc

### Report on the condensed consolidated interim financial statements

#### Our conclusion

We have reviewed Quilter plc's condensed consolidated interim financial statements (the "interim financial statements") in the interim results of Quilter plc for the 6 month period ended 30 June 2024 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Condensed consolidated statement of financial position as at 30 June 2024;
- the Condensed consolidated statement of comprehensive income for the period then ended;
- the Condensed consolidated statement of cash flows for the period then ended;
- the Condensed consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the interim results of Quilter plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

#### Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and,

consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the interim results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

### Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the Directors have inappropriately adopted the going concern basis of accounting or that the Directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Group to cease to continue as a going concern.

### Responsibilities for the interim financial statements and the review

#### Our responsibilities and those of the Directors

The interim results, including the interim financial statements, are the responsibility of, and have been approved by the Directors. The Directors are responsible for preparing the interim results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the interim results, including the interim financial statements, the Directors are responsible for assessing the Group'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 Group or to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the interim results based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report. This report, including the conclusion, has been prepared for and only for the Company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, 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.

PricewaterhouseCoopers LLP  
Chartered Accountants  
London  
6 August 2024

## Condensed consolidated statement of comprehensive income

For the period ended 30 June 2024

		£m	
	Notes	Six months 2024	Six months 2023
<b>Income</b>			
Fee income and other income from service activities	6(b)	286	277
Investment return		3,085	1,302
Other income		14	2
<b>Total income</b>		<b>3,385</b>	<b>1,581</b>
<b>Expenses</b>			
Change in investment contract liabilities		(2,606)	(1,018)
Fee and commission expenses and other acquisition costs		(25)	(25)
Change in third-party interests in consolidated funds		(371)	(202)
Other operating and administrative expenses		(296)	(297)
Finance costs		(10)	(11)
<b>Total expenses</b>		<b>(3,308)</b>	<b>(1,553)</b>
<b>Profit before tax</b>		<b>77</b>	<b>28</b>
Income tax expense attributable to policyholder returns	7	(59)	(21)
<b>Profit before tax attributable to shareholder returns</b>		<b>18</b>	<b>7</b>
Income tax expense	7	(64)	(23)
Less: income tax expense attributable to policyholder returns		59	21
Income tax expense attributable to shareholder returns	7	(5)	(2)
<b>Profit after tax attributable to the owners of the Company</b>		<b>13</b>	<b>5</b>
<b>Total comprehensive income</b>		<b>13</b>	<b>5</b>
<b>Earnings per Ordinary Share</b>			
<b>Basic earnings per Ordinary Share (pence)</b>	8	<b>1.0</b>	<b>0.4</b>
<b>Diluted earnings per Ordinary Share (pence)</b>	8	<b>0.9</b>	<b>0.4</b>

All income and expenses relate to continuing operations.

## Condensed consolidated statement of financial position

At 30 June 2024

		£m	
	Notes	30 June 2024	31 December 2023
<b>Assets</b>			
Goodwill and intangible assets	10	352	372
Property, plant and equipment		87	91
Investment property		9	10

Investments in associates		3	2
Contract costs		20	16
Loans and advances		50	38
Financial investments	11	54,962	50,329
Deferred tax assets		84	91
Current tax receivable		33	33
Trade, other receivables and other assets		555	447
Derivative assets		24	57
Cash and cash equivalents	14	1,899	1,859
<b>Total assets</b>		<b>58,078</b>	<b>53,345</b>

### Equity and liabilities

#### Equity

Ordinary Share capital	15	115	115
Ordinary Share premium reserve		58	58
Capital redemption reserve		346	346
Share-based payments reserve		32	42
Retained earnings		931	958
<b>Total equity</b>		<b>1,482</b>	<b>1,519</b>

#### Liabilities

Investment contract liabilities		47,797	43,396
Third-party interests in consolidated funds		7,704	7,444
Provisions	16	39	46
Deferred tax liabilities		92	64
Current tax payable		2	2
Borrowings and lease liabilities		277	279
Trade, other payables and other liabilities		666	570
Derivative liabilities		19	25
<b>Total liabilities</b>		<b>56,596</b>	<b>51,826</b>

<b>Total equity and liabilities</b>		<b>58,078</b>	<b>53,345</b>
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The financial statements were approved by the Board of Directors on 6 August 2024.

**Steven Levin**  
Chief Executive Officer

**Mark Satchel**  
Chief Financial Officer

## Condensed consolidated statement of changes in equity

For the period ended 30 June 2024

		£m						
	Notes	Ordinary Share capital	Ordinary Share premium reserve	Capital redemption reserve	Share-based payments reserve	Other reserves	Retained earnings	Total shareholders' equity
Balance at 1 January 2023		115	58	346	41	(1)	989	1,548
Profit after tax		-	-	-	-	-	5	5
<b>Total comprehensive income</b>		-	-	-	-	-	5	5
Dividends	9	-	-	-	-	-	(45)	(45)
Exchange rate movement (ZAR/GBP) <sup>1</sup>		-	-	-	-	-	2	2
Movement in own shares		-	-	-	-	-	(13)	(13)
Equity share-based payment transactions		-	-	-	(9)	-	17	8
<b>Total transactions with the owners of the Company</b>		-	-	-	(9)	-	(39)	(48)
Transfer to retained earnings		-	-	-	-	1	(1)	-
<b>Balance at 30 June 2023</b>		<b>115</b>	<b>58</b>	<b>346</b>	<b>32</b>	<b>-</b>	<b>954</b>	<b>1,505</b>
Balance at 1 January 2024		115	58	346	42	-	958	1,519
Profit after tax		-	-	-	-	-	13	13
<b>Total comprehensive income</b>		-	-	-	-	-	13	13
Dividends	9	-	-	-	-	-	(50)	(50)
Exchange rate movement (ZAR/GBP) <sup>1</sup>		-	-	-	-	-	(1)	(1)
Movement in own shares		-	-	-	-	-	(6)	(6)
Equity share-based payment transactions		-	-	-	(11)	-	17	6
Aggregate tax effects of items recognised directly in equity		-	-	-	1	-	-	1
<b>Total transactions with the owners of the Company</b>		-	-	-	(10)	-	(40)	(50)
<b>Balance at 30 June 2024</b>		<b>115</b>	<b>58</b>	<b>346</b>	<b>32</b>	<b>-</b>	<b>931</b>	<b>1,482</b>

<sup>1</sup>The impact of exchange rate movements between the announcement dates of dividends payable and the payment dates on the pound sterling equivalent of payments to JSE shareholders in South African Rand are recognised directly in equity. The Group held cash in South African Rand equal to the expected cash outflows and therefore was economically hedged for the outflows.

## Condensed consolidated statement of cash flows

For the period ended 30 June 2024

The cash flows presented in this statement cover all the Group's activities and include flows from both policyholder and shareholder activities. All cash and cash equivalents are available for general use by the Group for the purposes of the disclosures required under IAS 7 Statement of Cash Flows, except for cash and cash equivalents in consolidated funds (as shown in note 14).

		<b>£m</b>	
	Notes	Six months 2024	Six months 2023
<b>Cash flows from operating activities</b>			
Cash flows from operating activities		1,984	941
Taxation paid		(26)	(8)
<b>Total net cash flows from operating activities</b>		<b>1,958</b>	<b>933</b>
<b>Cash flows from investing activities</b>			
Net purchases and sales of financial investments		(1,847)	(837)
Purchase of property, plant and equipment		-	(1)
Proceeds from sale of property, plant and equipment held for sale		-	1
Increase in investment in associate		(1)	(1)
<b>Total net cash flows from investing activities</b>		<b>(1,848)</b>	<b>(838)</b>
<b>Cash flows from financing activities</b>			
Dividends paid to the owners of the Company	9	(50)	(45)
Exchange rate movements passed to shareholders <sup>1</sup>		(1)	2
Finance costs on borrowings		(9)	(10)
Payment of interest on lease liabilities		(2)	(1)
Payment of principal of lease liabilities		(3)	(4)
Quilter plc shares acquired for use within the Group's employee share scheme		(6)	(15)
Proceeds from the issue of subordinated debt		-	199
Subordinated debt repaid		-	(200)
<b>Total net cash flows from financing activities</b>		<b>(71)</b>	<b>(74)</b>
Net increase in cash and cash equivalents		39	21
Cash and cash equivalents at the beginning of the year		1,859	1,782
Effect of exchange rate changes on cash and cash equivalents		1	(3)
<b>Cash and cash equivalents at the end of the period</b>	14(a)	<b>1,899</b>	<b>1,800</b>

<sup>1</sup>The exchange rate movements passed to shareholders relate to foreign exchange gains or losses that have arisen on dividend payments to JSE shareholders. Further details are included within the condensed consolidated statement of changes in equity.

## Notes to the condensed consolidated interim financial statements

For the period ended 30 June 2024

### General information

Quilter plc (the "Company"), a public limited company incorporated in England and Wales and domiciled in the United Kingdom ("UK"), together with its subsidiaries (collectively, the "Group") offers investment and wealth management services, long-term savings and financial advice primarily in the UK. Quilter plc is listed with a primary listing on the London Stock Exchange and a secondary listing on the Johannesburg Stock Exchange ("JSE").

The Company's registration number is 06404270. The address of the registered office is Senator House, 85 Queen Victoria Street, London, EC4V 4AB.

### 1: Basis of preparation

The results for the six months ended 30 June 2024 have been prepared in accordance with the UK-adopted IAS 34 Interim Financial Reporting and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. Although unaudited, the results have been reviewed by the Company's Auditor, PricewaterhouseCoopers LLP, and their report is included earlier in this document. These condensed consolidated interim financial statements (the "interim financial statements") of Quilter plc for the six months ended 30 June 2024 do not constitute statutory accounts as defined by section 434 of the Companies Act 2006. Comparative financial information for the full year 2023 has been presented from the Group's 2023 Annual Report, which has been filed with the Registrar of Companies and was prepared in accordance with the UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The auditor's report on those financial statements was not qualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying the report and did not contain statements under section 498(2) or (3) of the Companies Act 2006. Copies of the Group's 2023 Annual Report are available online at [plc.quilter.com](http://plc.quilter.com)

These interim financial statements do not include all of the information required for a complete set of IFRS compliant financial statements. Selected notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the publication of the Group's 2023 Annual Report. The Board considers that the alternative performance measures provided, such as adjusted profit, are also useful for both management and investors. Any seasonal or cyclical factors, to the extent that they materially impact the Group's results, are described in the Financial review.

There have been no changes in the Group's material accounting policies during the period. All accounting policies for recognition, measurement, consolidation and presentation are as outlined in the Group's 2023 Annual Report. These interim financial statements have been prepared on a 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 Group operates.

### Going concern

The Directors have considered the resilience of the Group, 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 business planning period covering 2024 to 2026. This assessment 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 interruptions, equivalent to 1-in-50 and 1-in-200 year events. The assessment also considered the potential implications of the Skilled Person review which could include the payment of remediation and associated administrative costs (see note 17). As part of the going concern assessment, the Group took into consideration the current position of the UK and global economy including the impact of inflation and increases in the cost of living. The Group also considered how climate-related risks and opportunities affect operations, investments, advice and distribution, and their impact on specific projects and initiatives, estimates and judgements. Based on the assessment, the Directors believe that, both the Group and Quilter plc have sufficient financial resources to continue in business for a period of at least 12 months from the date of approval of these interim financial statements and continue to adopt the going concern basis in preparing the interim financial statements.

### Critical accounting estimates and judgements

The preparation of financial statements requires management to exercise judgement in applying the Group's material accounting policies and

The preparation of financial statements requires management to exercise judgement in applying the Group's material accounting policies and in making assumptions and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements. The Board Audit Committee reviews these assumptions, estimates and judgements and the appropriateness of material accounting policies adopted in the preparation of these financial statements.

The Group's critical accounting estimates and judgements are detailed below:

### Critical accounting judgements

The Group's critical accounting judgements are those that management makes when applying its material accounting policies and that have the greatest effect on the net profit and net assets recognised in the Group's financial statements.

#### Ongoing Advice Evidence

A Skilled Person was appointed in June 2024 to assess and provide a view to the FCA on whether, based on the available evidence, the delivery of ongoing advice services by Appointed Representative firms in the Quilter Financial Planning network has been compliant with applicable regulatory requirements during the period from 1 January 2017 to 31 December 2023. Given the early stage of the review at the reporting date, it has been determined that a present obligation for any potential customer remediation does not exist, and therefore no liability in respect of remediation associated with this process and the associated administrative costs has been recognised in the accounts. See note 17 for further details of the contingent liability.

### Critical accounting estimates

The Group's critical accounting estimates 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 until those amounts are settled. Management uses its knowledge of current facts and circumstances and applies estimation and assumption setting techniques, that are aligned with relevant actuarial and accounting standards and guidance, to make predictions about future actions and events. Actual results may differ from those estimates.

#### Measurement of deferred tax

The annual business planning process estimates future taxable profits based on estimated levels of assets under management and administration ("AuMA"), which are subject to a large number of factors including global stock market movements, related movements in foreign exchange rates, net client cash flows and estimates of expenses and other charges. The Business Plan, adjusted for known and estimated tax adjusting items, is used to determine the extent to which deferred tax assets are recognised. The Group assesses the recoverability of shareholder deferred tax assets based on estimated taxable profits over a five-year horizon and assesses policyholder deferred tax assets based on estimated investment growth over the medium term. To the extent that profit estimates extend beyond the normal three-year planning cycle, average profits over the final two years of the plan are used. This approach is considered reasonable based on historical profitability. Future profit projections show the majority of deferred tax assets being utilised over the next three years. Management has reassessed the sensitivity of the recoverability of deferred tax assets based on the latest forecast cash flows.

## 2: New standards, amendments to standards, and interpretations adopted by the Group

The amendments to accounting standards in the table below became applicable for the current reporting period, with no material impact on the Group's consolidated results, financial position or disclosures.

Adopted by the Group from	Amendments to standards
1 January 2024	Amendments to IAS 1 Presentation of Financial Statements - classification of liabilities as current and non-current
1 January 2024	Amendments to IFRS 16 Leases - Sale and leaseback transactions
1 January 2024	Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements

## 3: Significant changes in the current reporting period

Except for the matters disclosed in the notes to these financial statements there are no significant changes in the current reporting period to be disclosed.

We continually review the principal risks and uncertainties facing the Group which could pose a threat to the delivery of our strategic objectives. The Group considers that the nature of the principal risks and uncertainties that may have a material effect on the Group's performance over the remainder of the financial year remains unchanged from those presented within the 2023 Annual Report and Accounts.

## 4: Discontinued operations, acquisitions and disposals

There have been no material acquisitions of businesses during the six months to 30 June 2024 or during 2023.

There have been no material disposals of businesses during the period ended 30 June 2024 or during 2023 and there were no profit or loss impacts relating to past business disposals in either period.

The Group made the final payment of £4 million during the six months to 30 June 2023 in respect of the closure of the warranty relating to the sale of the Single Strategy business. There were no inflows or outflows of cash relating to discontinued operations during the period ended 30 June 2024 or during 2023 other than described above.

## 5: Alternative performance measures

### 5(a): Adjusted profit before tax and reconciliation to profit after tax

#### Basis of preparation of adjusted profit before tax

Adjusted profit before tax is one of the Group's alternative performance measures ("APMs") and represents the Group's IFRS profit, adjusted for specific items that management considers to be outside of the Group's normal operations or one-off in nature, as detailed in note 5(b). Adjusted profit before tax does not provide a complete picture of the Group's financial performance, which is disclosed in the statement of comprehensive income, but is instead intended to provide additional comparability and understanding of the financial results.

		£m	
	Notes	Six months 2024	Six months 2023
Affluent		72	54
High Net Worth		25	23
Head Office		-	(1)
<b>Adjusted profit before tax</b>	6(b)	<b>97</b>	<b>76</b>
Adjusting items:			
Impact of acquisition and disposal-related accounting	5(b)(i)	(19)	(21)
Business transformation costs	5(b)(ii)	(12)	(16)
Customer remediation	5(b)(iii)	-	(3)
Ongoing Advice Evidence	5(b)(iv)	(2)	-
Exchange rate movement (ZAR/GBP)	5(b)(v)	1	(2)
Policyholder tax adjustments	5(b)(vi)	(38)	(18)
Other adjusting items	5(b)(vii)	-	1
Finance costs	5(b)(viii)	(9)	(10)
<b>Total adjusting items before tax</b>		<b>(79)</b>	<b>(69)</b>

<b>Profit before tax attributable to shareholder returns</b>		<b>18</b>	<b>7</b>
Income tax attributable to policyholder returns	7	<b>59</b>	21
Income tax expense	7	<b>(64)</b>	(23)
<b>IFRS profit after tax</b>		<b>13</b>	<b>5</b>

#### 5(b): Adjusting items

In determining adjusted profit before tax, the Group's IFRS profit before tax is adjusted for specific items that management considers to be outside of the Group's normal operations or one-off in nature. These are detailed below.

##### 5(b)(i): Impact of acquisition and disposal-related accounting

The Group excludes any impairment of goodwill from adjusted profit as well as the amortisation and impairment of acquired intangible assets, any acquisition costs, finance costs related to the discounting of contingent consideration and incidental items relating to past disposals.

The effect of these adjustments to determine adjusted profit are summarised below.

	<b>£m</b>	
	<b>Six months 2024</b>	<b>Six months 2023</b>
Amortisation of acquired intangible assets	<b>19</b>	<b>20</b>
Impairment of acquired intangible assets <sup>1</sup>	<b>-</b>	<b>1</b>
<b>Total impact of acquisition and disposal-related accounting</b>	<b>19</b>	<b>21</b>

<sup>1</sup>The impairment of acquired intangible assets resulted from the impairment of specific client books held within the Affluent operating segment in the six months to 30 June 2023 as the Group could no longer support the carrying value.

##### 5(b)(ii): Business transformation costs

For the six months to 30 June 2024, business transformation costs totalled £12 million (30 June 2023: £16 million), the principal components of which are described below:

*Business Simplification costs - 30 June 2024: £11 million, 30 June 2023: £14 million*

During the six months to 30 June 2024, the Group spent £11 million on delivering Simplification initiatives (30 June 2023: £14 million). The implementation costs to deliver the remaining £24 million of annualised run-rate savings for the programme are estimated to be £67 million.

*Investment in business costs - 30 June 2024: £1 million, 30 June 2023: £1 million*

Investment in business costs of £1 million (30 June 2023: £1 million) were incurred as Group continues to enable and support advisers and clients and improve productivity through better utilisation of technology.

*Business separation costs following the sale of Quilter International - 30 June 2024: £nil, 30 June 2023: £1 million*

The Group sold Quilter International to Urmot Group in 2021 and entered into a Transitional Service Agreement with the acquirer. The cost to the Group of running the Transitional Service Agreement which ended in November 2023 was £nil for the period to 30 June 2024 (30 June 2023: £1 million).

##### 5(b)(iii): Customer remediation

*Lighthouse pension transfer advice provision - 30 June 2024: £nil, 30 June 2023: £3 million*

For the period ended 30 June 2023, the customer remediation expense of £3 million reflected £1 million of legal, consulting and other costs and a £2 million provision increase related to non-British Steel Pension Scheme redress payments. This was the result of the Group-managed past business review of DB to DC pension transfer advice suitability by an independent expert. At 30 June 2024, the provision for potential redress and associated professional fees decreased from the 2023 year end by £1 million as a result of professional fees paid during 2024 to £5 million. Further details of the provision are provided in note 16.

##### 5(b)(iv): Ongoing Advice Evidence

Ongoing Advice Evidence costs of £2 million (30 June 2023: £nil) include the estimated external cost to support and perform the Skilled Person review of historical data and practices across the Quilter Financial Planning network of Appointed Representative firms (see note 17). This cost is excluded from adjusted profit as management considers it to be outside of the Group's normal operations and one-off in nature.

##### 5(b)(v): Exchange rate movements (ZAR/GBP)

For the period ended 30 June 2024, income of £1 million was recognised (30 June 2023: £2 million expense) due to foreign exchange movements on cash held in South African Rand in preparation for payments of dividends to shareholders. Cash was converted to South African Rand upon announcement of the dividend payments to provide an economic hedge for the Group. The foreign exchange movements are fully offset by an equal amount taken directly to retained earnings.

##### 5(b)(vi): Policyholder tax adjustments

For the period ended 30 June 2024, the total amount of policyholder tax adjustments to adjusted profit is a credit of £38 million (30 June 2023: £18 million credit). Adjustments to policyholder tax are made to remove distortions arising from market volatility that can, in turn, lead to volatility in the policyholder tax adjustments between periods. The recognition of the income received from policyholders (which is included within the Group's income) to fund the policyholder tax liability can vary in timing to the recognition of the corresponding tax expense, creating volatility in the Group's IFRS profit or loss before tax. Note 7 provides further information on the impact of markets on the policyholder tax adjustment. Adjustments are also made to remove policyholder tax distortions from other non-operating adjusting items.

##### 5(b)(vii): Other adjusting items

For the period ended 30 June 2024 these costs were £nil. For the period ended 30 June 2023, £1 million income was received in relation to the settlement offer for the indemnification asset that was impaired in 2022.

##### 5(b)(viii): Finance costs

The nature of much of the Group's operations means that, for management's decision-making and internal performance management, the effects of interest costs on external borrowings are removed when calculating adjusted profit. For the period ended 30 June 2024, finance costs were £9 million (30 June 2023: £10 million).

#### 5(c): Reconciliation of IFRS income and expenses to "Total net revenue" and "Operating expenses" within adjusted profit

This reconciliation shows how each line of the Group's IFRS income and expenses are allocated to the Group's AFMs: Net management fees, Other revenue, Investment revenue, Total net revenue and Operating expenses, and form the Group's adjusted profit before tax. The total column in the table below, down to "Profit before tax attributable to shareholder returns", reconciles to each line of the condensed consolidated statement of comprehensive income. Allocations are determined by management and aim to show the Group's sources of profit (net of relevant directly attributable expenses). These allocations remain consistent from period to period to ensure comparability, unless otherwise stated.

	<b>£m</b>					
	<b>Net</b>	<b>Other</b>	<b>Investment</b>	<b>Total net</b>	<b>Operating</b>	<b>Adjusted</b>

	mgmt. fees <sup>1</sup>	Other revenue <sup>1</sup>	Investment revenue <sup>1</sup>	Total net revenue <sup>1</sup>	Operating expenses <sup>1</sup>	profit before tax	Consol. of funds <sup>2</sup>	Total
<b>Six months 2024</b>								
<b>Income</b>								
Fee income and other income from service activities	281	44	-	325	-	325	(39)	286
Investment return <sup>3</sup>	30	2,590	40	2,660	-	2,660	425	3,085
Other income	-	3	-	3	10	13	1	14
<b>Total income</b>	<b>311</b>	<b>2,637</b>	<b>40</b>	<b>2,988</b>	<b>10</b>	<b>2,998</b>	<b>387</b>	<b>3,385</b>
<b>Expenses</b>								
Change in investment contract liabilities <sup>3</sup>	(14)	(2,589)	(3)	(2,606)	-	(2,606)	-	(2,606)
Fee and commission expenses and other acquisition costs	(24)	-	-	(24)	-	(24)	(1)	(25)
Change in third-party interests in consolidated funds	-	-	-	-	-	-	(371)	(371)
Other operating and administrative expenses	(7)	-	-	(7)	(274)	(281)	(15)	(296)
Finance costs	-	-	-	-	(10)	(10)	-	(10)
<b>Total expenses</b>	<b>(45)</b>	<b>(2,589)</b>	<b>(3)</b>	<b>(2,637)</b>	<b>(284)</b>	<b>(2,921)</b>	<b>(387)</b>	<b>(3,308)</b>
Income tax expense attributable to policyholder returns	(59)	-	-	(59)	-	(59)	-	(59)
<b>Profit before tax attributable to shareholder returns</b>	<b>207</b>	<b>48</b>	<b>37</b>	<b>292</b>	<b>(274)</b>	<b>18</b>	<b>-</b>	<b>18</b>
Adjusting items:								
Impact of acquisition and disposal-related accounting	-	-	-	-	19	19	-	-
Business transformation costs	-	-	-	-	12	12	-	-
Ongoing Advice Evidence	-	-	-	-	2	2	-	-
Exchange rate movements (ZAR/GBP)	-	(1)	-	(1)	-	(1)	-	-
Policyholder tax adjustments	38	-	-	38	-	38	-	38
Finance costs	-	-	-	-	9	9	-	9
<b>Adjusting items</b>	<b>38</b>	<b>(1)</b>	<b>-</b>	<b>37</b>	<b>42</b>	<b>79</b>	<b>-</b>	<b>79</b>
<b>Adjusted profit before tax</b>	<b>245</b>	<b>47</b>	<b>37</b>	<b>329</b>	<b>(232)</b>	<b>97</b>	<b>-</b>	<b>97</b>

<sup>1</sup>The APMs "Net management fees", "Other revenue", "Investment revenue", "Total net revenue" and "Operating expenses" are commented on within the Financial review.

<sup>2</sup>Consolidation of funds shows the grossing up impact to the Group's income and expenses as a result of the consolidation of funds requirements, as described within note 5(a) to the Group's 2023 Annual Report. This grossing up is excluded from the Group's adjusted profit.

<sup>3</sup>Reported within net management fees, investment return of £30 million represents £19 million interest income on investments held for the benefit of policyholders and £11 million net interest income on client money balances. Change in investment contract liabilities of £14 million represents the amount of interest income paid to policyholders. The net balance of £16 million of interest income on customer balances was retained by the Group for the six months to 30 June 2024. The £40 million investment return less £3 million change in investment contract liabilities paid to customers on transactional cash balances, as reported within investment revenue, represents £37 million of interest income on shareholder cash and cash equivalents.

	Net mgmt. fees <sup>1</sup>	Other revenue <sup>1</sup>	Investment revenue <sup>1</sup>	Total net revenue <sup>1</sup>	Operating expenses <sup>1</sup>	Adjusted profit before tax	Consol. of funds <sup>2</sup>	Total
<b>£m</b>								
<b>Six months 2023</b>								
<b>Income</b>								
Fee income and other income from service activities	268	41	-	309	-	309	(32)	277
Investment return <sup>3</sup>	19	1,007	28	1,054	-	1,054	248	1,302
Other income	-	(2)	-	(2)	4	2	-	2
<b>Total income</b>	<b>287</b>	<b>1,046</b>	<b>28</b>	<b>1,361</b>	<b>4</b>	<b>1,365</b>	<b>216</b>	<b>1,581</b>
<b>Expenses</b>								
Change in investment contract liabilities <sup>3</sup>	(12)	(1,006)	-	(1,018)	-	(1,018)	-	(1,018)
Fee and commission expenses and other acquisition costs	(23)	-	-	(23)	-	(23)	(2)	(25)
Change in third-party interests in consolidated funds	-	-	-	-	-	-	(202)	(202)
Other operating and administrative expenses	(7)	-	-	(7)	(278)	(285)	(12)	(297)
Finance costs	-	-	-	-	(11)	(11)	-	(11)
<b>Total expenses</b>	<b>(42)</b>	<b>(1,006)</b>	<b>-</b>	<b>(1,048)</b>	<b>(289)</b>	<b>(1,337)</b>	<b>(216)</b>	<b>(1,553)</b>
Income tax expense attributable to policyholder returns	(21)	-	-	(21)	-	(21)	-	(21)
<b>Profit before tax attributable to shareholder returns</b>	<b>224</b>	<b>40</b>	<b>28</b>	<b>292</b>	<b>(285)</b>	<b>7</b>	<b>-</b>	<b>7</b>
Adjusting items:								
Impact of acquisition and disposal-related accounting	-	-	-	-	21	21	-	-
Business transformation costs	-	-	-	-	16	16	-	-
Customer remediation	-	-	-	-	3	3	-	-
Exchange rate movement (ZAR/GBP)	-	2	-	2	-	2	-	2
Policyholder tax adjustments	18	-	-	18	-	18	-	18
Other adjusting items	-	-	-	-	(1)	(1)	-	(1)
Finance costs	-	-	-	-	10	10	-	10
<b>Adjusting items</b>	<b>18</b>	<b>2</b>	<b>-</b>	<b>20</b>	<b>49</b>	<b>69</b>	<b>-</b>	<b>69</b>
<b>Adjusted profit before tax</b>	<b>242</b>	<b>42</b>	<b>28</b>	<b>312</b>	<b>(236)</b>	<b>76</b>	<b>-</b>	<b>76</b>

<sup>1</sup>The APMs "Net management fees", "Other revenue", "Investment revenue", "Total net revenue" and "Operating expenses" are commented on within the Financial review.

<sup>2</sup>Consolidation of funds shows the grossing up impact to the Group's income and expenses as a result of the consolidation of funds requirements, as described within note 5(a) to the Group's 2023 Annual Report. This grossing up is excluded from the Group's adjusted profit.

<sup>3</sup>Reported within net management fees, investment return of £19 million represents £12 million interest income on investments held for the benefit of policyholders and £7 million net interest income on client money balances. Change in investment contract liabilities of £12 million represents the amount of interest income paid to policyholders. The net balance of £7 million of interest income on customer balances was retained by the Group for the six months to 30 June 2023. The £28 million investment return, as reported within investment revenue, represents interest income on shareholder cash and cash equivalents.

## 6: Segment information

### 6(a): Segment presentation

The Group has two operating segments: High Net Worth and Affluent. The segments used for reporting purposes are consistent with the structure and management of the Group. Head Office includes certain revenues and central costs that are not allocated to the segments.

Adjusted profit before tax is an AFM reported to the Group's management and Board. The segment information in this note reflects the adjusted and IFRS profit measures for each operating segment as provided to management and the Board. Management and the Board use additional performance indicators to assess the performance of each of the segments, including net client cash flows, assets under management and administration, total net revenue and operating margin. Income is analysed in further detail for each operating segment in note 6(b).

Consistent with internal reporting, income and expenses that are not directly attributable to a particular segment are allocated between

segments where appropriate. The Group accounts for inter-segment income and transfers as if the transactions were with third parties at current market prices.

### High Net Worth

This segment comprises Quilter Cheviot and Quilter Cheviot Financial Planning.

Quilter Cheviot provides discretionary investment management, predominantly in the United Kingdom, with bespoke investment portfolios tailored to the individual needs of high net worth clients, charities, companies and institutions through a network of branches in London and the regions. Investment management services are also provided by operations in the Channel Islands and Ireland.

Quilter Cheviot Financial Planning provides financial advice for protection, mortgages, savings, investments and pensions predominantly to high net worth clients.

### Affluent

This segment comprises Quilter Investment Platform, Quilter Investors and Quilter Financial Planning.

Quilter Investment Platform is a leading investment platform provider of advice-based wealth management products and services in the UK, which serves an affluent client base through advised multi-channel distribution.

Quilter Investors is a leading provider of investment solutions in the UK multi-asset market. It develops and manages investment solutions in the form of funds for the Group and third-party clients. It has several fund ranges which vary in breadth of underlying asset class.

Quilter Financial Planning is a restricted and independent financial adviser network providing mortgage and financial planning advice and financial solutions for both individuals and businesses through a network of intermediaries. It operates across all markets, from wealth management and retirement planning advice through to dealing with property wealth and personal and business protection needs.

### Head Office

In addition to the Group's two operating segments, Head Office comprises the investment return on centrally held assets, central support function expenses, central core structural borrowings and certain tax balances.

### 6(b): Adjusted profit statement - segment information

The table below presents the Group's operations split by operating segment, reconciling IFRS profit (or loss) to adjusted profit before tax. The Total column reconciles to the consolidated statement of comprehensive income.

							£m
							Operating segments
Six months 2024	Notes	Affluent	High Net Worth	Head Office	Consolidation adjustments <sup>1</sup>	Total	
<b>Income</b>							
Premium-based fees		35	9	-	-	44	
Fund-based fees		167	91	-	(39)	219	
Fixed fees		1	-	-	-	1	
Other fee and commission income		22	-	-	-	22	
Fee income and other income from service activities		225	100	-	(39)	286	
Investment return <sup>2</sup>		2,638	11	16	420	3,085	
Other income		48	1	1	(36)	14	
<b>Segment income</b>		<b>2,911</b>	<b>112</b>	<b>17</b>	<b>345</b>	<b>3,385</b>	
<b>Expenses</b>							
Change in investment contract liabilities <sup>2</sup>		(2,606)	-	-	-	(2,606)	
Fee and commission expenses and other acquisition costs		(25)	-	-	-	(25)	
Change in third-party interests in consolidated funds		-	-	-	(371)	(371)	
Other operating and administrative expenses		(195)	(106)	(17)	22	(296)	
Finance costs		(1)	-	(13)	4	(10)	
<b>Segment expenses</b>		<b>(2,827)</b>	<b>(106)</b>	<b>(30)</b>	<b>(345)</b>	<b>(3,308)</b>	
<b>Profit/(loss) before tax</b>		<b>84</b>	<b>6</b>	<b>(13)</b>	<b>-</b>	<b>77</b>	
Income tax expense attributable to policyholder returns		(59)	-	-	-	(59)	
<b>Profit/(loss) before tax attributable to shareholder returns</b>		<b>25</b>	<b>6</b>	<b>(13)</b>	<b>-</b>	<b>18</b>	
<b>Adjusting items:</b>							
Impact of acquisition and disposal-related accounting	5(b)(i)	3	16	-	-	19	
Business transformation costs	5(b)(ii)	4	3	5	-	12	
Ongoing Advice Evidence	5(b)(iv)	2	-	-	-	2	
Exchange rate movement (ZAR/GBP)	5(b)(v)	-	-	(1)	-	(1)	
Policyholder tax adjustments	5(b)(vi)	38	-	-	-	38	
Finance costs	5(b)(viii)	-	-	9	-	9	
Adjusting items before tax		47	19	13	-	79	
<b>Adjusted profit before tax</b>		<b>72</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>97</b>	

<sup>1</sup>Consolidation adjustments comprise the elimination of inter-segment transactions and the consolidation of investment funds.

<sup>2</sup>Investment return and change in investment contract liabilities includes net £16 million of interest income on customer cash and cash equivalents retained by the Group. Investment return total also includes £37 million of interest income on shareholder cash and cash equivalents.

							£m
							Operating segments
Six months 2023	Notes	Affluent	High Net Worth	Head Office	Consolidation adjustments <sup>1</sup>	Total	
<b>Income</b>							
Premium-based fees		32	10	-	-	42	
Fund-based fees		172	89	-	(32)	229	
Fixed fees		1	-	-	-	1	
Other fee and commission income		5	-	-	-	5	
Fee income and other income from service activities		210	99	-	(32)	277	
Investment return <sup>2</sup>		1,036	9	12	245	1,302	
Other income		49	-	(2)	(45)	2	
<b>Segment income</b>		<b>1,295</b>	<b>108</b>	<b>10</b>	<b>168</b>	<b>1,581</b>	
<b>Expenses</b>							
Change in investment contract liabilities <sup>2</sup>		(1,018)	-	-	-	(1,018)	
Fee and commission expenses and other acquisition costs		(24)	-	-	(1)	(25)	
Change in third-party interests in consolidated funds		-	-	-	(202)	(202)	



Other operating and administrative expenses	(202)	(102)	(25)	32	(297)
Finance costs	(1)	-	(13)	3	(11)
<b>Segment expenses</b>	<b>(1,245)</b>	<b>(102)</b>	<b>(38)</b>	<b>(168)</b>	<b>(1,553)</b>
<b>Profit/(loss) before tax</b>	<b>50</b>	<b>6</b>	<b>(28)</b>	<b>-</b>	<b>28</b>
Income tax expense attributable to policyholder returns	(21)	-	-	-	(21)
<b>Profit/(loss) before tax attributable to shareholder returns</b>	<b>29</b>	<b>6</b>	<b>(28)</b>	<b>-</b>	<b>7</b>
<b>Adjusting items:</b>					
Impact of acquisition and disposal-related accounting	5(b)(i)	4	17	-	21
Business transformation costs	5(b)(ii)	-	1	15	16
Customer remediation	5(b)(iii)	3	-	-	3
Exchange rate movements (ZAR/GBP)	5(b)(v)	-	-	2	2
Policyholder tax adjustments	5(b)(vi)	18	-	-	18
Other adjusting items	5(b)(vii)	-	(1)	-	(1)
Finance costs	5(b)(viii)	-	-	10	10
Adjusting items before tax	25	17	27	-	69
<b>Adjusted profit before tax</b>	<b>54</b>	<b>23</b>	<b>(1)</b>	<b>-</b>	<b>76</b>

<sup>1</sup> Consolidation adjustments comprise the elimination of inter-segment transactions and the consolidation of investment funds.

<sup>2</sup> Investment return and change in investment contract liabilities includes net £7 million interest income on customer cash and cash equivalents retained by the Group. Investment return total also includes £28 million interest income on shareholder cash and cash equivalents.

## 7: Tax

	<b>£m</b>	
	<b>Six months 2024</b>	<b>Six months 2023</b>
<b>Current tax</b>		
United Kingdom	<b>28</b>	-
<b>Total current tax charge</b>	<b>28</b>	-
<b>Deferred tax</b>		
Origination and reversal of temporary differences	<b>37</b>	23
Effect on deferred tax of changes in tax rates	-	1
Adjustments to deferred tax in respect of prior periods	<b>(1)</b>	(1)
<b>Total deferred tax charge</b>	<b>36</b>	23
<b>Total tax charged</b>	<b>64</b>	23
Attributable to policyholder returns	<b>59</b>	21
Attributable to shareholder returns	<b>5</b>	2
<b>Total tax charged</b>	<b>64</b>	23

### Policyholder tax

Certain products are subject to tax on policyholders' investment returns. This "policyholder tax" is an element of total tax expense. To make the tax expense more meaningful, tax attributable to policyholder returns and tax attributable to shareholder returns are shown separately in the condensed consolidated statement of comprehensive income.

The tax attributable to policyholder returns is the amount payable in the period plus the movement of amounts expected to be payable in future periods. The remainder of the tax expense is attributed to shareholder returns.

The Group's income tax charge was £64 million for the six months to 30 June 2024 (30 June 2023: £23 million). The income tax charge can vary significantly period-on-period as a result of market volatility and the impact this has on policyholder tax. The recognition of the income received from policyholders to fund the policyholder tax liability (which is included within the Group's income) can vary in timing to the recognition of the corresponding policyholder tax expense, creating volatility in the Group's IFRS profit before tax. An adjustment is made to adjusted profit to remove these distortions, as explained further in note 5(b)(vi).

Market movements for the six months to 30 June 2024 resulted in investment gains of £242 million on products subject to policyholder tax. The gain is a component of the total "investment return" gain of £3,085 million shown in the condensed consolidated statement of comprehensive income. The tax impact of the £242 million investment return gain is the primary reason for the £59 million tax charge attributable to policyholder returns for the six months to 30 June 2024 (30 June 2023: £21 million charge).

### Pillar II taxes

Pillar II legislation has been substantively enacted in the UK, introducing a 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 the Group's financial year beginning 1 January 2024. The Group has applied the exemption under IAS 12.4A and accordingly will not recognise or disclose information about deferred tax assets and liabilities related to Pillar II income taxes.

The assessment of the exposure to Pillar II income taxes has shown that the majority of the Group's profits arise in countries with tax rates above 15%. The position in respect of these rules in each of the Group's main territories is summarised below.

#### UK

The Group has assessed that its Pillar II UK effective tax rate exceeds the 15% minimum rate and therefore there is no additional liability in relation to the UK.

The scope of the MTT means that a top-up tax charge may also arise in the UK on profits earned in countries with lower tax rates in which the Group operates, subject to a local qualifying domestic minimum tax. The Group's main non-UK operations are in Jersey and Ireland. Ireland has enacted a qualifying domestic minimum tax (see below), so no additional tax charge is due in the UK on Irish operations. Jersey is expected to introduce a qualifying domestic minimum tax in 2025. The Group's effective tax rate in Jersey is 8% and therefore a MTT liability of £83 thousand in relation to Jersey profits arises in the UK during 2024. This does not have a material impact on the Group's tax charge.

#### Jersey, Guernsey and the Isle of Man

The three Crown Dependencies issued a joint statement in May 2023 stating their intention to introduce a domestic minimum tax in 2025. The Group does not therefore expect to pay additional local tax in these countries during 2024. The Group will continue to monitor the developments in these countries. Until such time as a qualifying domestic minimum tax is introduced, the Group expects to pay a MTT in the UK in respect of any taxable profits arising in these countries (see above).

#### Ireland

Ireland has introduced a qualifying domestic minimum tax. This has been substantively enacted, effective for the Group's financial year beginning 1 January 2024. The Group's effective tax rate in Ireland is 10% and therefore an additional minimum tax charge of £43 thousand arises in Ireland in 2024. This does not have a material impact on the Group's tax charge.

#### Other

The Group has assessed there are no material Pillar II tax charge in any other countries in which it has a presence in 2024.

## 8: Earnings per share

The Group calculates earnings per share ("EPS") on a number of different bases. IFRS requires the calculation of basic and diluted EPS. Adjusted EPS reflects earnings that are consistent with the Group's adjusted profit measure and Headline earnings per share ("HEPS") is a requirement of the Johannesburg Stock Exchange.

### 8(a): Weighted average number of Ordinary Shares

The table below summarises the calculation of the weighted average number of Ordinary Shares for the purposes of calculating basic and diluted earnings per share for each profit measure (IFRS, adjusted profit and Headline earnings).

The bases for the calculation of the Group's EPS are disclosed in note 5(u) of the Group's 2023 Annual Report.

	Million	
	Six months 2024	Six months 2023
Weighted average number of Ordinary Shares	1,404	1,404
Own shares including those held in consolidated funds and employee benefit trusts	(63)	(51)
<b>Basic weighted average number of Ordinary Shares</b>	<b>1,341</b>	<b>1,353</b>
Adjustment for dilutive share awards and options <sup>1</sup>	41	11
<b>Diluted weighted average number of Ordinary Shares</b>	<b>1,382</b>	<b>1,364</b>

<sup>1</sup>The adjustment for dilutive share awards and options includes dividend equivalent shares in line with the requirements of IAS 33. Previously, these shares were not included in the figures presented in the condensed consolidated interim financial statements for the period ended 30 June 2023. The June 2023 adjustment for dilutive share awards and options presented above was increased by 8 million shares to ensure comparability.

### 8(b): Basic and diluted EPS (IFRS and adjusted profit)

		£m	
	Note	Six months 2024	Six months 2023
Profit after tax		13	5
Total adjusting items before tax	5(a)	79	69
Tax on adjusting items		18	2
Less: policyholder tax adjustments		(38)	(18)
<b>Adjusted profit after tax</b>		<b>72</b>	<b>58</b>

		Pence	
	Post-tax profit measure used	Six months 2024	Six months 2023
Basic EPS	IFRS profit	1.0	0.4
Diluted EPS	IFRS profit	0.9	0.4
Adjusted basic EPS	Adjusted profit	5.4	4.3
Adjusted diluted EPS	Adjusted profit	5.2	4.3

### 8(c): Headline earnings per share

	£m			
	Six months 2024		Six months 2023	
	Gross	Net of tax	Gross	Net of tax
<b>Profit</b>		13		5
Adjusted for:				
- add back of impairment loss on intangible assets	-	-	1	1
<b>Headline earnings</b>		<b>13</b>		<b>6</b>
<b>Headline basic EPS (pence)</b>		<b>1.0</b>		<b>0.4</b>
<b>Headline diluted EPS (pence)</b>		<b>0.9</b>		<b>0.4</b>

## 9: Dividends

		£m	
	Payment date	Six months 2024	Six months 2023
2022 Final Dividend paid - 3.3p per Ordinary Share	22 May 2023	-	45
2023 Final Dividend paid - 3.7p per Ordinary Share	28 May 2024	50	-
<b>Dividends paid to Ordinary Shareholders</b>		<b>50</b>	<b>45</b>

Final and Interim Dividends paid to Ordinary Shareholders are calculated using the number of shares in issue at the record date less own shares held in employee benefit trusts.

## 10: Goodwill

### 10(a): Allocation of goodwill to cash-generating units ("CGUs") and consideration of the need for an impairment review

Goodwill is monitored by management at the level of the Group's two operating segments: Affluent and High Net Worth. Both operating segments represent a group of CGUs.

	£m	
	30 June 2024	31 December 2023
<b>Goodwill (net carrying amount)</b>		
Affluent	223	223
High Net Worth	83	83
<b>Total goodwill</b>	<b>306</b>	<b>306</b>

#### Consideration of the need for an impairment review

Goodwill in both the Affluent and High Net Worth CGU groups is tested for impairment annually, or earlier if an indicator of impairment exists, by comparing the carrying value of the CGU group to which the goodwill relates to the recoverable value of that CGU group, being the higher of that CGU group's value-in-use or fair value less costs to sell. If applicable, an impairment charge is recognised when the recoverable amount is less than the carrying value. Goodwill impairment indicators include sudden stock market falls, the absence of positive Net Client

Cash Flows ("NOCF"), significant falls in profits and significant increases in the discount rate.

During the six months to 30 June 2024, management considers there to be no indicators of impairment for the Affluent and High Net Worth OGU groups. The positive movements in equity markets and resulting increase in AuMA have contributed to higher revenues and this, together with continued cost discipline, has led to adjusted profit before tax of £97 million, which is a 28% increase from the prior period to 30 June 2023 of £76 million. NOCF has also been stronger compared to the prior period due to higher gross sales.

## 11: Financial investments

The table below analyses the investments and securities that the Group invests in, either on its own proprietary behalf (shareholder funds) or on behalf of third parties (policyholder funds).

	£m	
	30 June 2024	31 December 2023
Government and government-guaranteed securities	209	202
Other debt securities, preference shares and debentures	2,130	2,175
Equity securities	9,153	8,488
Pooled investments	43,468	39,462
Short-term funds and securities treated as investments	1	1
Other	1	1
<b>Total financial investments</b>	<b>54,962</b>	<b>50,329</b>
Recoverable within 12 months	54,962	50,329
<b>Total financial investments</b>	<b>54,962</b>	<b>50,329</b>

The financial investments recoverability profile is based on the intention with which the financial assets are held. These assets are held to cover the liabilities for linked investment contracts, all of which can be withdrawn by policyholders on demand.

## 12: Categories of financial instruments

The analysis of financial assets and liabilities into categories as defined in IFRS 9 Financial Instruments is set out in the following tables. Assets and liabilities of a non-financial nature, or financial assets and liabilities that are specifically excluded from the scope of IFRS 9, are reflected in the non-financial assets and liabilities category.

For information about the methods and assumptions used in determining fair value, refer to note 13. The Group's exposure to various risks associated with financial instruments is discussed in note 37 to the Group's 2023 Annual Report. During the period, there have been no material changes in the Group's exposure to those risks.

### 30 June 2024

Measurement basis	Fair value				Total
	Mandatorily at FVTPL	Designated at FVTPL	Amortised cost	Non-financial assets and liabilities	
<b>Assets</b>					
Loans and advances	-	-	50	-	50
Financial investments	54,962	-	-	-	54,962
Trade, other receivables and other assets	-	-	511	44	555
Derivative assets	24	-	-	-	24
Cash and cash equivalents	1,194	-	705	-	1,899
Total assets that include financial instruments	56,180	-	1,266	44	57,490
Total other non-financial assets	-	-	-	588	588
<b>Total assets</b>	<b>56,180</b>	<b>-</b>	<b>1,266</b>	<b>632</b>	<b>58,078</b>
<b>Liabilities</b>					
Investment contract liabilities	-	47,797	-	-	47,797
Third-party interests in consolidated funds	7,704	-	-	-	7,704
Borrowings and lease liabilities	-	-	277	-	277
Trade, other payables and other liabilities	-	-	597	69	666
Derivative liabilities	19	-	-	-	19
Total liabilities that include financial instruments	7,723	47,797	874	69	56,463
Total other non-financial liabilities	-	-	-	133	133
<b>Total liabilities</b>	<b>7,723</b>	<b>47,797</b>	<b>874</b>	<b>202</b>	<b>56,596</b>

### 31 December 2023

Measurement basis	Fair value				Total
	Mandatorily at FVTPL	Designated at FVTPL	Amortised cost (Restated)	Non-financial assets and liabilities (Restated)	
<b>Assets</b>					
Loans and advances	-	-	38	-	38
Financial investments	50,329	-	-	-	50,329
Trade, other receivables and other assets	-	-	404	43	447
Derivative assets	57	-	-	-	57
Cash and cash equivalents	1,091	-	768	-	1,859
Total assets that include financial instruments	51,477	-	1,210	43	52,730
Total other non-financial assets	-	-	-	615	615
<b>Total assets</b>	<b>51,477</b>	<b>-</b>	<b>1,210</b>	<b>658</b>	<b>53,345</b>
<b>Liabilities</b>					
Investment contract liabilities	-	43,396	-	-	43,396
Third-party interests in consolidated funds	7,444	-	-	-	7,444
Borrowings and lease liabilities	-	-	279	-	279
Trade, other payables and other liabilities <sup>1</sup>	1	-	476	93	570

Trade, other payables and other liabilities	1	-	770	3	310
Derivative liabilities	25	-	-	-	25
Total liabilities that include financial instruments	7,470	43,396	755	93	51,714
Total other non-financial liabilities	-	-	-	112	112
<b>Total liabilities</b>	<b>7,470</b>	<b>43,396</b>	<b>755</b>	<b>205</b>	<b>51,826</b>

<sup>1</sup>The disclosures for 2023 have been restated to reclassify £8 million of Trade, other payables and other liabilities from the amortised cost category to the non-financial liabilities category. The relevant balances which were presented in the amortised cost category in the Group's 2023 financial statements arose in connection with the Group's statutory and constructive obligations as opposed to arising in connection with the Group's contractual obligations.

### 13: Fair value methodology

This section explains the judgements and estimates made in determining the fair values of financial instruments that are recognised and measured at fair value in the financial statements. Classifying financial instruments into the three levels of the fair value hierarchy (see note 13(b)) provides an indication of the reliability of inputs used in determining fair value.

#### 13(a): Determination of fair value

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market exit prices for assets and offer prices for liabilities, at the close of business on the reporting date, without any deduction for transaction costs.

- for units in unit trusts and shares in open-ended investment companies, fair value is determined by reference to published quoted prices representing exit values in an active market;
- for equity and debt securities not actively traded in organised markets and where the price cannot be retrieved, the fair value is determined by reference to similar instruments for which market observable prices exist;
- for assets that have been suspended from trading on an active market, the last published price is used. Many suspended assets are still regularly priced. At the reporting date, all suspended assets are assessed for impairment; and
- where the assets are private equity investments or within consolidated investment funds, the valuation is based on the latest available set of audited financial statements, or if more recent is available, reports from investment managers or professional valuation experts on the value of the underlying assets of the private equity investment or fund.

During the six months to 30 June 2024, there have been no significant changes in the valuation techniques applied when valuing financial instruments. Where assets are valued by the Group, the general principles applied to those instruments measured at fair value are outlined below.

#### Financial investments

Financial investments include government and government-guaranteed securities, listed and unlisted debt securities, preference shares and debentures, listed and unlisted equity securities, listed and unlisted pooled investments (see below), short-term funds and securities treated as investments and certain other securities.

Pooled investments represent the Group's holdings of shares/units in open-ended investment companies, unit trusts, mutual funds and similar investment vehicles. Pooled investments are recognised at fair value. The fair values of pooled investments are based on widely published prices that are regularly updated.

Other financial investments that are measured at fair value use observable market prices where available. In the absence of observable market prices, these investments and securities are fair valued using various approaches including valuations based on discounted cash flows and earnings before interest, tax, depreciation and amortisation multiples.

#### Derivatives

The fair value of derivatives is determined with reference to the exchange-traded prices of the specific instruments. The fair value of over-the-counter forward foreign exchange contracts is determined by reference to the relevant exchange rates.

#### Investment contract liabilities

The fair value of the investment contract liabilities is determined with reference to the underlying funds that are held by the Group.

#### Third-party interests in consolidated funds

Third-party interests in consolidated funds are measured at the attributable net asset value of each fund.

#### 13(b): Fair value hierarchy

Fair values are determined according to the following hierarchy:

Description of hierarchy	Types of instruments classified in the respective levels
<b>Level 1</b> - quoted market prices: financial assets and liabilities with quoted prices for identical instruments in active markets.	Listed equity securities, government securities and other listed debt securities and similar instruments that are actively traded, actively traded pooled investments, certain quoted derivative assets and liabilities and investment contract liabilities directly linked to other Level 1 financial assets.
<b>Level 2</b> - valuation techniques using observable inputs: financial assets and liabilities with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial assets and liabilities valued using models where all significant inputs are observable.	Unlisted equity and debt securities where the valuation is based on models involving no significant unobservable data. Over-the-counter derivatives, certain privately placed debt instruments and third-party interests in consolidated funds which meet the definition of Level 2 financial instruments.
<b>Level 3</b> - valuation techniques using significant unobservable inputs: financial assets and liabilities valued using valuation techniques where one or more significant inputs are unobservable.	Unlisted equity and securities with significant unobservable inputs, securities where the market is not considered sufficiently active, including certain inactive pooled investments.

The judgement as to whether a market is active may include, for example, consideration of factors such as the magnitude and frequency of trading activity, the availability of prices and the size of bid/offer spreads. In inactive markets, obtaining assurance that the transaction price provides evidence of fair value or determining the adjustments to transaction prices that are necessary to measure the fair value of the asset or liability requires additional work during the valuation process.

The majority of valuation techniques employ only observable data and so the reliability of the fair value measurement is high. Certain financial assets and liabilities are valued on the basis of valuation techniques that feature one or more significant inputs that are unobservable and, for them, the derivation of fair value is more judgemental. A financial asset or liability in its entirety is classified as valued using significant unobservable inputs if a significant proportion of that asset or liability's carrying amount is driven by unobservable inputs.

In this context, 'unobservable' means that there is little or no current market data available from which to determine the price at which an arm's length transaction would be likely to occur. It generally does not mean that there is no market data available at all upon which to base a determination of fair value. Furthermore, in some cases the majority of the fair value derived from a valuation technique with significant unobservable data may be attributable to observable inputs.

### 13(c): Transfer between fair value hierarchies

The Group deems a transfer to have occurred between Level 1 and Level 2 or Level 3 when an actively traded primary market ceases to exist for that financial instrument. A transfer between Level 2 and Level 3 occurs when one or more of the significant inputs used to determine the fair value of the instrument become unobservable. Transfers from Levels 3 or 2 to Level 1 are also possible when assets become actively priced.

There were no transfers of financial investments between Level 1 and Level 2 during the six months to 30 June 2024 (31 December 2023: £nil). In addition, there were no transfers of financial investments from Level 2 to Level 1 during the period (31 December 2023: £nil).

See note 13(e) for the reconciliation of Level 3 financial instruments.

### 13(d): Financial assets and liabilities measured at fair value, classified according to the fair value hierarchy

The majority of the Group's financial assets are measured using quoted market prices for identical instruments in active markets (Level 1) and there have been no significant changes during the period.

The linked assets are held to cover the liabilities for linked investment contracts. The difference between the value of linked assets and that of linked liabilities is mainly due to short-term timing differences between policyholder premiums being received and invested in advance of policies being issued, and tax liabilities within funds which are reflected within the Group's tax liabilities.

Differences between assets and liabilities within the respective levels of the fair value hierarchy also arise due to the mix of underlying assets and liabilities within consolidated funds. In addition, third-party interests in consolidated funds are classified as Level 2.

The tables below analyse the Group's financial assets and liabilities measured at fair value by the fair value hierarchy described in note 13(b). All items are recognised mandatorily at fair value through profit or loss, apart from investment contract liabilities which are designated at fair value through profit or loss.

	£m			
<b>30 June 2024</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial investments	45,901	9,041	20	54,962
Cash and cash equivalents	1,194	-	-	1,194
Derivative assets	-	24	-	24
<b>Total financial assets measured at fair value through profit or loss</b>	<b>47,095</b>	<b>9,065</b>	<b>20</b>	<b>56,180</b>
Third-party interests in consolidated funds	-	7,704	-	7,704
Derivative liabilities	-	19	-	19
Investment contract liabilities	47,780	-	17	47,797
<b>Total financial liabilities measured at fair value through profit or loss</b>	<b>47,780</b>	<b>7,723</b>	<b>17</b>	<b>55,520</b>
	£m			
<b>31 December 2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial investments	41,691	8,605	33	50,329
Cash and cash equivalents	1,091	-	-	1,091
Derivative assets	-	57	-	57
<b>Total financial assets measured at fair value through profit or loss</b>	<b>42,782</b>	<b>8,662</b>	<b>33</b>	<b>51,477</b>
Third-party interests in consolidated funds	-	7,444	-	7,444
Other liabilities	-	1	-	1
Derivative liabilities	-	25	-	25
Investment contract liabilities	43,372	-	24	43,396
<b>Total financial liabilities measured at fair value through profit or loss</b>	<b>43,372</b>	<b>7,470</b>	<b>24</b>	<b>50,866</b>

### 13(e): Level 3 fair value hierarchy disclosure

The majority of the assets classified as Level 3 are held within linked policyholder funds. Where this is the case, all of the investment risk associated with these assets is borne by policyholders and the value of these assets is exactly matched by a corresponding liability due to policyholders. The Group bears no risk from a change in the market value of these assets except to the extent that it has an impact on management fees earned.

Level 3 assets also include investments within consolidated funds. The Group bears no risk from a change in the market value of these assets except to the extent that it has an impact on management fees earned. Any changes in market value are matched by a corresponding Level 2 liability within third-party interests in consolidated funds.

The table below reconciles the opening balance of Level 3 financial assets to the closing balance at each period end:

	£m	
	30 June 2024	31 December 2023
At beginning of the year	33	29
Fair value gains/(losses) credited/(charged) to profit or loss <sup>1</sup>	5	(1)
Sales	(17)	(1)
Transfers in	8	27
Transfers out	(9)	(21)
<b>Total Level 3 financial assets at the end of the period</b>	<b>20</b>	<b>33</b>
Unrealised fair value (losses)/gains recognised in profit or loss relating to assets held at the period end	(2)	2

<sup>1</sup>Included in Investment return.

All of the assets that are classified as Level 3 are suspended funds for each of the periods presented.

Transfers into Level 3 assets in the current period total £8 million (31 December 2023: £27 million). This is mainly due to suspended funds previously shown within Level 1. Suspended funds are valued based on external valuation reports received from fund managers. Transfers out of Level 3 assets in the current period of £9 million, (31 December 2023: £21 million) result from a transfer to Level 1 assets relating to assets that are now being actively repriced (that were previously stale) and where fund suspensions have been lifted.

The table below reconciles the opening balance of Level 3 financial liabilities to the closing balance at each period end:

	£m	
	30 June 2024	31 December 2023
At beginning of the year	24	25
Fair value losses charged to profit or loss <sup>1</sup>	(2)	-
Transfers in	-	20
Transfers out	(5)	(21)
<b>Total Level 3 financial liabilities at the end of the period</b>	<b>17</b>	<b>24</b>
Unrealised fair value losses recognised in profit or loss relating to liabilities at the period end	2	-

<sup>1</sup>Included in Investment return.

#### 13(f): Effect of changes in significant unobservable assumptions to reasonable alternatives

Details of the valuation techniques applied to the different categories of financial instruments can be found in note 13(a) above, including the valuation techniques applied when significant unobservable assumptions are used to value Level 3 assets.

For Level 3 assets and liabilities, no reasonable alternative assumptions are applicable and the Group therefore performs a sensitivity test of an aggregate 10% change in the value of the financial asset or liability (31 December 2023: 10%), representing a reasonable alternative judgement in the context of the current macroeconomic environment in which the Group operates. It is therefore considered that the impact of this sensitivity will be in the range of £2 million to the reported fair value of Level 3 assets, both favourable and unfavourable (31 December 2023: £3 million).

#### 13(g): Fair value hierarchy for assets and liabilities not measured at fair value

Certain financial instruments of the Group are not carried at fair value. The carrying values of these are considered reasonable approximations of their respective fair values as they are either short term in nature or are repriced to current market rates at frequent intervals.

### 14: Cash and cash equivalents

#### 14(a): Analysis of cash and cash equivalents

	£m	
	30 June 2024	31 December 2023
Cash at bank	337	444
Money market funds	1,194	1,091
Cash and cash equivalents in consolidated funds	368	324
<b>Total cash and cash equivalents per statement of cash flows</b>	<b>1,899</b>	<b>1,859</b>

The Group's management does not consider that the cash and cash equivalents balance arising due to consolidation of funds of £368 million (31 December 2023: £324 million) is available for use in the Group's day-to-day operations. The remainder of the Group's cash and cash equivalents balance of £1,531 million (31 December 2023: £1,535 million) is considered to be available for general use by the Group for the purposes of the disclosures required under IAS 7 Statement of Cash Flows. This balance includes policyholder cash as well as cash and cash equivalents held by regulated subsidiaries to meet their capital and liquidity requirements.

### 15: Ordinary Share capital

At 30 June 2024, the Company's equity capital comprises 1,404,105,498 Ordinary Shares of 8 1/6 pence each with an aggregated nominal value of £114,668,616 (31 December 2023: 1,404,105,498 Ordinary Shares of 8 1/6 pence each with an aggregated nominal value of £114,668,616). All Ordinary Shares have been called up and fully paid.

### 16: Provisions

	£m				
	Compensation provisions	Sale of subsidiaries provision	Property provisions	Clawback and other provisions	Total
<b>30 June 2024</b>					
Balance at beginning of the year	17	3	10	16	46
Charge to profit or loss	4	-	-	5	9
Used during the period	(2)	(2)	(1)	(6)	(11)
Unused amounts reversed	(4)	-	-	(1)	(5)
<b>Balance at 30 June 2024</b>	<b>15</b>	<b>1</b>	<b>9</b>	<b>14</b>	<b>39</b>
<b>31 December 2023</b>					
Balance at beginning of the year	23	15	12	19	69
Charge to profit or loss	17	-	-	6	23
Used during the year	(14)	(12)	(2)	(8)	(36)
Unused amounts reversed	(9)	-	-	(1)	(10)
<b>Balance at 31 December 2023</b>	<b>17</b>	<b>3</b>	<b>10</b>	<b>16</b>	<b>46</b>

## Compensation provisions

At 30 June 2024, compensation provisions total £15 million (31 December 2023: £17 million). The net reduction of £2 million during the period consists of additional charges to profit or loss of £4 million, compensation and professional fees payments of £2 million and £4 million release of unused amounts following further review work completed during the period. Compensation provisions comprise the following:

Lighthouse pension transfer advice provision of £5 million (31 December 2023: £6 million)

A further review of a sample of Lighthouse DB to DC pension transfer advice cases not relating to the British Steel Pension Scheme is being conducted by an independent expert to identify any cases of unsuitable DB to DC pension transfer advice. The review is being conducted under a Group-managed past business review process, and the sample has been selected on a risk-based approach. The review of this sample has identified some additional cases where customer redress is required. Until the review of the relevant sample has been completed, uncertainty exists as to the number of cases where this will be required and the value of total redress which may be payable. A provision for redress relating to the review of this further sample of cases was increased at 31 December 2023, based upon the suitability review of cases, and the anticipated number of cases required to be reviewed. Payments of £1 million were made to customers during 2023. Anticipated costs associated with the redress activity of £2 million were included within the provision at 31 December 2023. Payments of £1 million of professional fees were made during 2024.

The Group estimates a reasonably possible change of +/- £4 million from the £5 million balance, based upon an increase or decrease of five percentage points in redress as a percentage of transfer value.

Compensation provisions (other) of £10 million (31 December 2023: £11 million)

Other compensation provisions of £10 million include amounts relating to the cost of correcting deficiencies in policy administration systems, including redress, any associated litigation costs and the related costs to compensate previous or existing policyholders and customers. This provision represents management's best estimate of expected outcomes based upon past experience, and a review of the details of each case. Due to the nature of the provision, the timing of the expected cash outflows is uncertain. The best estimate of the timing of outflows is that the majority of the balance is expected to be settled within 12 months.

A provision of £2 million, included within the balance, has been recognised at 30 June 2024 (31 December 2023: £3 million) relating to potentially unsuitable DB to DC pension transfer advice provided by adviser businesses other than Lighthouse. The estimate of the provision has been updated for the current status of the past business reviews and redress estimated based upon the Group's experience of past business reviews. Customer redress is expected to be calculated and paid to relevant customers during the second half of 2024.

The Group estimates a reasonably possible change of +/- £3 million from the £10 million balance, based upon a review of the cases and the range of potential outcomes for the customer redress payments.

## Sale of subsidiaries provision

The sale of subsidiaries provision totals £1 million at 30 June 2024 (31 December 2023: £3 million), and includes the following:

Provisions arising on the sale of Quilter International of £nil (31 December 2023: £2 million)

Quilter International was sold in November 2021, resulting in provisions totalling £17 million being established in respect of costs related to the disposal including the costs of business separation and data migration activities.

The costs of business separation arise from the process required to separate Quilter International's infrastructure, which was complex and covered a wide range of areas including people, IT systems, data, contracts and facilities. A programme team was established to ensure the transition of these areas to the acquirer. These provisions were based on external quotations and estimates, together with estimates of the incremental time and resource costs required to achieve the separation, which was expected to occur over a two-to-three-year period from the date of the sale.

The most significant element of the provision was the cost of migration of IT systems and data to the acquirer. Calculation of the provision was based on management's best estimate of the work required, the time it is expected to take, the number and skills of the staff required and their cost, and the cost of related external IT services to support the work. In reaching these judgements and estimates, management made use of its past experience of previous IT migrations following business disposals.

During the period, £2 million (31 December 2023: £9 million) of the provision related to decommissioning works has been used, and the project is materially complete.

## Property provisions

Property provisions total £9 million (31 December 2023: £10 million). Property provisions represent the discounted value of expected future costs of reinstating leased property to its original condition at the end of the lease term and any onerous commitments which may arise in cases where a leased property is no longer fully used by the Group. The estimate is based upon property location, size of property and an estimate of the cost per square foot. Property provisions are used or released when the reinstatement obligations are satisfied. The associated asset for the property provisions relating to the cost of reinstating property is included within Property, plant and equipment.

Of the £9 million provision outstanding, £2 million (31 December 2023: £3 million) is estimated to be payable within one year. The majority of the balance relates to leased properties which have a lease term maturity of more than five years.

## Clawback and other provisions

Clawback and other provisions total £14 million (31 December 2023: £16 million) and include amounts for the resolution of legal uncertainties and the settlement of other claims raised by contracting parties and indemnity commission provisions. Where the impact of discounting is material, provisions are discounted at discount rates specific to the risks inherent in the liability. The timing and final amounts of payments, particularly those in respect of litigation claims and similar actions against the Group, are uncertain and could result in adjustments to the amounts recorded.

Included within the balance at 30 June 2024 is £10 million (31 December 2023: £12 million) of clawback provisions in respect of potential refunds due to product providers on indemnity commission within the Quilter Financial Planning business. This provision, which is estimated and charged as a reduction of revenue at the point of sale of each policy, is based upon assumptions determined from historical experience of the proportion of policyholders cancelling their policies, which requires Quilter to refund a portion of commission previously received. Reductions to the provision result from the payment of cash to product providers as refunds or the recognition of revenue where a portion is assessed as no longer payable. The provision has been assessed at the reporting date and adjusted for the latest cancellation information available. At 30 June 2024, an associated balance of £8 million recoverable from brokers is included within Trade, other receivables and other assets (31 December 2023: £8 million).

The Group estimates a reasonably possible change of +/- £3 million, based upon the potential range of outcomes for the proportion of cancelled policies within the clawback provision, and a detailed review of the other provisions.

Of the total £14 million provision outstanding, £7 million is estimated to be payable within one year (31 December 2023: £7 million).

## 17: Contingent liabilities

The Group, in the ordinary course of business, enters into transactions that expose it to tax, legal, regulatory and business risks. The Group recognises a provision when it has a present obligation as a result of past events, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made (see note 16). Possible obligations and known liabilities where no reliable estimate can be made or it is considered improbable that an outflow would result are reported as contingent liabilities.

The Group routinely monitors and assesses contingent liabilities arising from matters such as business reviews, litigation, warranties and indemnities relating to past acquisitions and disposals.

The Group is committed to conducting its tax affairs in accordance with the tax legislation of the countries in which it operates and this includes compliance with legislation related to levies, sales taxes and payroll deductions.

The tax authorities in the countries in which the Group operates routinely review historical transactions undertaken and tax law interpretations made by the Group. All interpretations made by the Group are made with reference to the specific facts and circumstances of the transaction and the relevant legislation.

There are occasions where the Group's interpretation of tax law may be challenged by the tax authorities. The condensed consolidated financial statements include provisions that reflect the Group's assessment of liabilities which might reasonably be expected to materialise as part of their review. The Group is satisfied that adequate provisions have been made to allow for the resolution of tax uncertainties.

Due to the level of estimation required in determining tax provisions, amounts eventually payable may differ from the provision recognised.

#### *DB to DC pension transfer advice redress*

As set out in note 16, a sample of Lighthouse DB to DC pension transfer advice cases not relating to the British Steel Pension Scheme is being reviewed under a Group-managed past business review process. Until the review has finalised, uncertainty exists as to the number of cases where further review will be required and the value of total redress that will be payable.

Customers have the legal right to challenge the outcome of the review and the BSPS Redress Scheme in respect of their case via a complaint to the Financial Ombudsman Service. The review is being undertaken by a party who is independent from the Group and has run a robust process overseen by the FCA. The Financial Ombudsman Service may uphold further challenges, which may lead to further redress payable by the Group.

It is possible that further material costs of redress may be incurred in relation to past business reviews. Further customer redress costs may also be incurred for other potential unsuitable DB to DC pension transfer advice provided across the Group.

Any further redress costs, and any differences between the provision and the final payment to be made for any unsuitable DB to DC pension transfer cases, will be recognised as an expense or credit in profit or loss.

#### *Complaints, disputes and regulations*

The Group is committed to treating customers fairly and remains focussed on delivering good outcomes for customers to support them in meeting their lifetime goals. During the normal course of business, from time to time, the Group receives complaints and claims from customers including, but not limited to, complaints to the Financial Ombudsman Service and legal proceedings, enters into commercial disputes with service providers and other parties, and is subject to discussions and reviews with regulators. The costs, including legal costs, of these issues as they arise can be significant and, where appropriate, provisions have been established.

#### *Ongoing Advice Evidence*

In the preliminary results announcement on 6 March 2024, the Group committed to undertake a review of historical data and practices across the Appointed Representative firms in the Quilter Financial Planning network. Following discussion with the FCA, the review is being conducted by a Skilled Person, and the Skilled Person was appointed in June 2024 (see note 1).

Uncertainty exists as to the results of the Skilled Person review and what recommendation, if any, the Skilled Person may make as to the nature and form of any potential future remediation exercise and the outcome of any related discussions with the FCA. As the Skilled Person review is not sufficiently advanced, a present obligation for any potential liability does not exist, and therefore no liability in respect of remediation associated with this process and the associated administrative costs of any potential future remediation exercise is recognised in the interim financial statements. The related critical accounting judgement is disclosed in note 1. By early 2025, the Group expects to be able to provide an update on the Skilled Person review.

Where the Group's regular adviser oversight controls have determined, based on the available evidence, that a customer may not have received the servicing that they have paid for, or where the Group has received complaints from customers regarding ongoing servicing, this has been investigated, and, where appropriate, remediation has been undertaken and recognised as a normal business as usual expense.

The Group has considered the potential implications of the Skilled Person review and Ongoing Advice Evidence as part of its going concern assessment (see note 1).

#### **18: Related party transactions**

In the normal course of business, the Group enters into transactions with related parties. Loans to related parties are conducted on an arm's length basis and are not material to the Group's results. There were no transactions with related parties during the current period or during 2023 which had a material effect on the results or financial position of the Group.

#### **19: Events after the reporting date**

##### *Interim Dividend*

On 6 August 2024, the Board declared an Interim Dividend of 1.7 pence per Ordinary Share amounting to £23 million in total. The Interim Dividend will be paid on 23 September 2024 to shareholders on the UK and South African share registers. These condensed consolidated interim financial statements do not reflect this dividend payable.

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