



**FUTURE FOCUSED**  
Client Driven

As we reflect on the growth of the Group, we are **FOCUSING ON THE FUTURE** and the opportunities this offers our stakeholders, ensuring we continue to deliver value through this time of change.

**DELIVERING  
FOR OUR CLIENTS**

We remain committed to our clients as we work to migrate onto one platform.

➔ [Read more on page O4](#)

**BUILDING A  
ROBUST NETWORK**

We moved colleagues at eight sites into the same offices bringing teams together.

➔ [Read more on page O5](#)

**CREATING AN  
INCLUSIVE CULTURE**

We reviewed our culture, supporting work which will shape the future of Rathbones.

➔ [Read more on page O6](#)

## Our reporting suite

This Report and Accounts forms part of our wider reporting suite where you can find more about our full activities.



 **Climate Report 2024**




 **Responsible Business Update 2024**

On 21 September 2023, following regulatory approval, Rathbones Group Plc completed its planned combination with Investec Wealth & Investment UK (from here in referred to as IW&I). Throughout this report, figures stated include IW&I, unless otherwise indicated. Where practicable, a like-for-like comparative has been included.

### FURTHER INFORMATION LINKS

Throughout this report we use these icons to indicate where you can find out more.

 **Read more**

 **Visit website**

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## ABOUT RATHBONES

### Wealth management

#### INVESTMENT MANAGEMENT

Clients of this discretionary service can expect a tailored investment strategy that meets individual objectives backed by an investment process that aims to provide risk-adjusted returns to meet clients' needs today and in the future.

#### OUR SPECIALIST CAPABILITIES

- Charities and not-for-profit organisations
- Our specialist ethical arm, Greenbank
- Personal Injury and Court of Protection
- Ability to service international clients through Rathbones Investment Management International (RIMI).

#### OUR SERVICES

##### Bespoke service

Provides clients access to a dedicated investment manager who will construct and manage a bespoke portfolio that is specifically tailored to their needs.

##### Managed service

Provides clients with access to a dedicated investment manager who will invest in a range of ready-made, diversified multi-asset portfolios managed by Rathbones Asset Management (RAM).

##### Select

Provides clients direct access to a range of ready-made, diversified multi-asset portfolios managed by RAM. Select does not come with a dedicated investment manager; it is a more appropriate and cost-effective solution for smaller value portfolios.

#### FINANCIAL PLANNING AND ADVICE

We provide financial planning and advisory services through Rathbones Financial Planning and Vision Independent Financial Planning. We also offer UK trust, tax and legal services through the Rathbones Trust Company.

Clients can choose a financial planning service as a standalone offering or combine it with one of our Investment Management services.

We can deliver our financial planning services to clients in one of the following ways:

- Initial advice, which could be delivered as a one-off service
- Ongoing advice and planning.

#### COMPLEMENTARY SERVICES

As a licensed deposit taker we are able to offer our clients a range of banking services including currency and payment services, fixed interest term deposits and loans to existing clients.

We are now able to offer SIPP administration services to clients.

### Asset management

Rathbones Asset Management is a UK fund manager, offering actively managed equity, fixed income and multi-asset capabilities for retail- and institutional-type investors. Our range of single-strategy and multi-asset funds are designed to potentially meet investors' core investment needs, or provide 'building blocks' for wealth solutions, with distribution primarily through UK advisors.

International clients may also access our funds through the Rathbone Luxembourg Funds SICAV, which allows access to a similar range of actively managed funds.

### Where we do it

With offices throughout the UK and the Channel Islands, clients are never far away from high-quality, personalised wealth management services.



# 23<sup>1</sup>

LOCATIONS IN THE UK  
AND CHANNEL ISLANDS

# £109.2bn

MANAGED BY US  
FOR OUR CLIENTS

# FTSE 250

COMPANY LISTED ON THE  
LONDON STOCK EXCHANGE

1. Includes Vision Independent Financial Planning

HIGHLIGHTS OF 2024

Financial highlights

PROFIT BEFORE TAX

£99.6m

2023: £57.6m

UNDERLYING PROFIT  
BEFORE TAX<sup>\*1</sup>

£227.6m

2023: £127.1m

RETURN ON CAPITAL  
EMPLOYED (ROCE)<sup>\*</sup>

4.8%

2023: 4.9%

UNDERLYING RETURN  
ON CAPITAL EMPLOYED  
(ROCE)<sup>\*2</sup>

12.0%

2023: 12.1%

BASIC EARNINGS  
PER SHARE

63.0p

2023: 52.6p

UNDERLYING EARNINGS  
PER SHARE<sup>\*1</sup>

161.6p

2023: 135.8p

DIVIDEND PAID AND  
PROPOSED PER SHARE

93.0p

2023: 87.0p

➔ For a full five-year record  
[see page 234](#)

Strategic highlights

NUMBER OF  
INVESTMENT MANAGERS

678

2023: 681

NUMBER OF  
FINANCIAL PLANNERS

122

2023: 117

TOTAL FUNDS UNDER  
MANAGEMENT AND  
ADMINISTRATION (FUMA)

£109.2bn

2023: 105.3bn

Stakeholder highlights

CLIENT NET  
PROMOTER SCORE<sup>3</sup>

56%

2023: 43%<sup>3</sup>

EMPLOYEE SHARE  
OWNERSHIP

7.9%

2023: 6.3%

STEWARDSHIP  
ENGAGEMENTS  
WITH COMPANIES<sup>3</sup>

743

2023: 752<sup>3</sup>

\* This measure is considered an alternative performance measure (APM). Please refer to [page 43](#) for more detail on APMs

1. A reconciliation between underlying profit before tax and profit before tax is shown on [page 42](#)

2. Underlying profit after tax as a percentage of underlying quarterly average equity at each quarter end

3. This highlight excludes IW&I

## FUTURE FOCUSED

FOCUSED ON

A full-page background image of a man and a woman walking a small dog on a leash along a path in a park. The ground is covered in fallen autumn leaves. The trees are mostly bare or have yellowing leaves. The man is wearing a brown jacket and a patterned scarf, and the woman is wearing a tan coat and a white knit hat. They are both smiling and looking at each other. A white curved line is on the left side of the image, and a white rectangular frame is on the right side.

# DELIVERING for our clients

**CONSOLIDATING OUR CLIENT BASE**

Our clients' interests are a key consideration in everything we do. In 2024, we worked hard to ensure a smooth transition for our clients from IW&I to Rathbones Investment Management. This process continues in 2025. We are delighted to see an increase in the number of clients using MyRathbones (up to 61.1% from 58%) to access information on their investments and advice.

➔ **Read more:** [See page 11](#)

“

The client consent process is now largely complete such that we expect to migrate onto a single operating platform by the end of the first half of 2025.

## FUTURE FOCUSED

## FOCUSED ON

**BUILDING**  
a robust  
network**SIMPLIFYING OUR  
PROPERTY FOOTPRINT**

Our property and facilities teams spent considerable time reviewing our current office locations to ensure they meet the needs of our teams. As a result, we identified opportunities to bring colleagues together at eight locations where we previously had overlapping sites. Teams in Birmingham, Bristol, Cheltenham, Edinburgh, Exeter, Glasgow, Liverpool, and London were co-located to create shared workspaces that encourage collaboration and teamwork. Following these changes, we are now based in 23 locations across the UK and Channel Islands, with workspaces designed to foster a connected and productive work environment.

➔ **Read more:** [See page 95](#)

“

**Our property and facilities teams have worked diligently to align our office spaces with the needs of our teams. These changes support our efforts to fostering a more connected and productive workplace for everyone.**





FUTURE FOCUSED

FOCUSED ON

# CREATING an inclusive culture

“

A positive culture is the heartbeat of our organisation, and in 2024, we took meaningful steps to strengthen it.

## CREATING AN INCLUSIVE CULTURE

Rathbones emphasises fostering a culture that drives performance and develops rewarding careers, grounded in shared values and a commitment to diversity, equality, and inclusion (DE&I). In 2024, we undertook work to review our culture. Through workshops, surveys and executive interviews, we gained an insight into what our people feel is important as we shape our future culture. This work aligns with the review of our purpose, and we look forward to sharing more in 2025.

➔ **Read more:** [See page 17](#)

INVESTMENT CASE

A growing business with rewarding characteristics for investors

Rathbones specialises in the UK wealth market which benefits from embedded structural growth, underpinned by strong long-term trends that support the demand for our services.

1	2	3	4	5	6	7	8
Relationship-led business model	Trusted brand operating at scale	Leveraging an in-house asset manager	Investing in marketing and distribution	Operating responsibly	Accelerating growth with acquisitions	Robust financials	A banking licence
<p>Established and trusted client relationships that secure flows for the long-term.</p> <p>Tailored propositions that offer choice and flexibility to clients and advisors.</p>	<p>A well-established and independent UK wealth brand in the FTSE 250.</p> <p>The scale to invest in service improvement and technology.</p>	<p>Multi-asset and single strategy investment capability.</p> <p>A useful earnings diversifier as Asset Management is subject to different revenue/cost drivers than Wealth Management.</p>	<p>Stronger marketing and distribution through both direct and indirect channels.</p> <p>Active product development to meet the ever-changing needs of clients and advisors.</p>	<p>Constructive relationships with regulators.</p> <p>A commitment to generating long-term value that benefits society.</p>	<p>Inorganic opportunities that strengthen our proposition and accelerate growth.</p>	<p>A stable revenue margin and recurring income stream.</p> <p>Margin enhancement with scale.</p> <p>Highly cash generative.</p> <p>Future capital optimisation potential and a progressive dividend policy that has been in place for more than 25 years.</p>	<p>Ability to offer clients a range of banking services including loans secured against portfolios and fixed interest term deposits.</p> <p>A diversified revenue stream.</p>
<a href="#">➔ Read more: See page 18</a>	<a href="#">➔ Read more: See page 2</a>	<a href="#">➔ Read more: See page 49</a>	<a href="#">➔ Read more: See page 19</a>	<a href="#">➔ Read more: See page 69</a>	<a href="#">➔ Read more: See page 14</a>	<a href="#">➔ Read more: See page 135</a>	<a href="#">➔ Read more: See page 2</a>

## CHAIR'S STATEMENT

# Honouring our past, shaping our future

**CLIVE C R BANNISTER**  
CHAIR

## Find out more about our stakeholder activities

The Group's clients are at the heart of our strategy and their interests are a key consideration in everything that we do.

➔ **Read more:** [See page 26](#)

The role of the Board in providing effective leadership to promote the long-term success of the firm.

➔ **Read more:** [See page 92](#)

Understanding the views of our shareholders is essential to us delivering long-term sustainable financial returns.

➔ **Read more:** [See page 30](#)

Understanding the views and interests of our stakeholders helps the Group to make better decisions.

➔ **Read more:** [See page 24](#)



### DEAR SHAREHOLDER

In 2023, we announced our combination with IW&I. Throughout 2024, we have made significant strides to integrate the two businesses to further our position as the UK's leading discretionary wealth manager. We have exceeded both the strategic and financial objectives that we set for ourselves in the first year following the announcement. This is testament to the hard work, commitment, and collaboration of all of our colleagues.

### CLIENTS

Our clients have always been, and will continue to be, at the heart of our business. Their interests remain paramount in everything we do. This is demonstrated by our Net Promoter Score (NPS) of 56%, above the industry average of 54%. This score is reassuring, particularly at a time of transition for the firm, that our client service and experience has continued to be strong.

Following the combination with IW&I, we prioritised client engagement in 2024, focusing on providing reassurance and stability. We will strengthen these relationships throughout 2025, as clients move on to the Rathbones platform.

### COLLEAGUES

The Board recognises the hard work and commitment of our colleagues during this year of change and transition. This year has presented both challenges and opportunities as we navigated a transformative combination, requiring adjustments to new structures and ways of working. On behalf of the Board, I want to express my gratitude for their contributions during this pivotal time.

## CHAIR'S STATEMENT

Fostering a stable and equitable culture is essential to motivate and reward our colleagues, who are the foundation of Rathbones' success. The Board's workforce engagement programme ensures we consider employee perspectives and strengthens the connection with our colleagues.

The Board is committed to regularly reviewing workforce metrics, such as engagement survey results, retention rates, and satisfaction, to drive continuous improvement. We will continue to do this in 2025 and beyond.

### ENGAGING WITH SHAREHOLDERS

We are committed to fostering meaningful engagement with our shareholders. We deeply value the open and transparent communication that we maintain with our investors, and I am personally grateful for the opportunity to connect with many of you over the past year. These conversations are vital in helping us align our strategy with your expectations. I look forward to continuing our productive dialogue in the future.

### SHAREHOLDER RETURNS AND DIVIDENDS

Rathbones is focused on driving long-term shareholder value. We therefore reaffirm our progressive dividend policy, which has been in place for more than 25 years and has never seen a reduction in the dividend.

In July, we announced an interim dividend of 3Op. Given the strength of our balance sheet and our confidence in the long-term future of the business, the Board has recommended a final dividend of 63p per share. This brings the total dividend for the year to 93.0p per share (2023: 87.0p), representing a 6.9% increase compared to 2023.

The final dividend is scheduled to be paid on 13 May 2025, subject to shareholder approval at our Annual General Meeting (AGM) on 8 May 2025, to shareholders on the register as of 11 April 2025.

### GOVERNANCE AND CULTURE

The Board places a strong emphasis on good governance, as a cornerstone of long-term enterprise success. We are committed to high standards of transparency, accountability, and ethical conduct at every level of the organisation. This is supported by a robust governance framework. We conduct regular reviews of our governance processes, including independent risk assessments, to ensure effective oversight.

We recognise that good governance goes beyond mere compliance. It is about creating a positive and inclusive culture that aligns with our values and strategic objectives. We strive to build an environment where employees feel empowered to share their diverse perspectives and expertise. This culture not only allows for personal growth, but also contributes to the long-term sustainability of our business.

The Board views leadership as a key enabler of this culture and seeks to set the tone throughout the organisation. In line with this, the Board uses a culture dashboard to evaluate progress and impact. As our purpose and values work for the enlarged Group is completed, the dashboard will be updated.

This year, in line with the UK Corporate Governance Code, the Board appointed an external evaluator to review its effectiveness and performance. The overall findings and tone of the report was positive and indicated that the Board and its committees continued to operate effectively. The Board will work to consider opportunities for incremental improvements during the year ahead. Further information on both the culture dashboard and the independent Board effectiveness review can be found in the full Corporate Governance Report.

### BOARD COMPOSITION AND SUCCESSION

Following significant changes in 2023, the composition of the Board has remained stable in 2024.

Sarah Gentleman, Senior Independent Director, has exceeded her nine-year tenure on the Board. The Nomination Committee has agreed to extend her tenure in order to ensure continuity on the Board following the combination with IW&I. Succession planning is always a priority, and we will consider non-executive director succession during 2025.

The Board has aligned its diversity policy for appointments with the new targets outlined in the Listing Rules and is proud to have met these objectives. As of the end of 2024, our Board comprises four female directors out of nine, exceeding the FTSE 350 commitment for female Board representation set by the FTSE Women Leaders Initiative. We also continue to meet the requirements of the Parker Review, with at least one director from an ethnic minority background.

### LOOKING AHEAD

The integration of IW&I is progressing well. We are excited to build on the momentum of 2024 as we operate as a unified and cohesive business. Concluding the integration in 2025 will mark a pivotal moment in our journey. We remain confident that it will support growth and enhance the propositions and investment output we can deliver to our clients in 2025 and beyond.

On behalf of the Board, I would like to express our sincere gratitude to our clients, shareholders, colleagues, and wider stakeholders for your support and commitment during this transformative year. Your continued trust and engagement are invaluable and will remain so, as we navigate Rathbones' next exciting phase of growth. We look forward to achieving even greater milestones in Rathbones' illustrious 283 year history.

### CLIVE C R BANNISTER

CHAIR

25 February 2025

## GROUP CHIEF EXECUTIVE OFFICER'S REVIEW

# Harnessing our combined strengths to drive growth

**PAUL STOCKTON**  
GROUP CHIEF  
EXECUTIVE OFFICER

## Find out more on our activities and strategic progress

### OUR STRATEGY

Our strategy sets our four key strategic objectives.

➔ **Read more:** [See page 19](#)

### OUR MARKET

Helping clients manage their finances in a changing world.

➔ **Read more:** [See page 14](#)

### OUR INVESTMENT CASE

A growing business with rewarding characteristics for investors.

➔ **Read more:** [See page 07](#)

### OUR PRINCIPAL RISKS

Our approach to risk management is fundamental to supporting the delivery of our strategic objectives.

➔ **Read more:** [See page 63](#)



### 2024 IN REVIEW

2024 has been a very exciting year for the Group as we began in earnest to bring Rathbones and IW&I together as one combined business committed to helping our clients achieve their longer-term financial goals. In an eventful year, we attracted record gross inflows by leveraging our enlarged platform and exceeded the 2024 synergy targets we set out for the IW&I combination.

This year heralded an improvement in investor sentiment after what was a challenging two years for multi-asset investing. Asset values rebounded as interest rates began to fall, and stronger economic fundamentals bedded in, creating conditions that benefited our results. The UK Budget at the end of October prompted a short-term increase in withdrawals of funds by existing clients, but it also proved to be a catalyst that created a welcome number of client investment enquiries and advisory discussions.

Throughout the year, we have continued to improve our services and investment processes, taking advantage of the best that the Rathbones and IW&I teams have to offer. The combination creates some significant future growth opportunities and provides a pathway to greater innovation as ideas are shared and acted upon. I am grateful for the efforts of all teams around the Group who have helped us start 2025 in such a strong position.

## GROUP CHIEF EXECUTIVE OFFICER'S REVIEW

### PERFORMANCE AND FLOWS

Funds under management and administration (FUMA) managed by Rathbones Group grew 3.7% in the year to £109.2 billion at 31 December 2024, despite the considerable agenda of internal change being undertaken in the Group following the IW&I combination.

Gross inflows across the combined Group were strong at £12.1 billion (2023: £7.7 billion), representing 11.5% of opening FUMA. Gross inflows in Rathbones discretionary and managed propositions were £6.3 billion (2023: £5.1 billion), and gross inflows in IW&I were resilient at £4.0 billion, taking account of the considerable time spent by client facing teams to manage an extensive client consent process.

Gross outflows of £13.5 billion (2023: £8.5 billion) were elevated by accounts that we exited following the completion of the migration of former Saunderson House FUMA in July and outflows linked to a limited number of investment manager departures in the IW&I business that occurred prior to the announcement of the combination. After both transactions, investment manager and financial planner attrition has remained low. We also saw a short-term impact of elevated outflows around the UK Budget as more clients looked to redistribute wealth, crystallise capital gains or access their pension wealth.

Flows in single strategy funds continue to reflect the challenging market environment for active asset managers with net outflows of £0.6 billion in the year (2023: net outflows of £0.5 billion), in spite of the delivery of first or second quartile performance over one and five years in our two largest funds, Rathbone Global Opportunities and Rathbone Ethical Bond.

Market and investment performance added £5.3 billion (2023: £5.1 billion) to Group FUMA in the year, recognising that many benchmarks were difficult to beat. The IW&I combination has presented us a unique opportunity to bring together and strengthen our research capability and we are continuing to improve our investment process by enhancing portfolio analysis tools and portfolio construction resources. Further information on performance and flows can be found in the Group Chief Financial Officer's Review.

### INTEGRATION UPDATE

The combination of Rathbones and IW&I has made significant progress in 2024. The client consent process is now largely complete such that we expect to migrate almost all of the c.55,000 IW&I clients by the end of H1. To date, 0.3% of clients have declined to migrate to Rathbones, and we expect a small proportion of relationships to leave the Group where we are unable to provide a suitable proposition. We continue to place a high priority on maintaining client service levels and look forward to welcoming clients fully onto the Rathbones platform in the coming months. At the heart of our approach has been a focus on maintaining service levels throughout the process.

We have delivered cost and revenue synergies well ahead of our first year £15 million target, with run-rate synergy realisation of £30.1 million at the end of 2024. This was largely due to organisational changes and our property consolidation programme being secured ahead of the planned timeframe.

During the year, we consolidated all offices where we had a dual presence – Birmingham, Cheltenham, Exeter, Glasgow, Edinburgh, London, Bristol and Liverpool – and have successfully completed the consolidation of our property footprint that now operates in all main UK wealth centres.

Completion of the client migration in the first half of this year is the next main milestone for synergy delivery, enabling at least 70% of the total £60 million to be realised on a cumulative run-rate basis towards the end of 2025. We remain confident in our ability to achieve all remaining synergies by the end of 2026. At the time of the combination, we expected the deal to be accretive to underlying EPS in the first full year following the completion. This has been achieved with underlying EPS of 161.6p in 2024 (2023: 135.8p).

Combinations inevitably create change, and this has been well supported by our colleagues, harnessing the considerable talent across the Group. We have completed nearly all key leadership appointments and announced the majority of organisational design changes necessary to establish our future operating model, with the remainder set to complete this year. We continue to prioritise business stability and the retention of key talent by providing clear communication, addressing concerns, and fostering an environment where our colleagues feel supported during this period of change.

Operationally, the focus has been on aligning systems, processes, and client service models to ensure that we provide clients and advisors with a seamless experience while preserving the best elements of both firms' cultures. The enlarged Group has enhanced its investment and advice capabilities and will look to leverage this in 2025, marking the end of a multi-year journey that has significantly strengthened our financial planning capabilities.

I am excited about the opportunities ahead for our expanded Group as we embed our combined infrastructure and look to build upon it.

### FOCUSING ON GROWTH AND THE CLIENT/ADVISOR PROPOSITION AND EXPERIENCE

Although much of our recent focus has been on ensuring that the benefits of the combination are realised, we have also taken some significant steps toward improving organic growth rates.

We continue to believe that relationship-led services are the best way to secure high quality, resilient future revenues, so alongside our pursuit of efficiencies to optimise delivery costs and enhancements to our investment process, we are working to:

- Strengthen our marketing and distribution capability
- Deliver more advice-led conversations whilst working flexibly to provide investment only services to third-party advisors
- Improve client choice with services that meet their changing demands
- Leverage our extensive strategic partner relationships
- Continue to grow Rathbones Asset Management (RAM).

In September, we announced the appointment of a new Chief Client Officer role. A key aspect of this role will be to leverage our combined marketing expertise and strengthen our brand presence. The newly formed Client Office will ensure that Rathbones stands out more in a competitive market, building both digital and face-to-face lead generation, as well as improving the client experience by working with teams across the business to orchestrate further improvements to our already strong service reputation.

## GROUP CHIEF EXECUTIVE OFFICER'S REVIEW

The team will also focus on key target markets within the Private Client, Charity, and Independent Financial Advisor (IFA) sectors through more targeted, data-driven client prospecting. This approach will involve greater collaboration across our teams and support sustained future organic growth.

Over the past year, we have restructured our Group Distribution team under our Chief Distribution Officer with a goal to develop a strong, client-centric distribution strategy, that not only boosts our market presence but also fosters enduring relationships with clients. We have implemented a cohesive approach across the Group, establishing a channel-led, go-to-market strategy across Wealth Management, Strategic Partnerships, Asset Management and Charities. This segmentation will be robustly supported by dedicated sales teams and improved sales enablement resources and advisor journeys.

We recognise that clients and advisors have many different preferences as to how to work with us and we are responding to this by being able to offer the mix of investment products and financial advice services that best meets their needs. Recent transactions have created a team of 122 financial planners that are dedicated to meeting the increasingly complex planning needs of our clients but we also have 678 dedicated investment managers. The combination gives us the opportunity to blend these capabilities much more effectively to increase the number of wealth-led conversations we have with clients. We can now allow employees to specialise in either discipline, form larger combined teams, and benefit from training that expands their qualifications to deepen client and advisor relationships.

We understand the necessity to adapt our current offerings in the IFA market to address the increasing demand for high-quality service at a lower cost, amid ongoing sector consolidation. Our multi-asset funds provide CPI targeted solutions both directly and as part of our managed service, through investment platforms and financial advisors, but will also support the launch of an upgraded Managed Portfolio Service (MPS) for IFAs in 2025, subject to regulatory approval.

We also intend to offer a competitive decumulation offering in 2025, as well as a new fund-based Charity Authorised Investment Fund (CAIF) solution, specifically designed for Charities. Additionally, we are seeking to establish an office in Dublin to offer investment solutions through third-party advisors in the EU markets, subject to regulatory approval.

Alongside our in-house financial planning team, Vision Independent Financial Planning (Vision) continues to play an integral role in our advice proposition, with 142 planners on the network. We value the strong relationship with Vision and continue to leverage it as a key driver of flows. In 2025, Vision will continue to recruit new IFAs to its network and Rathbones will continue to dedicate specialist sales and bespoke relationship management capability to support the network.

We continue to build referrals through our strategic partnership with Investec Bank and have seen an encouraging amount of new business coming through this channel as we develop this relationship. We remain excited about the prospect of building our dedicated service team to increase business development activity and foster new and important client relationships.

Having a respected asset manager in-house provides us with a distinct advantage, and RAM, with £15.8 billion in FUM, continues to grow and be highly regarded. The long-standing tenure of our fund managers has contributed to the growth and success of RAM over the years, with seven fund managers each having more than 18 years of experience with Rathbones. RAM remains an important part of the Group as we look to leverage recent investment in distribution and systems to broaden our fund range and extend its institutional reach.

### EMBRACING TECHNOLOGY

Our combination with IW&I has presented a number of opportunities to refine how we deploy applications into Rathbones, as we invest in our technology infrastructure. The combination of our 'best of both' chosen technology solutions, coupled with our people, allows us to differentiate and deliver improved client services. Development of client-facing technology in our business has been well received by clients, with a digital satisfaction score of 8.3/10 in the most recent Alpha FMC survey, compared to an industry benchmark of 8.0.

In addition to launching the InvestCloud Client Lifecycle Management (CLM) system earlier this year, we also deployed common financial planning, intermediated distribution, and marketing software systems across the combined Group. We will continue to launch tactical enhancements to CLM throughout 2025.

During the second half of 2024, we migrated Rathbones custody, settlement and investment systems into the Cloud. This was a major undertaking but has made our core books of record and portfolio management solutions more resilient and future proof, ready for the upcoming migration of IW&I clients onto the platform.

In addition, we are now receiving technology services from Investec Bank via an outsourced service agreement, enabling us to leverage improved capabilities in a scalable delivery model. This sits alongside further development of data and analytics capabilities, to support decision-making and drive greater insight.

Embracing technology alongside our people will support the achievement of our strategic goals. Technology and application development will continue to progress in 2025 as part of our normal change and development agenda. Ongoing investment will include the selected application of AI, robotic processing and data management tools to improve efficiency and client service.

## GROUP CHIEF EXECUTIVE OFFICER'S REVIEW

### OUR PEOPLE

We must recognise the hard work and commitment of our colleagues during this significant period of change and transition for the business. This year has brought both challenges and opportunities as we have navigated a transformative combination, requiring us to adapt to new structures, systems, and ways of working.

After completing an extensive consultation process, we are now in a strong position to embed new organisational designs across the business that support both growth and efficiency. The professionalism shown by our teams in embracing these changes and contributing to the successful integration of both businesses has been truly remarkable.

We have made great strides in supporting the well-being of our colleagues, enhancing our family-friendly policies, expanding diversity, equality and inclusion (DE&I) initiatives, aligning benefits across the Group (including offering Rathbones share schemes to IW&I colleagues as part of their overall remuneration), and improving overall employee support. Further details can be found in our [Responsible Business Report](#).

I understand that this transition has asked a great deal of everyone, and I, along with the entire leadership team would like to express our gratitude for everything our colleagues have contributed during this pivotal time.

### RESPONSIBLE BUSINESS

Considering our increased size following the combination, we continue to respond to heightened expectations from our stakeholders. As a larger Group, we reaffirm our commitment to generating long-term value, benefiting society and actively mitigating any adverse impacts our activities may have on the environment and our communities. In 2024, we have worked to update our approach to responsible business and we will share our updated framework in our 2024 reports over the coming months. The combination has enabled us to undertake some exciting initiatives that support the delivery of our future ambition.

### RISK MANAGEMENT AND REGULATION

Our risk management framework and risk processes are well established and have further matured during 2024, through the embedding of risk software where we collate and analyse our risks. Our risk landscape throughout the year reflected external economic and political factors, as well as internal strategic changes relating to our digital transformation and the integration with IW&I. Conflicts overseas and the election outcomes in the UK and US have been monitored closely by our investment teams. We continue to embed our approach towards Consumer Duty, and the principles of fairness and transparency have underpinned our approach to the integration of IW&I.

From an internal perspective, change risk has been monitored carefully in 2024, particularly as people and process risks have come to the fore in the latter half of the year as integration activities gathered momentum. These risks will remain in 2025 and our focus will be unrelenting in order to ensure that clients can continue to be reassured by our ongoing strong oversight of controls and processes.

As we mentioned in our interim update, pension risk exposure has reduced as a result of action taken by the pension scheme trustees to complete a full buy-in process, thereby insuring away all future liabilities of our defined benefit schemes.

### OUTLOOK FOR 2025

Rathbones remains well-equipped to navigate the challenges associated with industry change and the potential impacts of geopolitical instability on investment markets. Alongside initiatives to enhance our services to clients and improve organic growth rates, our priorities for 2025 include completing the migration of IW&I clients and fully integrating our businesses onto one platform.

We are making good progress towards delivering an underlying operating margin of 30%, and notwithstanding the additional headwinds that have arisen since we set out this target (including ongoing inflationary pressures and the estimated additional annual cost of £7 million of National Insurance Contributions from April 2025), we continue to work towards the delivery of this on a run-rate basis from three years following completion of the IW&I transaction (September 2026). Further detail on our path to achieving this can be found in the Group Chief Financial Officer's Review.

I would like to thank all colleagues and stakeholders for their continued commitment and support throughout what has been a transformative year. We look forward to further building a sustainable and profitable business together in the years to come.

### PAUL STOCKTON

GROUP CHIEF EXECUTIVE OFFICER  
25 February 2025

## OUR EXTERNAL MARKETS

### Helping clients manage their finances in a changing world

#### THE OPPORTUNITY IN THE UK WEALTH SECTOR

We continue to respond to market trends that are changing the world we live in, ensuring we remain vigilant and respond to client needs and capture potential growth opportunities.

**£2.4tn**

Estimated UK household financial wealth in 2024<sup>1</sup>

**£2.9tn**

Estimated UK household financial wealth in 2029<sup>1</sup>

**£109.2bn**

Market captured by Rathbones today

1. Eden McCallum estimates

#### Key trends

##### MACRO TRENDS

###### UK AND GLOBAL ECONOMY

The UK and global economies are currently navigating a period of uncertainty, shaped by factors such as geopolitical tensions, inflationary pressures, and fluctuating market conditions. These macroeconomic challenges have put a strain on investor confidence, leading to increased demand for wealth management services that offer stability and strategic guidance. As the UK wealth management sector adapts to these changes, there are significant opportunities to cater to an evolving client base.

###### UK GOVERNMENT POLICY IMPACT ON RETIREMENT PLANNING

Changes to the state pension age and pension freedoms, along with shifts in tax policies related to inheritance and capital gains tax increase the demand for wealth managers who can provide guidance on managing retirement funds and tax-efficient strategies. Evolving government policies present wealth managers a growing client base and the chance to deliver tailored advice in a changing political, regulatory and financial landscape.

###### EXPECTATION OF INCREASED INTER-GENERATIONAL WEALTH TRANSFER

Intergenerational wealth transfer will create more opportunities for wealth managers, as families look to pass on assets efficiently and minimise tax liabilities. Wealth managers will be essential in providing advice on inheritance planning, helping clients navigate the complexities of passing wealth across generations.

##### SECTOR SPECIFIC TRENDS

###### REGULATORY CHANGES IMPACTING INVESTOR SENTIMENT

The industry has seen significant regulatory change over the last decade, with a particular current focus on client outcomes, demonstrated by the implementation of the Consumer Duty in 2023. We expect regulatory change to remain a key industry driver going forward.

###### CONSOLIDATION WITHIN THE UK WEALTH INDUSTRY

The UK wealth management industry is attractive and underpinned by strong structural growth, recurring revenues, and high customer retention rates. However, the industry remains fragmented with high barriers to entry and as such, the benefits of scale remain an attractive driver for consolidation.

###### CLIENT DEMAND FOR DIGITAL INNOVATION

Clients are becoming increasingly accustomed to using technology to communicate and manage their financial affairs. Keeping pace with this change is fundamental to remaining competitive and sustaining a quality service, particularly as inter-generational wealth transfers accelerate.

###### GROWING DEMAND FOR RESPONSIBLE BUSINESS PRACTICES AND OFFERINGS

The role of the wealth management industry in managing environmental, social and corporate governance issues continues to be important as clients are becoming increasingly concerned by the impacts of financial decisions.

## OUR EXTERNAL MARKETS

### How we are responding

**We continually monitor and remain vigilant to the changing market landscape that can impact our business and the world we live in, ensuring we keep up with the pace of change so that we can continue to provide a quality service for our clients, advisors and other stakeholders.**

We continue to reinforce the wealth management model and whole-of-wealth approach to facilitate the differing needs of clients through their life events, whether that be through investment management, financial planning, or simpler more cost-effective solutions. We also know that intergenerational wealth transfer will be one of the biggest events in our industry in the years to come and aim to ensure we are best placed to facilitate both this transfer and the decumulation stages of wealth for clients as they reach certain stages in life. Developing an investment approach that is tailored to these differing client needs will be a key focus area as the industry and environment evolves.

We believe in the face-to-face model, but continue to augment it with digital support to ensure clients can interact with us in whatever way works best for them.

We continue to have an open dialogue with the regulator and are focused on maintaining best practice as we move through the IW&I integration process.

Our focus on our clients is clear, enabling us to further build lifelong relationships and reinforce our status as their trusted partner to support them through any future market changes.



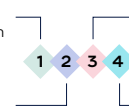
## OUR PURPOSE DRIVEN APPROACH

We are driven by our purpose to think, act and invest for everyone's tomorrow

### Our strategic priorities

Enriching the client and advisor proposition and experience

Supporting and delivering growth



Inspiring our people

Operating more efficiently

### Our stakeholders

Clients

Our people

Shareholders

Society and communities

Partners and regulators

This is delivered by our people

### OUR CULTURE AND VALUES

The way we do business is shaped by our culture and values.

**Read more:** [See page 17](#)

We measure success through the progress we make against our strategic priorities

### OUR STRATEGIC PRIORITIES

Our strategy is centred around our key stakeholders – creating value for our customers, advisors and people – whilst also targeting growth and operational efficiency across the business. This is underpinned by the commitments we have made in our responsible business framework.



**Read more:** [See page 19](#)

And the sustainable value we create for our stakeholders

### OUR S172 STATEMENT

Balancing the needs of our key stakeholders is incorporated into our decision-making processes.

**Read more:** [See page 24](#)

### OUR BUSINESS MODEL

We create long lasting, personal relationships with our clients and advisors enabling us to deliver a service that is distinctly Rathbones.

**Read more:** [See page 18](#)

### OUR KEY PERFORMANCE INDICATORS

We use financial and non-financial metrics to monitor our progress, which in turn determines our executive remuneration outcomes.

**Read more:** [See page 33](#)

### CREATING VALUE FOR OUR STAKEHOLDERS

Understanding and responding to the changing needs of our stakeholders is critical in delivering our purpose.



**Read more:** [See page 25](#)

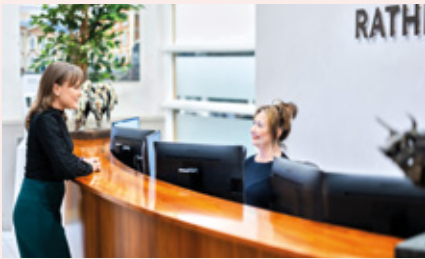
### OUR RESPONSIBLE BUSINESS FRAMEWORK

We are committed to making a wider contribution to society through our responsible business framework.

**Read more:** [See page 69](#)

## OUR CULTURE AND VALUES

### The importance of culture



A positive culture is the heartbeat of our organisation, driving our success and impact. It underpins our business model, purpose, strategy and values, and leads to better performance and positive outcomes for clients, shareholders, and communities. It defines how we support and connect with each other, and all our stakeholders, and shapes our daily interactions, collaboration, and the care we give and receive.

### Our values

**BEING RESPONSIBLE**

**SHOWING COURAGE**

**WORKING TOGETHER**

**ALWAYS PROFESSIONAL**

➔ **Read more:** [Our purpose](#)

### THE ROLE OF THE BOARD

The Board fully understands and accepts its role in setting the 'tone from the top', and in ensuring our culture and values are lived across the organisation day-to-day. This is always at the front of our minds, and especially so as we continue to integrate our business with IW&I.

### OUR CULTURE FRAMEWORK

We have a clear framework for defining, embedding and monitoring our culture. Across 2024, it continued to be based on our values and how we interact with and meet our responsibilities to our stakeholders and align with the section 172 obligations. We are currently refreshing our values and will update our culture dashboard, in 2025, accordingly.

### MONITORING CULTURE

The Board makes it a priority to monitor and ensure that our culture and values are lived, and embedded throughout our actions, decisions, strategy and business model.

Across 2024, the Board:

- commissioned, and reviewed the outcomes of, an independent culture review, to identify our strengths and opportunities for development
- reviewed and discussed our culture dashboard, which provides insights for assessing what we do (i.e. delivering against our purpose and strategy) and how we do it (i.e. engaging with our stakeholders in line with our values). Many of our culture dashboard metrics can be found throughout this report. The dashboard will be reviewed and updated in 2025

- digested feedback from employees across the Group via opinion surveys, townhalls, and through office visits as part of our workforce engagement programme
- updates on activities across the Group in relation to culture and values, including employee training programmes
- ensured culture, behaviour and conduct issues are considered by the remuneration committee as part of assessing executive reward
- oversaw the inclusion of a section in our interim and year-end performance appraisals for colleagues to reflect on how they have demonstrated our values across the year
- reviewed the Group's whistleblowing arrangements
- encouraged employees to participate in schemes to promote share ownership (i.e. the Group's Save As You Earn (SAYE) and Share Incentive Plan (SIP) schemes, which provide cost-effective opportunities for employees to acquire shares in the company).

The activities have allowed the Board to monitor the Group's culture effectively during the year and to ensure that culture continues to be aligned with the Group's purpose, values and strategy.

➔ **Read more in our corporate governance report** [on page 91](#)

### Reviewing our culture

TruthWorks spent four months immersing themselves in the cultures of Rathbones and IW&I, seeking the truth about each culture, and focusing forward to the future.

Engagement included facilitated workshops, focus groups, surveys and Group Executive Committee and management interviews.

What emerged from this research stage was clear views which have been used to shape our culture going forward. Identifying the strengths and opportunities across each business, has informed the programme of work to be delivered through the Chief Client Office and through our People and Culture plans, with the intended outcomes of:

- a purposeful and differentiated brand framework that has huge equity for colleagues and clients
- increasing (employer) brand advocacy, loyalty and relevance; a distinctive employer positioning that attracts and retains the talent we want
- clearer and more consistent decision-making with leaders who consistently inspire, engage and motivate our people
- continued engagement of colleagues, signalling a shift towards transparency and action.

## OUR BUSINESS MODEL

We are creating the UK's leading discretionary wealth manager



## OUR STRATEGIC PRIORITIES OVERVIEW

We launched our medium-term strategy for the business in October 2019, to support our purpose of thinking, acting and investing for everyone's tomorrow. Our four strategic priorities are set out here.



## OUR STRATEGIC PRIORITIES

1

# ENRICHING THE CLIENT AND ADVISOR PROPOSITION AND EXPERIENCE

**STRATEGIC FOCUS**

Enhancing valued services – enhancing the experience for private clients and providing a dedicated service for financial advisors.

Deepening investment skills – developing our investment expertise, broadening capability and coverage, and incorporating ESG factors.

**RELEVANT KPIS**

- Number of Investment Management clients
- Client net promoter score (NPS).

➔ **Read more:** [See page 33](#)

**RELEVANT PRINCIPAL RISKS**

- Change
- Integration
- Suitability
- Sustainability
- Investment performance
- Regulatory compliance and legal
- People
- Information security and cyber.

➔ **Read more:** [See page 63](#)

**2024 PROGRESS**

- Engaged with clients on the move from IW&I to Rathbones through the client consent process which made significant progress during the year, in preparation for the client and asset migration in the first half of 2025
- Successfully launched first stage of InvestCloud Client Lifecycle Management (CLM) technology platform
- Participated in the Alpha FMC 2024 client experience benchmark survey and had a digital satisfaction score of 8.3/10

- Announced the appointment of a Chief Client Officer role, to lead and develop our client advisor proposition and experience
- Kept clients informed through the issue of regular CEO letters and research notes containing updates on the market and investment propositions
- Received customer experience accolades, including a Gold rating from STAR (the best practice initiative of improving customer experience in transferring funds across platforms) for RAM for the third consecutive year
- Continued to embed risk management practices across the business and respond appropriately to regulatory changes, including Consumer Duty.

**PRIORITIES FOR 2025**

- Complete the IW&I client migration process with as little disruption as possible to the client and advisor experience
- Launch an upgraded Managed Portfolio Service (MPS) for Independent Financial Advisors (IFAs) and new fund-based Charity Authorised Investment Fund (CAIF) solution specifically designed for Charities (subject to regulatory approval), in addition to an enhanced decumulation offering
- Offer client facing investment staff the opportunity to expand their qualifications and financial planning knowledge alongside Investment Management expertise
- Continue to respond appropriately to regulatory changes.

## OUR STRATEGIC PRIORITIES

2

SUPPORTING  
AND DELIVERING  
GROWTH**STRATEGIC FOCUS**

Penetrating specialist markets – focusing on specialisms and building on existing capabilities.

Driving organic growth – structuring distribution, driving growth through financial planning, building our Asset Management business and managing client-facing capacity.

**RELEVANT KPIS**

- Total funds under management and administration (FUMA)
- Investment Management net organic growth rates
- Underlying operating margin
- Dividend per share
- Underlying earnings per share
- Underlying return on capital employed.

➔ **Read more:** [See page 33](#)

**RELEVANT PRINCIPAL RISKS**

- Change
- Integration
- Suitability
- Sustainability
- Investment performance
- People
- Third-party supplier.

➔ **Read more:** [See page 63](#)

**2024 PROGRESS**

- Completed the migration of Saunderson House clients onto Rathbones' propositions, and now have 122 financial planners across the business to complement 678 investment managers
- Successfully restructured our Group Distribution team under our Chief Distribution Officer to develop a strong, client-centric distribution strategy that boosts our market presence and fosters enduring relationships with our clients
- Continued to build relationships with third-party advisor networks, with a further 142 planners playing an integral role in our advice proposition through Vision Independent Financial Planning (Vision)
- Continued to build referrals through our strategic partnership with Investec Bank and have seen encouraging new business coming through this channel.

**PRIORITIES FOR 2025**

- Improve core distribution processes and further leverage our growing multi-asset capability
- Further strengthen our brand presence in the marketplace, whilst leveraging the strong marketing expertise in IW&I
- Improve focus on key target markets within the private client, charity, and IFA sectors through more targeted, data-driven client prospecting
- Continue to grow our relationship with Investec Bank
- Continue to recruit advisors in Vision
- Grow and leverage from Greenbank, which continues to receive industry recognition
- Advance work to establish an office in Dublin (subject to regulatory approval), to offer investment solutions through third-party advisors in the EU markets.

## OUR STRATEGIC PRIORITIES

3

INSPIRING  
OUR PEOPLE**STRATEGIC FOCUS**

Our culture and corporate values – becoming a more diverse and inclusive organisation, continuing to listen to our people and improving our commitments to them.

**RELEVANT KPIS**

- Number of investment professionals
- Number of financial planners.

➔ **Read more:** [See page 33](#)

**RELEVANT PRINCIPAL RISKS**

- Change
- Integration
- People.

➔ **Read more:** [See page 63](#)

**2024 PROGRESS**

- Our eight employee networks welcomed members from across the expanded Group, supporting broader inclusion
- We commissioned and performed an independent culture review, involving interviews and focus groups with Rathbones and IW&I colleagues. Outcomes have been fed into the work to update the Rathbones corporate culture and values
- We are developing a new, Group-wide purpose and values for all our people, with inputs from clients and colleagues across the business
- Ran another year of our non-executive director engagement programme, led by Iain Cummings and Dharmash Mistry, read more on [pages 28 to 29](#)
- Delivered wellbeing events both in person and on line, with sessions recorded and available on our wellbeing hub

- Gathered further feedback from colleagues through our engagement surveys, which ran throughout the year, with a 72% response rate
- Enhanced our family-friendly policies, expanding DE&I initiatives, aligning benefits across the Group
- Continued to encourage employee share ownership through our SIP and SAYE schemes
- Identified engagement leads and a champions model to support people through integration, with over 160 champions across our business
- Held Group-wide colleague surveys, including both legacy Rathbones and IW&I colleagues, with results cascaded to leaders and managers
- Completed a pension buy-in, to read more see [page 95](#).

**PRIORITIES FOR 2025**

- Finalise the integration and continue to support our colleagues through the process
- Further embed our inclusion networks
- Launch and deliver against our People Strategy.

## OUR STRATEGIC PRIORITIES

4

# OPERATING MORE EFFICIENTLY



## STRATEGIC FOCUS

Driving productivity – providing a quality client experience and making us easy to do business with.

## RELEVANT KPIS

- Underlying operating margin
- Underlying return on capital employed
- Common Equity Tier 1 ratio.

➔ **Read more:** [See page 33](#)

## RELEVANT PRINCIPAL RISKS

- Change
- Integration
- People
- Processing
- Third-party supplier.

➔ **Read more:** [See page 63](#)

## 2024 PROGRESS

- Grew run-rate cost and revenue synergy realisation to £30.1 million at the end of 2024, significantly ahead of the first-year post-combination objective of £15 million
- Improved underlying operating margin from 22.3% in 2023 to 25.4% in 2024
- Rationalised our real estate footprint by consolidating all offices across the country where we share locations with IW&I, a total of eight offices
- Increased the number of clients using MyRathbones to 61% in 2024 from 58% in 2023
- Deployed consistent financial planning, intermediated distribution and marketing software systems across the combined Group
- Deployed further enhancements to the Charles River system into our Asset Management business

- Underwent considerable organisation design work, including outsourcing some technology provision and cyber support to Investec Bank
- Successfully migrated Rathbones custody, settlement and investment systems into the Cloud
- Successfully migrated unit trusts to the Allfunds custody platform bringing operational efficiencies across the entire dealing and custody lifecycle
- Deployed robotic process automation to support key operational processes
- Reduced pension risk exposure as a result of action taken by the pension scheme trustees to complete the buy-in process to insure the future liabilities of the scheme.

## PRIORITIES FOR 2025

- Target of at least 70% of total synergies being achieved on a cumulative run-rate basis
- Complete the IW&I client and asset migration process
- Close duplicate systems across the business post migration
- Deploy further enhancements to our technology suite
- Further streamline our applications to operate more seamlessly together
- Continue to develop and deploy technology, such as the use of AI and robotic solutions, to improve efficiency and client service.

## OUR APPROACH TO STAKEHOLDER ENGAGEMENT

### SECTION 172 STATEMENT



Section 172 of the Companies Act 2006 requires the directors to act in a way they consider will promote the success of the company for the benefit of its stakeholders as a whole.

#### THE LIKELY CONSEQUENCES OF ANY DECISION IN THE LONG TERM

The Group operates within a corporate governance framework whereby responsibility for day-to-day decision-making is appropriately delegated. In considering its duty under section 172, the Board aims to ensure that the consideration of stakeholder interests and the Group's long-term success is embedded across its business. The Board sets the strategy, culture and values, and develops and oversees the Group's framework of governance, risk management and internal controls to promote and safeguard the Group's long-term success. The strategic goals and objectives it sets are focused around developing the Group's proposition and service to fulfil the long-term needs of its clients.

The identification, management and mitigation of risks to the Group's business is key to ensuring the delivery of its strategy over the longer term, and the consideration of risk plays an important part in decision-making. The Group's Board and committee paper templates encourage paper authors to consider and highlight the impact on the Group's stakeholders of the matters covered. This acts as an aid to the Board in discharging its duties and facilitating focused debate, and is intended to provide an additional layer of comfort that paper authors have properly considered and taken into account the interests of stakeholders.

➔ **Our strategic priorities:** [See page 19](#)

➔ **Risk management:** [See page 58](#)

#### MAINTAINING A REPUTATION FOR HIGH STANDARDS OF BUSINESS CONDUCT

The Board supports the Chief Executive and the Group Executive Committee in embedding a culture that encourages the Group's colleagues to live our values and help the Group deliver on its strategic objectives and purpose. The Board approves and oversees the Group's adherence to policies that promote high standards of conduct and receives regular updates on the Group's culture through KPIs that form part of the Chief Executive's business performance update.

➔ **Our culture and values:** [See page 17](#)

➔ **Corporate governance:** Chair: [See page 92](#)

#### ENGAGING WITH OUR KEY STAKEHOLDERS

Our aim is to maintain an open and transparent approach to stakeholder engagement based on building constructive relationships with our key stakeholders and ensure there is a two-way dialogue.

Across the firm, there are many examples of stakeholder engagement influencing both day-to-day actions and strategic initiatives. The key strategic developments set out on [pages 26 to 32](#) illustrate some of our significant stakeholder considerations that informed the Board's decision-making during the year.






➔ **Read more about the Board's key decisions this year:** [See page 95](#)

## OUR APPROACH TO STAKEHOLDER ENGAGEMENT

### OUR STAKEHOLDER FRAMEWORK

The firm has identified the following key stakeholder groups and by considering their perspectives, insights and opinions, the Board seeks to ensure outcomes of operational, investment or business decisions that are more robust and sustainable.

### Our stakeholder framework

OUR STAKEHOLDERS	INPUT RECEIVED FROM OUR ENGAGEMENT	RESPONSE TO OUR ENGAGEMENT
 <b>CLIENTS</b>	Engagement allows us to understand our clients' evolving priorities and requirements, including feedback on service, technological needs and products, enabling us to evolve our proposition.	<ul style="list-style-type: none"> <li>— Deliver bespoke and relevant products for the future</li> <li>— Ensure ongoing high quality service</li> <li>— Develop client centric propositions</li> <li>— Support clients with intergenerational wealth management</li> <li>— Communicated about our client migration programme.</li> </ul>
 <b>OUR PEOPLE</b>	Engagement helps us attract, retain and develop our people – with a particular focus on DE&I issues – helping us to create a sustainable employee model.	<ul style="list-style-type: none"> <li>— Provide an inclusive and talented workforce to service client needs</li> <li>— Ensure continuing strong engagement with colleagues</li> <li>— Offer a benefits package that supports our people</li> <li>— Deliver relevant learning and development programmes for all employees to ensure ongoing support.</li> </ul>
 <b>SHAREHOLDERS</b>	Engagement allows us to understand key shareholder issues, informing our strategic and investment direction.	<ul style="list-style-type: none"> <li>— Ensure sustainable long-term shareholder returns through our business model</li> <li>— Maintenance of our progressive dividend policy</li> <li>— Provide ongoing updates on the IW&amp;I integration and other strategic objectives.</li> </ul>
 <b>SOCIETY AND COMMUNITIES</b>	Engagement allows us to understand how we can have a positive impact on wider society and the communities we operate within.	<ul style="list-style-type: none"> <li>— Completed a review of our responsible business framework</li> <li>— Maintained our levels of community investment, having updated our approach</li> <li>— Engaged community partners</li> <li>— Progress on our net zero programme, including work to reset our near-term targets.</li> </ul>
 <b>PARTNERS AND REGULATORS</b>	<p>Engagement with regulators provides feedback on ongoing collaboration and informs our regulatory preparedness.</p> <p>Engagement with partners allows us to build sustainable relationships, many of which are long-term delivery stability for our partners, people and allowing engagement to deliver good value to our shareholders.</p>	<ul style="list-style-type: none"> <li>— Respond to evolving regulatory requirements and standards in order to maintain the firm's high standards</li> <li>— Work with our supplier partners to ensure ongoing business resilience.</li> </ul>

## OUR APPROACH TO STAKEHOLDER ENGAGEMENT



## CLIENTS

Clients are at the heart of our strategy and their interests are a key consideration in everything that we do.

## STRATEGIC PRIORITY

1

## HOW THE BOARD ENGAGED

The Group Executive Committee and the Board regularly receive updates on client proposition, investment performance outcomes and service levels.

## HOW THE FIRM ENGAGED

We engaged with our clients through a variety of different methods including:

- focus groups and targeted surveys
- participated in the @Alpha 2024 client experience benchmark survey
- regular meetings held between investment managers, financial planners and clients
- user experience testing of our digital solutions and propositions
- virtual and in-person conferences held for private clients, intermediaries and IFAs.

## KEY TOPICS RAISED

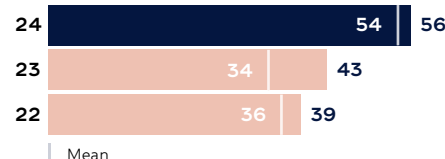
- Clear communication on the impact of the consolidation
- Practical help on how to achieve their financial goals in challenging markets
- Frameworks and guidance to help make the best financial decisions and ultimately achieve good outcomes.

## HOW THE FIRM RESPONDED

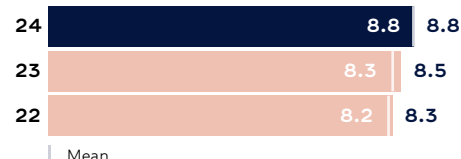
- Regular CEO letters and research notes issued to clients to update them on the firm, client migration and our investment proposition
- Nine financial awareness courses held virtually
- Around 20 sessions for entrepreneurs as part of Rathbones Inspire
- Reviewing our services and distribution to meet current and future client needs
- Continued development of our digital offering including MyRathbones with over 61% take up by clients
- Welcomed our Chief Client Officer and Head of Distribution.

NET PROMOTER SCORE<sup>1,2</sup>

Client likelihood to recommend Rathbones (-100% to 100%)

OVERALL SATISFACTION<sup>1,2</sup>

Overall satisfaction with Rathbones (0 to 10)

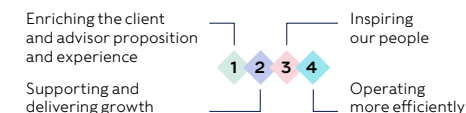
SATISFACTION WITH THEIR INVESTMENT MANAGER<sup>1,2</sup>

Overall satisfaction with their primary investment manager (0 to 10)



1. The Benchmark is the average score of the eight firms who participated in the 2024 Alpha client survey. It is also the average from historic, NMG and AON benchmark client surveys
2. Data excludes IW&I

## Our strategic priorities



## OUR SURVEY RESULTS

Rathbones partnered with Alpha FMC to conduct a client experience survey alongside seven of our Peers in the UK CX benchmark for 2024.

The survey covered industry key performance indicators such as overall satisfaction, Net Promoter Score (NPS) and deeper dive questions across areas like financial planning, digital, communication and Consumer Duty. Of those clients invited to participate we had a 13 % response rate, from Rathbones clients. Given the scale of communication with IW&I clients as permission to migrate has been sought, it was decided not to include IW&I clients in the 2024 full survey. A shorter pulse survey was shared with a smaller IW&I client group.

The results found that key metrics have improved since 2022. Rathbones ranked near middle of the benchmark on most instances, but encouragingly above peers on the likelihood to recommend (coming second on NPS with score of 56 up from 43 in 2023), digital and client support.

Looking ahead, the results point to making marginal improvements with keener focus on particular client segments, rather than substantial changes. Finally, despite the high levels of client advocacy, analysis of clients that are detractors points to issues with communication, engagement and value for money for products and services. In this respect, there is a clear need to ensure client, Relationship Manager and firm expectations are fully aligned to improve overall perceptions of Rathbones.



**Stakeholder interests and engagement:**

[See page 25](#)

## OUR APPROACH TO STAKEHOLDER ENGAGEMENT



## OUR PEOPLE

Understanding the needs of our people is essential in developing a workplace and culture in which they can reach their full potential and, in turn, ensure the long-term success of the Group.

## STRATEGIC PRIORITY



## HOW THE BOARD ENGAGED

The Board gets employee feedback through multiple channels. Our Chief People Officer (CPO) provides regular reports on colleague skills and readiness, succession planning, development programmes, engagement and inclusion, based on extensive KPIs. Feedback also comes from our non-executive director workforce engagement programme, led by Iain Cummings and Dharmash Mistry. Read more about the key themes on the [next page](#). We also gather views via regular colleague surveys, with detailed results shared with the executive committee and key issues escalated to the Board.

## HOW THE FIRM ENGAGED

We engaged with our people through the following activities:

- day-to-day interaction with our people by our line-managers, supported by our People Business Partners and the broader people team
- regular colleague opinion surveys to measure engagement, wellbeing and opinions

- ongoing and regular virtual and in-person departmental and Group-wide townhalls to discuss performance and the firm's progress on the strategic plan
- peer recognition scheme to identify colleagues who demonstrated outstanding behaviours and conduct aligned to our values.

## KEY TOPICS RAISED

- How are we supporting our people through the integration?
- What impact, opportunities and ways of working should our people expect following the combination?
- How does the firm help our colleagues develop their careers?
- The continued importance of diversity equality and inclusion (DE&I).

## HOW THE FIRM RESPONDED

- Frequent engagement on the combination process and integration plans to support clear communication and regular engagement opportunities to raise questions
- Announced new senior leadership appointments and team structures that will bring our teams together
- Appointed employee representatives to support our colleagues whose roles are impacted by the integration process
- Leading through change toolkits for managers and colleagues, resilience toolkits and resilience training
- Continued work to develop our recruitment and development processes as part of our commitment to attract, cultivate and retain diverse talent
- Involved all leaders and teams in the development of our new People Strategy
- Roll out of our DE&I strategy across the firm.

72%

## EMPLOYEE RESPONSE RATE

2023<sup>2</sup>: 76%

7.3/10

## OVERALL ENGAGEMENT

2024: Benchmark<sup>1</sup> 7.92023<sup>2</sup>: 8.0 (Benchmark<sup>1</sup>: 7.9)

14

## EMPLOYEE NET PROMOTER SCORE

Employee likelihood to recommend Rathbones

2024: Benchmark<sup>1</sup> 262023<sup>2</sup>: 37 (Benchmark<sup>1</sup>: 26)

6.9/10

## I FEEL WELL COMMUNICATED WITH

2024: Benchmark<sup>1</sup>: 7.62023<sup>2</sup>: 7.7 (Benchmark<sup>1</sup>: 7.6)

8.4/10

## MY MANAGER CARES ABOUT ME AS A PERSON

2024: Benchmark<sup>1</sup> 8.62023<sup>2</sup>: 8.7 (Benchmark<sup>1</sup>: 8.6)

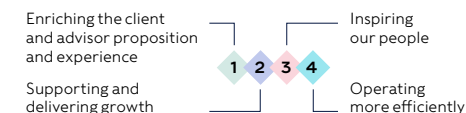
1. Benchmarks are set by Peakon and relate to the broader financial service sector clients
2. 2023 data excludes IW&I

➔ **Responsible business review:** [See page 69](#)

➔ **Culture and values:** [See page 17](#)

⊕ **Gender Pay Gap Report**

## Our strategic priorities

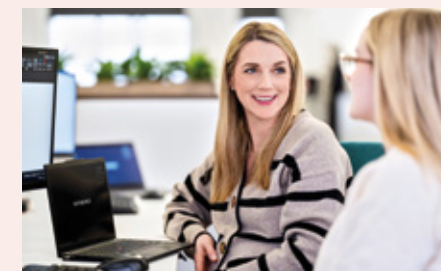


## UNDERSTANDING HOW OUR PEOPLE FEEL

Our colleague engagement survey is a primary driver for understanding and improving how our people feel about working at Rathbones, and we encourage all colleagues to give their anonymous feedback so we can continue to enhance their experience.

Our overall engagement score was lower in 2024 than the previous year. 2024 was the first year of both IW&I and Rathbones colleagues contributing to the same survey and captured feelings from across the business associated with progressing through the integration. The decrease in overall engagement can be understood to have been driven by: increased workloads required to meet integration timelines; changes to our organisational structures across the organisation; and the potential of reduced job security for some of our people as we undertook consultation processes.

We continued to score highly in goal setting, management support, and peer relationships, putting us in a good position to successfully navigate the integration process and reaffirm our strong culture in our combined business in 2025.



## OUR APPROACH TO STAKEHOLDER ENGAGEMENT

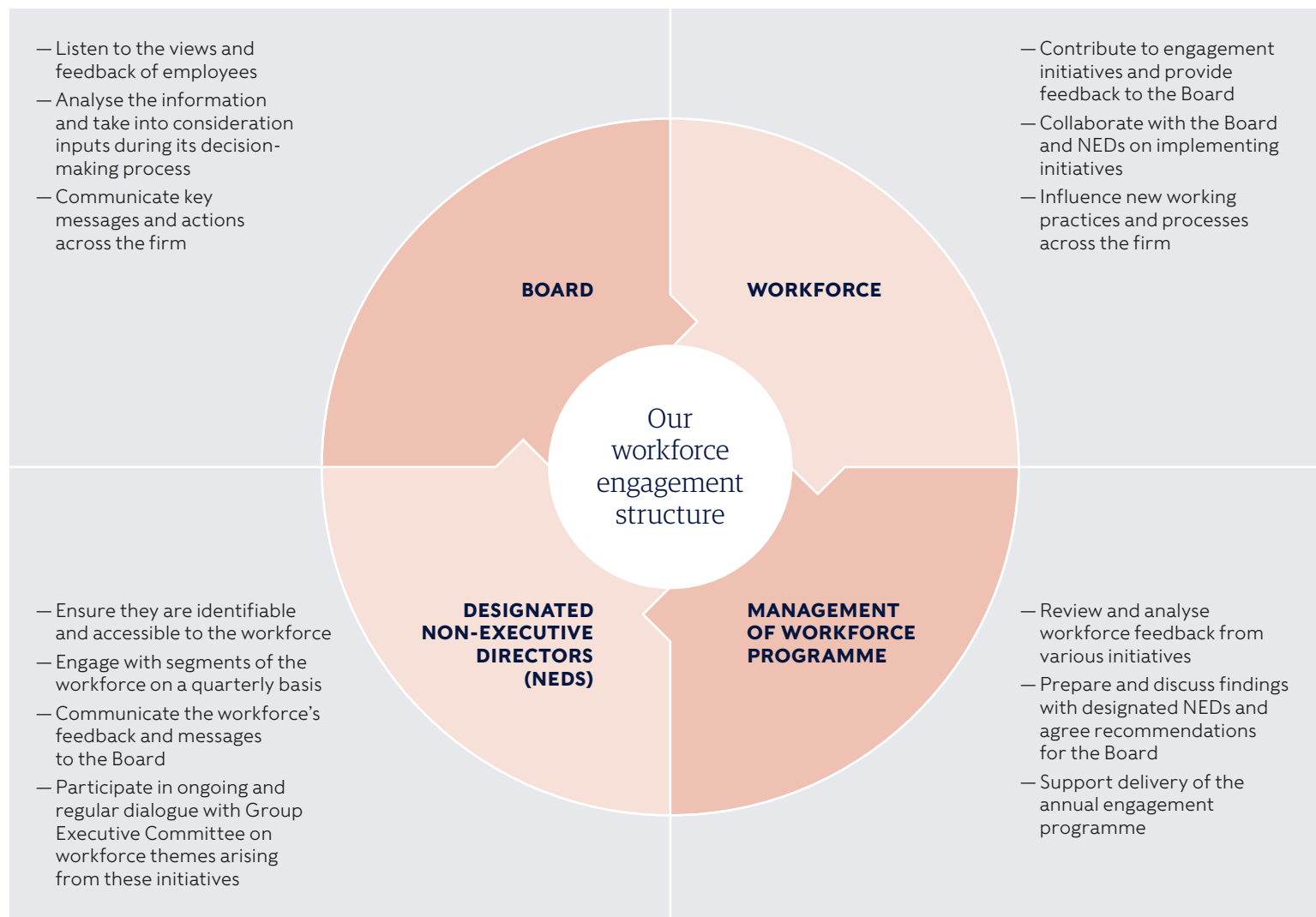
### WORKFORCE ENGAGEMENT

**In light of requirements in the Corporate Governance Code for boards to ensure effective workforce engagement, Iain Cummings and Dharmash Mistry are our two designated Non-Executive Directors responsible for gathering employee feedback.**

A workforce engagement framework was developed using existing employee engagement activities already in place to provide a range of opportunities to engage directly with employees and receive feedback. The two-way dialogue between the Board and employees is facilitated by a combination of engagement methods, which would include face-to-face meetings, office visits and attendance at employee events. Our workforce are an essential stakeholder of our business, it is therefore vital that our Board members are exposed to their concerns and ideas and are able to consider these as they relate to Rathbones' culture and strategy.

In 2024, as a result of integration, for our people there was a real mix of excitement, challenge and hard work in supporting what has been an almost unprecedented level of internal and external change at Rathbones. Our workforce engagement plan will continue to be guided by our Board priorities for the year and tightly aligned to our four strategic pillars, enriching the client and advisor proposition and experience, supporting and delivering growth, inspiring our people, and operating more efficiently. In addition to our current engagement plan, we aim to encourage more board and GEC visits to our various offices in 2025 which will give us direct insight into integration progress.

#### Our engagement structure



## OUR APPROACH TO STAKEHOLDER ENGAGEMENT

## HOW WE ENGAGED WITH OUR WORKFORCE IN 2024

## 2024 engagement

## Key themes

## Feedback from employees

1

EMPLOYEE ENGAGEMENT SURVEY  
(FACILITATED EXTERNALLY)

1

BOARD VISIT

8

NED DROP-IN SESSIONS  
ACROSS VARIOUS OFFICES

16

CEO MEETINGS WITH  
FRONT OFFICE TEAMS  
(INCLUDING OFFICE VISITS)

4

GROUP TOWNHALLS HELD

13

CLIENT-FACING  
TOWNHALLS HELD

23

VARIOUS FUNCTIONS  
TOWNHALLS

## INTEGRATION

The combination of two businesses was understandably an unsettling period for our colleagues. It was clear from these conversations that the workstreams around integration were as important for our colleagues as it was for the GEC and Board.

While it was initially difficult to get the right balance on internal communications regarding integration, this has been something we have been actively trying to improve over time.

## STRATEGY

Colleagues were keen to understand how the combination would impact Rathbones' strategy going forward. It is promising to see this level of interest as we believe it will facilitate the successful implantation of our long-term strategy.

We host regular townhalls during which Group, and business specific strategy is discussed by the executive management team.

## CULTURE

It was clear that maintaining the Rathbones culture during a period of change was important for colleagues.

We have always been proud of the culture we have fostered over the years and this is reflected in how we consider stakeholder impact in all decision making.

## DIVERSITY, EQUALITY &amp; INCLUSION

It was appreciated that the company takes employee views seriously, though there was call for increased focus on DE&I initiatives and this has been brought to the Board's attention.

The Board receives updates on progress against our DE&I strategy and targets and will continue to engage with this topic.

“

I felt that we were all given the opportunity to answer NED's questions and add to comments that other participants made. We were all respectful, listened to each other.

“

Thank you to Iain and Dharmash for their time and engaging with us. Some of their comments and questions were very insightful.

“

I found it reassuring to hear that although we were essentially from three different teams who are only now coming together as one, we all covered the same topics, and our opinions were surprisingly similar too.

“

I thought coming into the session with a blank piece of paper and having an open and frank discussion was helpful.

“

I found that the small group setting was highly effective, as it facilitated active participation and constructive feedback from everyone.

➔ Strategic priorities: [See pages 19 to 23](#)

➔ Responsible business review: [See page 69](#)

➔ Key Board decisions: [See page 95](#)

⊕ Gender Pay Gap Report

## OUR APPROACH TO STAKEHOLDER ENGAGEMENT



## SHAREHOLDERS

Understanding the views of our shareholders is essential to us delivering long-term sustainable financial returns.

## STRATEGIC PRIORITY

2

## HOW THE BOARD ENGAGED

The Board gathers feedback from our investors, both directly, via our corporate brokers and through various conferences. Our AGM also provided an opportunity for all shareholders to ask questions of the Board.

## HOW THE FIRM ENGAGED

We engaged with our shareholders through the following activities:

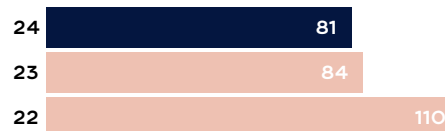
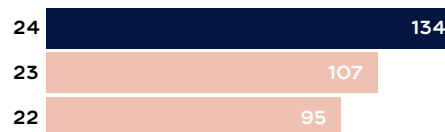
- We continued to expand sell-side analyst research coverage of the company
- Our Investor Relations team met with our shareholders, with members of our Group Executive Committee and senior leaders
- We commissioned an independent analyst perception study, to gain insight into our shareholder/investors' opinions. The results were presented to the Board.

## KEY TOPICS RAISED

- How is the company progressing on combining with IW&I?
- How is the company navigating the challenging market conditions?
- How will the company improve organic growth?
- What is the progress update on client lifecycle management (CLM) in terms of budget and benefits?

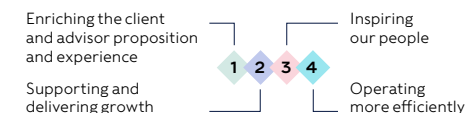
## HOW THE FIRM RESPONDED

- Discussed progress on integrating IW&I with our top shareholders
- Provided regular updates on the company's financial and strategic performance, through our quarterly market updates and half-yearly results presentations
- Updated the market on strategic progress as part of result statements throughout the year
- Responded to several environmental, social and governance (ESG)-related questionnaires during the year and issued our Task Force on Climate-related Financial Disclosures (TCFD) report and responsible business report
- Restated our commitment to our progressive dividend policy which was maintained throughout the year
- Maintained meaningful dialogue with the sell-side analyst community.

NUMBER OF INVESTOR MEETINGS  
HELD IN 2024<sup>1</sup>NUMBER OF NEW INVESTORS IN 2024<sup>2</sup>

1. Calculation methodology was changed for number of meetings in 2023, with one group meeting counted as one rather than reflecting the number of investors who attended
2. Number of new investors includes both retail shareholders and institutional investors

## Our strategic priorities



## ANALYST PERCEPTION

The combination with IW&I has been well-received, with its success viewed as a potential driver for enhancing Rathbones' valuation. The migration of client assets is considered a key measure of the transaction's success, and analysts value the ongoing updates, appreciating management's strong leadership and communication.

Concerns about integration challenges, such as investment manager departures, have been largely mitigated.

Organic growth remains a focus, particularly the need to attract new clients and address generational wealth transfer to improve growth. Progress in digital investments is seen as a positive development.

Analysts recognise the challenging market conditions affecting net inflows and welcome the expansion of the proposition suite, particularly within the financial planning space.



➔ **Stakeholder interests and engagement:**  
[See page 25](#)

➔ **Group Chief Executive Officer's review:**  
[See page 10](#)

OUR APPROACH TO STAKEHOLDER ENGAGEMENT



SOCIETY AND  
COMMUNITIES

We are conscious of the impact of the Group’s operations on the community and environment and understand the importance of being a good corporate citizen.

STRATEGIC PRIORITY



HOW THE BOARD ENGAGED

The Group’s responsible business programme, which is sponsored by the chief executive, has continued to deliver on commitments that were made in 2021 relating to responsible investment, our people, society and communities and the environment. You can read more about our responsible business programme, including the results of our strategic review on [pages 69 to 78](#), our climate report and responsible business progress update. Details of how consideration of our wider community has shaped some of our recent initiatives can be found on [page 75](#).

HOW THE FIRM ENGAGED

We engaged with society and the communities in which we operate through the following activities:

- We encouraged high standards of governance as an investment manager and frequently engaged with companies on environmental, societal, and corporate governance concerns
- Used our community investment hubs to identify and agree charity partners and champion employee matching
- Worked with industry bodies to understand and respond to the growing regulatory and reporting frameworks.

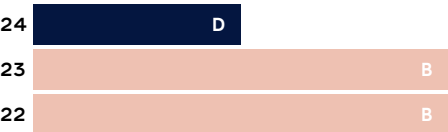
KEY TOPICS RAISED

- How can we use our financial knowledge to support our local communities?
- How did the combination impact our climate strategy and the environmental impact of our operations?
- How do we best support the communities in which we operate?

HOW THE FIRM RESPONDED

- We donated to the Disaster Emergency Committee Middle East appeal
- We expanded the reach of the Rathbones Group Foundation, increasing our investment to cover the expanded national presence. In 2024, we gave more than £699,000 (2023: £589,000)
- Shared our approach to managing climate risk. See our climate report for more information
- Published our net zero engagement action plan, sharing how the firm will engage with companies we invest in on behalf of our clients on their net zero ambition and deliver against their targets.

CARBON DISCLOSURE PROJECT (CDP) SCORE



In 2024 CDP updated the questionnaire fixing calculation of several data points through the use of autocalculation. Unfortunately as a discretionary wealth manager this did not support the granularity of disclosure we had previously shared

DIRECT ENGAGEMENT WITH  
INVESTEES COMPANIES<sup>1</sup>



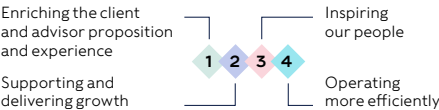
TOTAL AMOUNT DONATED



1. Data excludes IW&I

- ➔ Responsible business review: [See page 69](#)
- ⊕ Responsible Investment Report
- ⊕ Responsible Business Update

Our strategic priorities



EMBEDDING OUR  
COMMUNITY HUBS

Following the combination and expansion of our footprint across the UK and Channel Islands, we took the opportunity to review the structure of our community investment network.

Aligning to the structure used for our front office, we crafted five hubs. Each hub was allocated a portion of Foundation funding. Using the updated community investment toolkit, our colleagues identified potential local charity partners.

Following a clear due diligence process suitable projects were identified. These requests were then discussed at the Rathbones Group Foundation trustee meetings.

At the end of 2024, all hubs had allocated their funding to local partners. Partnerships varied from one year to three-year programmes. In 2024 charities supported included London Youth, FareShare South West, Every Child Our Future, The Inclusive Hub, FARE Scotland and Cornwall Young Carers.



## OUR APPROACH TO STAKEHOLDER ENGAGEMENT

PARTNERS AND  
REGULATORS

Engagement with our regulators and partners is fundamental to the running of the firm and servicing our clients.

## STRATEGIC PRIORITY

4

## HOW THE BOARD ENGAGED

The Board is regularly briefed on regulatory developments and expectations, and the Board's Risk, Audit and Remuneration Committees receive detailed insights into specific areas such as the Internal Capital Adequacy Assessment Process and Internal Capital and Risk Assessment, Client Assets Sourcebook, Regulatory Activity (COBS, SYSC, DISP, SMCR) as well as managing FCA regulation including Consumer Duty and the Sustainable Disclosure Requirements.

The Board also receives updates in relation to specific matters, such as areas of interest to the FCA/PRA including operational resilience, conduct risk and the management of culture.

The Group maintains regular contact with the PRA, FCA and SRA to ensure awareness of its concerns, expectations and agenda, and this informs the prioritisation of activities within the Group's annual operating plan.

## HOW THE FIRM ENGAGED

We engaged with our partners and regulators through the following activities:

- We held regular meetings with our regulators during the year and continue to have a proactive and transparent relationship with them. The number of meetings increased in 2024 given the IW&I integration
- The CEO held membership of the FCA Practitioner Panel
- We maintained ongoing relations with our key suppliers and partners during the year with the Board receiving regular updates on engagement with our existing partners.

## KEY TOPICS RAISED

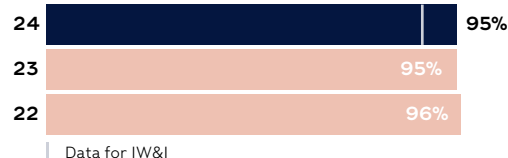
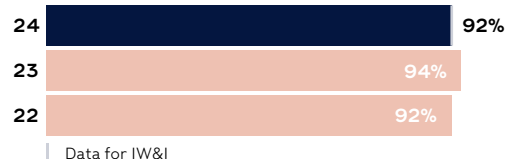
- How the planned combination of Rathbones with IW&I would create value for stakeholders
- How the company is managing the client migration programme
- Rathbones response to Consumer Duty regulation
- How we would negotiate the exit from leases as we consolidated our property footprint
- Do we provide fair and transparent terms with our suppliers?

## HOW THE FIRM RESPONDED

- All responses to regulators have been made within the agreed deadline
- Trained our Board on key topics. See our [website](#) for more on Board training
- Worked in close collaboration with the firm's regulators, including through the integration period relating to IW&I
- Open and transparent engagement with landlords to support fair exit of leases
- Maintained a constructive relationship with HMRC

- Embedded a new supplier management system supporting the review of suppliers for their ESG policies and processes. See more on [page 76](#)
- Interacted with the industry bodies and associations we are affiliated with to ensure we were engaged with issues impacting our industry
- Engaged with our existing lending partner
- Adhered to payment terms with suppliers.

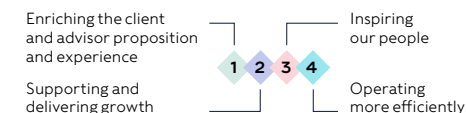
## % OF SUPPLIERS PAID WITHIN 30 DAYS

% OF PAYMENTS MADE TO SUPPLIERS  
IN AGREED TIMEFRAME

➔ **Stakeholder interests and engagement:** [See page 25](#)

➔ **Risk management and control:** [See page 58](#)

## Our strategic priorities



## ENGAGING WITH OUR REGULATORS

Interactions with our regulators such as the FCA (Financial Conduct Authority), PRA (Prudential Regulation Authority) and SRA (Solicitors Regulation Authority) play a crucial role in maintaining compliance and ensuring robust financial practices. Throughout 2024, Rathbones maintained proactive and transparent interactions with regulators, ensuring clear alignment with their expectations and priorities.

Rathbones engaged in discussions on emerging regulatory topics, including conduct risk, operational resilience, and culture management.

Notably, we intensified our interactions in 2024, given the IW&I transaction, increasing the number of meetings. Key areas addressed included the value creation of the Rathbones and IW&I combination, the firm's response to Consumer Duty regulation and ESG related regulations such as Sustainability Disclosure Requirements (SDR).



## OUR KEY PERFORMANCE INDICATORS (KPIs)

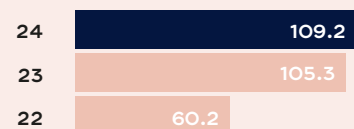
The Group considers the following financial and non-financial measures as KPIs of its overall performance. Each KPI is aligned with at least one of our four strategic pillars and is used to measure both the progress and success of our strategy implementation.

### Financial

#### TOTAL FUNDS UNDER MANAGEMENT AND ADMINISTRATION £bn



## £109.2bn



#### DEFINITION

Total funds under management and administration (FUMA) at the end of the year.

#### STRATEGIC FOCUS

The value of FUMA that we manage is directly related to the level of income we receive.

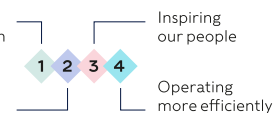
#### COMMENTARY

FUMA has increased by 3.7% during the year to £109.2 billion (2023: £105.3 billion), predominately driven by positive market movements. This has resulted in an increase in Investment Management and Asset Management fee income.

#### Our strategic priorities

Enriching the client and advisor proposition and experience

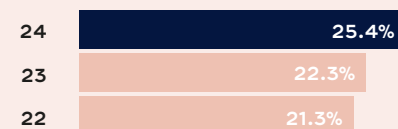
Supporting and delivering growth



#### UNDERLYING OPERATING MARGIN %



## 25.4%



#### DEFINITION

Underlying profit before tax as a percentage of operating income.

#### STRATEGIC FOCUS

The margin is a measure of our operational efficiency and overall performance. It is measured on an underlying basis to show the performance and growth that is driven by ongoing operating activities, excluding the effects of strategic investments and corporate transactions.

#### COMMENTARY

The underlying operating margin increased during the year to 25.4% (2023: 22.3%) reflecting the delivery of synergies and the benefits of increased scale, as we continue to make progress towards delivering an underlying operating margin of at least 30% on a run-rate basis from three years following the completion of the IW&I transaction.

**A** Alternative Performance Measure

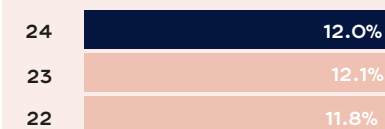
**➔ Read more:** on APMs, including a reconciliation to the financial statements (where possible), on [page 43](#)

**➔ Read more:** Remuneration [page 114](#)

#### UNDERLYING RETURN ON CAPITAL EMPLOYED %



## 12.0%



#### DEFINITION

Underlying profit after tax as a percentage of the underlying quarterly average total of equity.

#### STRATEGIC FOCUS

This is a principal measure of financial efficiency as it indicates profitability relative to the level of shareholder capital required to generate it.

#### COMMENTARY

The marginal reduction in ROCE in 2024 reflects the higher average statutory rate of corporation tax in 2024 of 25.0% (2023: 23.5%) and 2024 being the first full year of the higher capital base that resulted from the combination relative to the partial delivery of the overall synergy target during the year.

## OUR KEY PERFORMANCE INDICATORS (KPIs)

## Financial continued

DIVIDEND PER SHARE <sup>p</sup>

93.0p

**DEFINITION**

Total annual dividend per share for the year (interim and final).

**STRATEGIC FOCUS**

Dividends represent an important part of the returns to shareholders.

**COMMENTARY**

The dividend for the year represents an increase of 6.9% relative to the prior year, consistent with our progressive dividend policy.

UNDERLYING EARNINGS  
PER SHARE <sup>p</sup>

161.6p

**DEFINITION**

Underlying profit after tax divided by the weighted average number of ordinary shares in issue during the year.

**STRATEGIC FOCUS**

Measuring earnings on a per share basis provides further insight into the profitability of the Group and facilitates external comparisons.

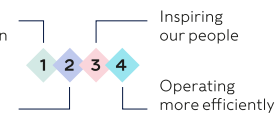
**COMMENTARY**

The growth in underlying EPS in 2024 is driven by the increased profitability of the business following the combination with IW&I, which reflects the benefit of the synergies that have been realised.

## Our strategic priorities

Enriching the client and advisor proposition and experience

Supporting and delivering growth

COMMON EQUITY  
TIER 1 RATIO <sup>%</sup><sup>1</sup>

19.0%

**DEFINITION**

Common Equity Tier 1 (CET1) capital as a percentage of the total risk exposure amount.

**STRATEGIC FOCUS**

As a regulated entity, we must maintain a level of capital that exceeds the minimum regulatory requirement. A higher CET1 ratio is an indicator of financial strength. We seek to maintain a balance of a robust surplus of and an efficient allocation of capital.

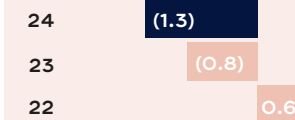
**COMMENTARY**

The CET1 ratio has increased during the year. This reflects the completion of the Group's defined benefit pension schemes' 'buy-in' of insurance to cover the schemes' future liabilities. This mitigated the future risk to the Group and resulted in a reduction in the minimum level of capital that the Group is required to hold.

1. Stated inclusive of the retained profit for the year ended 31 December 2024 which became verified profit on 25 February 2025, but prior to taking into account the proposed final dividend relating to 2024.

RATE OF NET ORGANIC GROWTH IN  
FUNDS UNDER MANAGEMENT <sup>%</sup>

(1.3)%

**DEFINITION**

The value of annual net inflows of funds under management and administration (FUMA) as a percentage of opening FUMA.

**STRATEGIC FOCUS**

This is a measure of the ability of the business to grow organically.

**COMMENTARY**

Gross inflows of FUMA remained strong but were offset by a continuation of elevated gross outflows. The level of outflows is the result of factors that are macroeconomic and specific to the business, as set out in the Group Chief Financial Officer's review.

**A** Alternative Performance Measure

**➔** Read more: on APMs, including a reconciliation to the financial statements (where possible), on [page 43](#)

**➔** Read more: Remuneration [page 114](#)

OUR KEY PERFORMANCE INDICATORS (KPIs)

Non-Financial



- A** Alternative Performance Measure
- ➔** Read more: on APMs, including a reconciliation to the financial statements (where possible), on [page 43](#)
- ➔** Read more: Remuneration [page 114](#)

NUMBER OF INVESTMENT  
MANAGEMENT CLIENTS

1

114,700

24	114,700
23	114,200
22	67,700

**DEFINITION**  
The number of Investment Management clients who use our services.

**STRATEGIC FOCUS**  
In an industry where scale is important, the size of our client base helps to determine market share.

**COMMENTARY**  
Client numbers have remained stable following the combination.

CLIENT NET PROMOTER SCORE

1

56%

24	56%
23	43%
22	39%

**DEFINITION**  
The likelihood that a client will recommend Rathbones. Collected through a survey where clients score the business between -100% and 100%.

**STRATEGIC FOCUS**  
Our client Net Promoter Score (NPS) highlights client satisfaction. We benchmark against our peers and our score shows clients' willingness to recommend Rathbones as a business.

**COMMENTARY**  
The increase in score reflects our continuing focus on the quality of our client service. This score is exclusive of the IW&I client NPS of 67% (2023: 40%). The 2024 survey had a smaller sample size due to the migration process. The NPS scores will be determined on a combined basis following the migration of IW&I clients onto the Rathbones platform in 2025.

NUMBER OF INVESTMENT MANAGERS

1

678

24	678
23	681
22	355

**DEFINITION**  
Employees who are regulated to provide discretionary investment management services to clients within the Wealth Management segment.

**STRATEGIC FOCUS**  
This reflects our capacity to service the Group's investment management client base and accommodate growth.

**COMMENTARY**  
The number of investment managers has remained broadly consistent year on year, demonstrating that we are able to retain talent. This KPI excludes Investment Management professionals in our Asset Management segment (2024: 26, 2023: 23, 2022: 24).

NUMBER OF FINANCIAL PLANNERS

1

122

24	122
23	117
22	74

**DEFINITION**  
Employees who are qualified to provide financial planning advice within the Wealth Management segment.

**STRATEGIC FOCUS**  
This reflects our capacity to service the Group's financial planning client base, capacity to accommodate growth, and ability to deliver the Group's strategic objectives relating to advice.

**COMMENTARY**  
The increase in Financial Planners in 2024 shows that we are able to attract new talent, creating more capacity to service our clients' advice needs. This KPI excludes third party Financial Planners who are employed by firms which are members of the Vision Independent Financial Planning network (2024: 142, 2023: 138, 2022: 131).

## GROUP CHIEF FINANCIAL OFFICER'S REVIEW

# Embracing change, creating value

**IAIN HOOLEY**

GROUP CHIEF FINANCIAL OFFICER

## A review of our financial performance

**FINANCIAL PERFORMANCE**

Growth in profit before tax and operating margin is supported by synergy delivery that is well ahead of target.

[➔ Read more: See page 40](#)**FINANCIAL POSITION**

The Group maintains a robust capital base – the key financial position metrics are set out in [table 19](#).

[➔ Read more: See page 53](#)**SEGMENTAL REVIEW**

Read about the Group's performance through our Wealth Management and Asset Management segments.

[➔ Read more: See page 45](#)**LIQUIDITY AND CASH FLOW**

The Group remains highly cash generative and maintains substantial levels of liquidity.

[➔ Read more: See page 57](#)

2024 is the first full financial year following the combination with Investec Wealth & Investment UK (IW&I). The increases in operating income, profit and earnings per share that we report this year reflect both the strength of the underlying business, the benefits of the combination and the extent to which our delivery of the related synergies has exceeded the targets we set for 2024.

Total synergies delivered at 31 December 2024 amount to £30.1 million on an annualised run-rate basis. This represents 50% of our overall synergy target and is well ahead of the £15 million originally expected for this stage in the integration process, reflecting the organisational and property changes that we have been able to deliver earlier than planned. The synergies delivered in 2024 have arisen over the course of the year, resulting in an overall benefit to 2024 operating profit of £24.6 million.

We remain confident that we will deliver the full £60.0 million of synergies in line with the timeframe that we committed to at the time we announced the transaction. We remain focused on maximising our overall synergy delivery, in addition to maintaining a high degree of cost discipline across the Group.

The costs of delivering the integration, which are reported as non-underlying costs, remain in line with our expectations. We remain confident that we will complete the integration within our original timeframe and overall cost guidance.

In addition to synergy realisation, business performance benefited from higher levels of Funds Under Management and Administration (FUMA), which increased by 3.7% during the year to £109.2 billion on 31 December 2024 (2023: £105.3 billion).

## GROUP CHIEF FINANCIAL OFFICER'S REVIEW

TABLE 1. GROUP'S OVERALL PERFORMANCE

	2024 £m (unless stated)	2023 £m (unless stated)
Operating income	895.9	571.1
Underlying operating expenses <sup>1</sup>	(668.3)	(444.0)
Underlying profit before tax <sup>1</sup>	227.6	127.1
Underlying operating margin <sup>1</sup>	25.4%	22.3%
Profit before tax	99.6	57.6
Effective tax rate	34.2%	34.9%
Taxation	(34.1)	(20.1)
Profit after tax	65.5	37.5
Underlying earnings per share <sup>1</sup>	161.6p	135.8p
Earnings per share	63.0p	52.6p
Dividend per share <sup>2</sup>	93.0p	87.0p
Return on capital employed (ROCE)	4.8%	4.9%
Underlying return on capital employed <sup>1</sup>	12.0%	12.1%

1. Reconciliation between the measure stated and its closest IFRS equivalent is set out in [table 4](#).

2. Total of the interim dividend paid and the final dividend proposed for the financial year.

Our ambition is set firmly on growing our underlying operating margin. We have made significant progress this year with our margin increasing to 25.4% for 2024 from 22.3% in 2023 as we continue to realise the benefits of our increased scale.

We have maintained a strong capital base throughout the year as we work through the integration of IW&I and remain committed to our progressive dividend policy. The Board is recommending a total dividend for the year of 93.0p per share (2023: 87.0p per share), an increase of 6.9%. Our policy recognises that this year's dividend is uncovered at statutory profit level. However, this reflects the effect of integration costs that will fall away in future years.

Our results for 2024 include the contribution of IW&I for the full financial year. The comparative figures for 2023 include three months of IW&I's contribution from 1 October 2023, reflecting the timing of the completion of the combination.

The movements in income and costs relative to the prior year therefore largely reflect the additional nine months of IW&I's contribution in 2024 relative to 2023.

Operating income increased by 56.9% to £895.9 million (2023: £571.1 million), of which IW&I contributed £364.5 million (2023: £87.9 million) and the legacy Rathbones Group contributed £531.4 million (2023: £483.2 million).

Investment management and asset management fees benefited from higher levels of FUMA, which increased by 3.7% to £109.2 billion during the year.

Interest income increased steadily over the course of the prior year as interest rates rose. The benefit of the higher level of this income at the end of 2023 was carried into 2024 and mostly maintained throughout the year. Net interest income contributed £63.9 million to operating income in 2024 (2023: £51.7 million). This income relates mainly to the legacy Rathbones Group, as IW&I does not hold banking deposits on its own balance sheet.

Interest relating to client money deposits within IW&I, which increased during the year due to the benefit of a full year of higher interest rates, is recognised within other income. This will be reported as net interest income following the migration of IW&I into Rathbones Investment Management.

Commission income improved as a result of higher transaction volumes relative to the prior year. In particular, we saw an unseasonal up-tick in volumes around the time of the UK Autumn Budget due to a greater propensity to crystallise capital gains ahead of the tax changes anticipated in the Budget.

Underlying operating expenses increased as a result of the inclusion of a full year of the IW&I cost base, net of the benefit of synergies delivered during the year. Expenditure was driven higher by the effects of inflation and related salary increases, which averaged 3.6% and took effect from April (Rathbones) and June (IW&I). Employee costs in 2024 also reflect a full year of the cost of the headcount recruited during 2023. Variable remuneration increased as a result of income growth.

HIGHLIGHTS:  
Financial performance

## PROFIT BEFORE TAX

£99.6m

2023: £57.6m

UNDERLYING  
PROFIT BEFORE TAX<sup>1</sup>

£227.6m

2023: £127.1m

## FUMA

£109.2bn

2023: £105.3bn

SYNERGIES  
ACHIEVED

£30.1m

OPERATING  
MARGIN

11.1%

2023: 10.1%

UNDERLYING  
OPERATING  
MARGIN<sup>1</sup>

25.4%

2023: 22.3%

## BASIC EPS

63.0p

2023: 52.6p

UNDERLYING  
BASIC EPS<sup>1</sup>

161.6p

2023: 135.8p

DIVIDEND  
PER SHARE

93.0p

2023: 87.0p

1. This measure is considered to be an Alternative Performance Measure (APM). Please refer to [page 43](#) for more details on APMs

## GROUP CHIEF FINANCIAL OFFICER'S REVIEW

Total headcount set out in [note 10](#) includes 101 heads (measured on a full-time equivalent basis) at 31 December 2024 who are dedicated entirely to the IW&I integration project and whose costs form part of the costs to achieve the integration, which are reported as non-underlying costs. Technology costs increased as we develop and enhance our systems across the business, including our client service, operational and data infrastructure capabilities. A portion of the increase is short-term as we implement outsourcing of certain services.

The 2024 FSCS levy of £4.4 million was expensed in full during the first half of 2024. The cost for the year represents an increase of £3.8 million relative to the prior year, inclusive of the levy relating to IW&I. The levy in the prior year was suppressed as a result of the FSCS utilising existing surpluses.

The underlying operating margin, which is calculated as the ratio of underlying profit before tax to operating income, improved to 25.4% (2023: 22.3%). This increase represents a significant step towards our target of delivering a margin in excess of 30% from September 2026, being three years following the completion of the IW&I transaction.

The InvestCloud Client Lifecycle Management system (CLM) was launched into the business in June 2024. Operating expenses for the year include £14.7 million in relation to this system. Total investment during the current and previous financial years up to the point of launch amounted to £45 million, in line with our previous guidance.

Underlying profit before tax, which is net of the CLM costs referred to above, was £227.6 million for the year ended 31 December 2024 (2023: £127.1million), representing an increase of 79.1%.

Costs directly related to the integration of IW&I, net of £16.9 million of credits arising on the disposal of 8 Finsbury Circus, amounted to £75.5 million during the year (2023: £36.5 million), which is in line with our guidance.

These costs are reported within non-underlying costs, which also include amortisation of intangible assets of £44.6 million and acquisition costs of £7.9 million (2023: £6.8 million) relating to deferred consideration payable for the Saunderson House acquisition.

Statutory profit before tax increased by 72.9% to £99.6 million for the year (2023: £57.6 million), after expensing amortisation of client relationship intangible assets of £44.6 million (2023: £25.2 million) and integration related costs of £83.4 million (2023: £44.3 million acquisition-related and integration costs).

The effective rate of tax reduced to 34.2% for the year (2023: 34.9%). The prior year rate was elevated by the effect of disallowable costs relating to the IW&I transaction. Whilst these costs were specific to the transaction and have not recurred in the current year, the effective tax rate for 2024 has been elevated by certain non-underlying integration costs along with the statutory rate of 25.0% applying for the full financial year. Once the integration of IW&I has been completed, we expect the effective tax rate to run at an average of 2 to 3 percentage points above the statutory rate, reflecting normal levels of disallowable costs.

The Board considers underlying and statutory measures of income, expenditure and earnings when assessing the performance of the Group. The underlying balances are considered to provide useful information on business performance, rather than reviewing results on a statutory basis only. These measures are also widely used by research analysts covering the Group. A full reconciliation between underlying results and the closest IFRS equivalent is provided on [page 42](#).

### OUTLOOK AND GUIDANCE

The Group's recurring fee income and overall financial performance remains closely linked to the level of FUMA and therefore the direction of global investment markets. Markets have had a positive impact on FUMA during the year but FUMA and performance remain sensitive to future movements, including those driven by continuing levels of uncertainty in the economic and geopolitical environment.

The reduction in the rate of UK inflation during the year is welcome and we remain focused on ensuring a high degree of discipline in managing our cost base. While 2025 will see a full year of the 2024 annual salary reviews, we expect salary inflation to be lower in 2025 at around 2%.

The lower rate of inflation has led to reductions in central bank interest rates during the second half of 2024. These reductions have so far had a relatively small impact on net interest income, due to the effect on interest earned and interest paid to clients being broadly matched. Should further reductions materialise in 2025 in line with market expectations, we expect to see a modest reduction in our net interest margin, albeit that may be more than offset by higher fee revenues in the event that equity prices react positively to rate reductions materialising.

The UK government announced an increase in the rate of employers' National Insurance Contributions (NIC) in its Autumn Budget, which will take effect in April 2025. The changes announced will increase NIC costs by around £7.0 million per annum from April 2025, based on current levels of remuneration and headcount.

Headcount is expected to reduce over the course of 2025. This reduction will principally result from synergy delivery, along with ongoing cost discipline.

We are making good progress towards delivering an underlying operating margin of 30% from September 2026, notwithstanding the additional headwinds that have arisen since we set out this target, which include ongoing inflationary pressures and the estimated impact of NICs from April 2025. Delivery of this will be on a run-rate basis from three years following completion of the IW&I transaction, i.e. September 2026.

This margin growth will be underpinned by a combination of:

- Modest market growth in line with inflation
- A return to organic net inflows, supported by growth in advice, refreshed marketing and distribution capabilities and growth in our Asset Management business
- Ongoing cost discipline, in what we expect to be a more normalised inflationary environment
- Synergy delivery in line with guidance.

## GROUP CHIEF FINANCIAL OFFICER'S REVIEW

We expect the improvement in the underlying operating margin to arise mostly during 2026, with a more modest improvement in 2025. This principally reflects the timing of further synergy benefits, which will be weighted towards the second half of the 2025 financial year, when the cost savings which are linked to the migration to a single operating platform will materialise and we work towards IW&I ceasing to run as a separate, regulated entity. Performance in 2025 will also reflect the increase in NIC costs and a full year of the 2024 salary reviews, which were undertaken in the higher inflationary environment. We also expect to see a flatter seasonal spike in transaction-based commission income in March 2025 as a result of the additional activity that arose on client portfolios ahead of the 2024 Autumn Budget.

We expect to see growth in advice revenues in 2025 as a result of increased advisor capacity following completion of the Saunderson House migration and our continuing focus on advice, along with increased demand following the taxation changes announced in the 2024 Autumn Budget. Net interest income will benefit from the delivery of revenue synergies in the second half of 2025 following the IW&I client migration, with net interest margins expected to see only a modest impact from the reductions in central bank rates that are anticipated. We will be focused on our growth agenda in 2025 to drive improved net flows.

Delivering sustainable value to our shareholders and maintaining a disciplined and efficient approach to managing shareholder capital is of the highest importance to the Board. The Group continues to maintain a robust capital base, with a surplus of capital above the regulatory minimum of £207.2 million at 31 December 2024 (prior to taking into account the proposed final dividend for the year) which supports strategic investment, the ongoing integration of the IW&I business and our progressive dividend policy.

The business remains highly cash generative and we expect to see a further increase in cash generation once the integration of IW&I is complete and we see the full benefits of the combination synergies. As such, we will review our capital allocation policy, including an evaluation of our capacity for surplus returns, following the migration of IW&I onto a single operating platform later this year.

## GROUP CHIEF FINANCIAL OFFICER'S REVIEW

### FINANCIAL PERFORMANCE

#### BUSINESS PERFORMANCE: FUNDS UNDER MANAGEMENT AND ADMINISTRATION (FUMA)

Total Group FUMA increased by 3.7% during the year to reach £109.2 billion at 31 December 2024 (2023: £105.3 billion). The increase is driven predominantly by the effect of positive market movements.

The Group continued to drive strong gross inflows across both the Wealth Management and Asset Management segments. However, outflows remained elevated, reflecting both the economic backdrop and specific factors. Consequently, the Group reported net outflows of £1.4 billion for the year.

FUMA for the Wealth Management segment increased by 3.3% during the year. Gross inflows were strong, increasing by 76.4% relative to the prior year and reaching record levels in the final quarter of the financial year as the business continued to drive new business flows despite IW&I investment teams committing significant time to undertaking the client consent process.

Rathbones discretionary and managed services delivered net inflows of £1.0 billion, representing an annual growth rate of 2.0% (2023: 1.5%). This reflects gross inflows of £6.3 billion, an increase of 23.5% relative to 2023, as the business continued to drive strong levels of new business. In addition to new business flows, Rathbones discretionary and managed FUMA benefited from the final migration of Saunderson House client assets into Rathbones investment solutions. IW&I contributed £4.0 billion (2023: £0.8 billion) of gross inflows during the year. After taking account of elevated gross outflows, IW&I reported net outflows for the year of £1.0 billion (2023: £0.3 billion).

Gross outflows within the Wealth Management segment remained elevated throughout the year. This reflected the continuing general economic backdrop of higher interest rates and the increased cost of living, which has driven existing clients to partially withdraw funds from their portfolios. In addition, IW&I experienced expected outflows relating to Investment Managers who left the business prior to the announcement of the combination. Investment Manager turnover since then has remained low. The level of these outflows reduced over the course of the year, with those in the final quarter being the lowest level for any quarter of the year. The migration of former Saunderson House FUMA into Rathbones investment solutions was completed during the year. Associated outflows of £0.5 billion included £0.2 billion of FUMA relating to clients who did not complete the consent process. Wealth Management outflows were also somewhat elevated in the short term as a result of some net withdrawals of funds by existing clients around the time of the UK government's Autumn Budget.

The Asset Management segment reported net inflows of £0.6 billion (2023: £1.5 billion) for the year, representing a rate of net growth of 4.3% (2023: 13.7%). The segment was affected by the challenging market environment that has continued to impact the UK asset management industry, where substantial withdrawals from UK funds has continued across the sector. Our single strategy funds were not immune from this backdrop, but showed relative resilience with net outflows of £0.6 billion for the year (2023: £0.5 billion outflow), representing 8.1% of opening FUMA (2023: 8.5%). These outflows were partially offset by investment performance. Multi-asset funds continued to deliver net inflows, inclusive of intra-group holdings, of £1.2 billion (2023: £2.1 billion). When adjusted for intra-group holdings, net inflows amounting to £0.2 million for the year (2023: £0.3 million), represented annual growth of 7.7% (2023: 13.8%) net of intra-group holdings. Asset Management FUMA increased by 14.5% for the year overall.

Table 2 presents Group FUMA by Wealth Management and Asset Management segment with associated intra-group holdings. Wealth Management FUMA incorporates our core bespoke discretionary portfolio and managed portfolio services. It also includes direct sales into our range of risk-targeted multi-asset funds, which are designed to be used as wealth management solutions for both our direct clients and those of investment platforms and financial advisors. Asset Management FUMA includes our focused range of specialist 'single-strategy' funds, which are designed to act as individual holdings within investment portfolios.

**TABLE 2. SEGMENT FUMA**

Year ended 31 December 2024	Wealth Management £bn	Asset Management £bn	Intra-group holdings £bn	Group FUMA £bn
<b>Opening FUMA</b>	<b>96.1</b>	<b>13.8</b>	<b>(4.6)</b>	<b>105.3</b>
Gross Inflows	9.7	4.4	(2.0)	12.1
Gross Outflows	(10.7)	(3.8)	1.0	(13.5)
<b>Net Flows</b>	<b>(1.0)</b>	<b>0.6</b>	<b>(1.0)</b>	<b>(1.4)</b>
Market, Investment Performance & Transfers	4.2	1.4	(0.3)	5.3
<b>Closing FUMA</b>	<b>99.3</b>	<b>15.8</b>	<b>(5.9)</b>	<b>109.2</b>

## GROUP CHIEF FINANCIAL OFFICER'S REVIEW

## FINANCIAL PERFORMANCE

Table 3 presents separately the FUMA and associated movements in those services and products which support our wealth management propositions.

TABLE 3. BREAKDOWN OF FUMA AND FLOWS BY SERVICE LEVEL

Year ended 31 December 2024	Opening FUMA £bn	Gross inflows £bn	Gross outflows £bn	Net flows £bn	Transfers £bn	SHL migrated assets £bn	Market & investment performance £bn	Closing FUMA £bn	Net growth (flows) %
<b>Rathbones Investment Management</b>	<b>48.8</b>	<b>5.3</b>	<b>(4.5)</b>	<b>0.8</b>	<b>–</b>	<b>1.2</b>	<b>2.1</b>	<b>52.9</b>	<b>1.7%</b>
Bespoke portfolios	45.0	4.7	(4.1)	0.6	(0.4)	0.8	1.8	47.8	1.4%
Managed via in-house funds	3.8	0.6	(0.4)	0.2	0.4	0.4	0.3	5.1	5.1%
Multi-asset funds	2.5	1.0	(0.8)	0.2	0.1	–	0.3	3.1	7.7%
<b>Rathbones discretionary and managed</b>	<b>51.3</b>	<b>6.3</b>	<b>(5.3)</b>	<b>1.0</b>	<b>0.1</b>	<b>1.2</b>	<b>2.4</b>	<b>56.0</b>	<b>2.0%</b>
Non- discretionary service	0.7	–	–	–	–	–	–	0.7	(2.9%)
IW&I	42.3	4.0	(5.0)	(1.0)	(0.3)	–	2.0	43.0	(2.5%)
Saunderson House	1.6	0.1	(0.5)	(0.4)	–	(1.2)	–	–	(26.8%)
Single-strategy funds	6.7	1.3	(1.9)	(0.6)	–	–	0.7	6.8	(8.1%)
Execution only and banking	2.7	0.4	(0.8)	(0.4)	0.2	–	0.2	2.7	(14.5%)
<b>Total Group</b>	<b>105.3</b>	<b>12.1</b>	<b>(13.5)</b>	<b>(1.4)</b>	<b>–</b>	<b>–</b>	<b>5.3</b>	<b>109.2</b>	<b>(1.3%)</b>

Year ended 31 December 2023	Opening FUMA - proforma basis £bn	Gross inflows £bn	Gross outflows £bn	Net flows £bn	Transfers £bn	SHL migrated assets £bn	Market & investment performance £bn	Closing FUMA £bn	Net growth (flows) %
<b>Rathbones Investment Management</b>	44.3	4.2	(3.8)	0.4	(0.2)	2.4	1.9	48.8	0.9%
Bespoke portfolios	42.9	3.8	(3.5)	0.3	(0.9)	1.1	1.6	45.0	0.6%
Managed via in-house funds	1.4	0.4	(0.3)	0.1	0.7	1.3	0.3	3.8	10.1%
Multi-asset funds	2.2	0.9	(0.6)	0.3	–	–	–	2.5	13.8%
<b>Rathbones discretionary and managed</b>	46.5	5.1	(4.4)	0.7	(0.2)	2.4	1.9	51.3	1.5%
Non- discretionary service	0.7	0.1	(0.1)	–	(0.1)	–	0.1	0.7	(2.9%)
IW&I <sup>1</sup>	40.8	0.8	(1.1)	(0.3)	(0.1)	–	1.9	42.3	(0.8%)
Saunderson House	4.1	0.1	(0.5)	(0.4)	–	(2.4)	0.3	1.6	(9.5%)
Single-strategy funds	6.5	1.3	(1.8)	(0.5)	–	–	0.7	6.7	(8.5%)
Execution only and banking	2.4	0.3	(0.6)	(0.3)	0.4	–	0.2	2.7	(10.4%)
<b>Total Group</b>	101.0	7.7	(8.5)	(0.8)	–	–	5.1	105.3	(0.8%)

1. 2023 Group FUMA and flows by service level has been prepared on a proforma basis, opening FUMA has been uplifted by £40.8 billion to include IW&I FUMA acquired with effect from 30 September 2023

## GROUP CHIEF FINANCIAL OFFICER'S REVIEW

## FINANCIAL PERFORMANCE

## OPERATING INCOME

Operating income increased by £324.8 million in 2024 to £895.9 million, reflecting a full year of IW&I income in addition to the factors which have driven income growth set out below.

Recurring fee income benefited from higher average FUMA and the increasing revenue synergies resulting from the continuing migration of former Saunderson House FUMA into Rathbones investment management and asset management solutions. Transaction-based commission income was driven higher as volumes returned to expected levels during the year. In addition, there was a marked increase in trading volumes around the UK government's Autumn Budget as clients opted to crystallise capital gains ahead of an anticipated increase in the rate of capital gains tax.

Advice fees progressed relative to the prior year, albeit partly subdued by the time committed by advisors to the completion of the migration of Saunderson House clients and assets during the year. The first reductions in the UK base rate had only a marginal adverse impact on net interest income relative to the benefit of the run rate this income reached at the end of 2023 continuing into 2024.

## OPERATING EXPENSES

Operating expenses of £796.3 million (2023: £513.5 million) comprise the underlying operating expenses discussed below, together with non-underlying operating expenses explained on [page 43](#).

Underlying operating expenses increased by £224.3 million to £668.3 million (2023: £444.0 million), an increase of 50.5%, reflecting the impact of a full year of IW&I operating expenditure, net of the benefit of realised cost synergies relating to the IW&I combination.

Underlying staff costs increased to £464.6 million (2023: £313.6 million) reflecting inflationary pay rises which averaged 3.6% and took effect in April, other than for the IW&I business which retained its June salary review date for 2024. The increase also reflects a full year of costs in relation to 2023 recruitment. Variable remuneration increased as a result of revenue growth.

Underlying non-staff costs increased to £203.7 million (2023: £130.4 million). Inflation drove most cost lines higher relative to the prior year. Other factors relevant to the increase include the outsourcing of certain technology services to Investec Group (with a related reduction in headcount and staff costs) which was agreed under the terms of the combination with IW&I. Transaction-based costs increased in line with trading volumes. Legal & professional fees increased largely due to regulatory related activities. FSCS levy costs were suppressed in the prior year as a result of the one-off benefit of the FSCS utilising existing surpluses. Levy costs normalised in the year, increasing by £1.8 million. In addition to this, £2.0 million was incurred in IW&I (2023: £nil).

Underlying non-staff costs includes the investment in our InvestCloud Client Lifecycle Management (CLM) system which was launched into the business in June 2024. Development expenditure during the year up to the point of launch amounted to £14.7 million, bringing our total investment to £45.0 million, in line with our previous guidance.

**TABLE 4. RECONCILIATION OF UNDERLYING PERFORMANCE MEASURES TO CLOSEST EQUIVALENT IFRS MEASURES**

	Note	2024 £m (unless stated)	2023 £m (unless stated)
Operating income	<u>4,5,6</u>	<b>895.9</b>	571.1
Underlying operating expenses	<u>7</u>	<b>(668.3)</b>	(444.0)
Underlying profit before tax <sup>1</sup>		<b>227.6</b>	127.1
Charges in relation to client relationships and goodwill	<u>22</u>	<b>(44.6)</b>	(25.2)
Acquisition-related and integration costs	<u>9</u>	<b>(83.4)</b>	(44.3)
Profit before tax		<b>99.6</b>	57.6
Taxation	<u>11</u>	<b>(34.1)</b>	(20.1)
Profit after tax		<b>65.5</b>	37.5
Operating margin		<b>11.1%</b>	10.1%
Underlying operating margin <sup>2</sup>		<b>25.4%</b>	22.3%
Weighted average number of shares in issue	<u>13</u>	<b>103.7m</b>	71.3m
Earnings per share (p)	<u>13</u>	<b>63.0p</b>	52.6p
Underlying earnings per share (p) <sup>3</sup>	<u>13</u>	<b>161.6p</b>	135.8p
Monthly average total equity		<b>1,363.5</b>	787.9
Underlying monthly average total equity <sup>4</sup>		<b>1,401.0</b>	798.5
ROCE <sup>5</sup>		<b>4.8%</b>	4.9%
Underlying ROCE <sup>6</sup>		<b>12.0%</b>	12.1%

1. Operating income less underlying operating expenses

2. Underlying profit before tax as a percentage of operating income

3. Underlying profit after tax divided by the weighted average number of shares in issue

4. Monthly average equity adjusted for underlying operating expenses

5. Profit after tax as a percentage of monthly average total equity

6. Underlying profit after tax as a percentage of underlying monthly average total equity

## GROUP CHIEF FINANCIAL OFFICER'S REVIEW

### FINANCIAL PERFORMANCE

#### ALTERNATIVE PERFORMANCE MEASURES

Alternative Performance Measures (APMs) are a financial measure of historical or future financial performance, financial position, or cash flow, other than a financial measure under IFRS.

##### Charges in relation to client relationships and goodwill (note 22)

As explained in [notes 1.14 and 2.1](#), client relationship intangible assets are recognised when the Group acquires a business or investment management contracts as a result of the recruitment of experienced investment managers who have the capability to attract significant FUMA to the Group.

These intangible assets are amortised over the expected duration of the respective client relationships. Amortisation of £44.6 million has been charged to the income statement (2023: £25.2 million). This represents a significant non-cash profit and loss item which is excluded from underlying profit in order to present an alternative measure that represents largely cash-based results of the financial reporting period. Research analysts commonly exclude these amortisation costs when comparing the performance of firms in the wealth management industry.

##### Acquisition-related and integration costs (note 9)

Acquisition and integration-related costs are significant non-recurring costs that arise from strategic investments and corporate transactions to grow the business rather than from the business' operating activities, and are therefore excluded from underlying results.

These costs primarily comprise professional fees directly related to the execution of the relevant transaction, certain elements of deferred consideration payable to the vendors of acquired businesses that are conditional upon their continued employment with the Group, and the non-recurring costs of integrating the acquired businesses with those of the existing Group.

During 2024, £75.5 million of integration costs (2023: £36.5 million, acquisition and integration related) have been incurred in relation to the IW&I integration. This comprised £48.3 million of integration related staff costs (2023: £6.2 million), and £27.2 million of integration costs (2023: £9.0 million), which form part of the total expected costs to deliver the integration and achieve the related synergies. Acquisition related legal and professional costs of £21.3 million were incurred in the prior year relating to the execution of the transaction. No acquisition-related legal and professional costs were recognised as non-underlying costs in 2024.

As part of the process of integrating IW&I with the existing Rathbones Group, certain leasehold properties were planned to vacate earlier than their respective lease expiry dates. During the year ended 31 December 2023, the useful economic lives of these properties' right-of-use assets and their fixtures and fittings were revised to reflect those expected dates of vacation. Consequently, in 2023, the assets' residual values were calculated and their depreciable amounts restated. As a result of the reduced useful economic lives of those assets, accelerated depreciation charges were recognised from the date of the combination to the respective dates the properties are expected to be vacated. All properties were vacated as planned over the course of 2024. This has therefore resulted in higher depreciation charges during the year ended 31 December 2024 than would have been the case had the useful economic lives of the property-related assets not reduced. With a small number of exceptions, the vacated properties have been disposed of either via sublet, assignment or early surrender, which is favourable against the original anticipated costs of achieving property integration. At 31 December 2024, the two remaining vacant leasehold properties have been reviewed for impairment to determine whether their carrying amounts are supported by their recoverable amounts, and impairment charges have been recognised as appropriate.

As a result, the Group recognised £5.6 million in relation to accelerated depreciation and impairment charges on property assets during the year. Other associated costs of vacating these properties of £3.0 million have also been recognised. These costs represent additional non-recurring costs in excess of the normal ongoing operating costs incurred in relation to the Group's properties and were recognised as non-underlying operating expenses and are therefore not included within underlying operating profit. In addition to this, a net credit to profit or loss of £4.4 million was recognised during the year in relation to the lease assignment of 8 Finsbury Circus (see [note 20](#) and [note 26](#) for further detail) within non-underlying operating expenses. These balances form part of the total acquisition and integration costs of £75.5 million referred to above.

#### Deferred consideration

Deferred consideration costs are significant payments that form part of the total consideration payable under the terms of the acquisition agreement and are considered to be capital in nature, reflecting the cost to acquire the business and the transfer of its ownership. However, in accordance with IFRS 2, any deferred consideration that is payable to former shareholders of the acquired business who are required to remain in employment with the Group for a certain period must be treated as remuneration and expensed to the income statement over the period to which the employment condition applies.

£3.3 million of deferred consideration payments (2023: £3.9 million) and £4.6 million of integration costs (2023: £2.9 million) were charged to the income statement during 2024 in relation to the acquisition of Saunderson House. In 2023, £1.0 million of deferred consideration payments were charged to the income statement in relation to the acquisition of Speirs and Jeffrey, with no further charges recognised in 2024.

## GROUP CHIEF FINANCIAL OFFICER'S REVIEW

### FINANCIAL PERFORMANCE

#### TAXATION

The corporation tax charge for 2024 was £34.1 million (2023: £20.1 million) (see [note 11](#)). The effective tax rate reduced to 34.2% in 2024 (2023: 34.9%). The effective tax rate reflects both an increase in the average statutory rate for the year to 25.0% (2023: 23.5%) as a result of 2024 being the first full financial year following the increase in the statutory rate to 25.0%, and the impact of disallowable legal and professional costs incurred in relation to the relocation of our London premises from Finsbury Circus to Gresham Street.

Once the integration of IW&I has been completed, the effective tax rate is expected to be 2 to 3 percentage points above the statutory rate as a result of normal levels of disallowable costs.

#### BASIC EARNINGS PER SHARE

Basic earnings per share for the year ended 31 December 2024 were 63.0p (2023: 52.6p). The increase in the year reflects the benefit to statutory profit after tax of the IW&I combination, with 2024 being the first full financial year of the combined business, and the benefit of the synergies delivered during the year.

On an underlying basis, basic earnings per share were 161.6p in 2024, compared to 135.8p in 2023 (see [note 13](#)). The increase in the year is similarly due to increased underlying profit after tax resulting from the IW&I combination, partially offset by the increased number of shares in issue.

#### RETURN ON CAPITAL EMPLOYED

The Board monitors the underlying return on capital employed (ROCE) as a key performance measure. For monitoring purposes, underlying ROCE is defined as underlying profit after tax expressed as a percentage of underlying monthly average total equity across the year.

Assessment of underlying return on capital is a key consideration for all investment decisions, particularly in relation to acquired growth.

In 2024, underlying ROCE was 12.0% (2023: 12.1%). Underlying average total equity increased by £602.5 million in 2024 compared to 2023, reflecting the full year of the higher capital base that resulted from the combination. The marginal reduction in ROCE in 2024 reflects this higher capital base that has applied throughout the year relative to the partial delivery of the overall synergy target during the year. Statutory ROCE was 4.8% in 2024 (2023: 4.9%). In addition, the average statutory rate of corporation tax increased to 25.0% in 2024 (2023: 23.5%), reducing ROCE by 0.2 percentage points.

## GROUP CHIEF FINANCIAL OFFICER'S REVIEW

### SEGMENTAL REVIEW

The Group operates through two segments: Wealth Management and Asset Management.

**TABLE 5. RECONCILIATION OF FUMA BY SERVICE LEVELS TO SEGMENTAL PRESENTATION AS AT 31 DECEMBER 2024**

	Wealth Management FUMA (including intra-group holdings) £bn	Intra-group holdings <sup>1</sup> £bn	Wealth Management FUMA £bn	Asset Management FUMA £bn	Group FUMA £bn
<b>Rathbones Investment Management</b>	52.9	(5.7)	47.2	5.7	52.9
Bespoke portfolios	47.8	(0.7)	47.1	0.7	47.8
Managed via in-house funds	5.1	(5.0)	0.1	5.0	5.1
Multi-asset funds	–	–	–	3.1	3.1
<b>Rathbones discretionary and managed</b>	<b>52.9</b>	<b>(5.7)</b>	<b>47.2</b>	<b>8.8</b>	<b>56.0</b>
Non-discretionary service	0.7	–	0.7	–	0.7
IW&I	43.0	(0.2)	42.8	0.2	43.0
Saunderson House	–	–	–	–	–
Single-strategy funds	–	–	–	6.8	6.8
Execution only and banking	2.7	–	2.7	–	2.7
<b>Total Group</b>	<b>99.3</b>	<b>(5.9)</b>	<b>93.4</b>	<b>15.8</b>	<b>109.2</b>

1. Intra-group holdings represent in-house funds of the Asset Management segment held within investment management portfolios managed by the Wealth Management segment.

#### WEALTH MANAGEMENT

The activities of the Group are described in detail on [pages 2 to 7](#). The Wealth Management segment comprises those activities described under the headings 'Investment Management', 'Financial Planning and Advice' and 'Complementary services' on [page 2](#). The results of the Wealth Management segment described below include the trading results of Rathbones Investment Management, Rathbones Trust Company, Vision Independent Financial Planning, Saunderson House and IW&I.

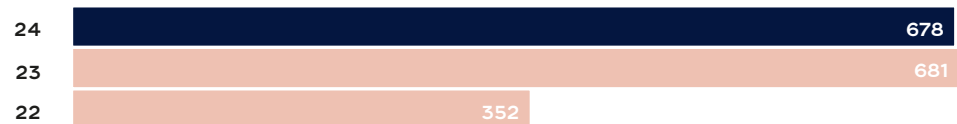
Wealth Management income is largely driven by income margins earned from FUMA. Income margins are expressed as a basis point return, which depends on a mix of tiered annual fee rates and commissions charged for transactions undertaken on behalf of clients.

#### FUNDS UNDER MANAGEMENT AND ADMINISTRATION

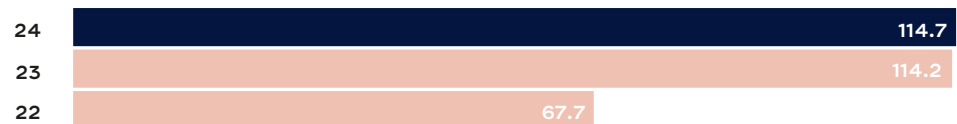
Year-on-year changes in the key performance indicators for Wealth Management are shown in table 6. Total Wealth Management FUMA including intra-group holdings increased by 3.3% to £99.3 billion as at 31 December 2024, predominately driven by positive market movements.

#### CHART 1. WEALTH MANAGEMENT – NUMBER OF CLIENTS AND INVESTMENT MANAGERS

##### Number of investment managers



##### Number of investment management clients ('000s)



#### TABLE 6. WEALTH MANAGEMENT – KEY PERFORMANCE INDICATORS

	2024	2023
FUMA at 31 December <sup>1</sup>	<b>£99.3bn</b>	£96.1bn
Rate of total net growth (net flows) in Wealth Management funds under management and administration <sup>2</sup>	<b>(1.1%)</b>	0.3%
Average net operating basis point income margin <sup>3</sup>	<b>67.5</b>	66.7
Number of Investment Management clients	<b>114,700</b>	114,200
Number of investment managers	<b>678</b>	681

1. FUMA disclosed on a gross basis (Inclusive of intra-group FUMA). Previously this table was presented on the basis of net FUMA in the Annual Report & Accounts

2. See [table 7](#) (percentages calculated on unrounded figures)

3. Income margin based on fee and commission income. See [table 11](#)

## GROUP CHIEF FINANCIAL OFFICER'S REVIEW

## SEGMENTAL REVIEW

**TABLE 7. WEALTH MANAGEMENT – FUNDS UNDER MANAGEMENT AND ADMINISTRATION**

Year ended 31 December	2024 £bn	2023 £bn
As at 1 January <sup>1</sup>	96.1	51.5
Inflows	9.7	46.3
— organic <sup>2</sup>	9.7	5.5
— acquired <sup>3</sup>	–	40.8
Outflows and transfers	(10.7)	(6.1)
Market movement & investment performance	4.2	4.4
Total Group	99.3	96.1
Rate of total net growth <sup>4</sup>	(1.1)%	0.3%

1. Current and prior year FUMA disclosed on a gross basis (Inclusive of intra-group FUMA). Previously this table was presented on the basis of net FUMA in the Annual Report & Accounts

2. Value at the date of transfer in/(out)

3. £40.8 billion IW&I FUMA acquired with effect from 30 September 2023

4. 2023 net new business and acquired inflows as a percentage of opening funds under management and administration excludes SHL and IW&I post-acquisition flows

Table 7 reconciles the movement in FUMA during the year. Strong organic gross inflows for the year of £9.7 billion, representing 10.1% of opening FUMA, demonstrate the continued ability to generate new business. This was achieved across the Wealth Management segment despite IW&I Investment Managers dedicating significant time to integration related activities, including the client consent process, during the year.

Table 8 (overleaf) provides an analysis of FUMA and new business by channel and service level. Bespoke portfolios, whilst delivering strong gross inflows, continued to experience elevated outflows, predominantly reflecting the ongoing economic environment of higher interest rates and a higher cost of living, resulting in partial withdrawals from portfolios. There was also increased activity around the time of the UK Autumn Budget. IW&I outflows include those linked to Investment Managers who left the business prior to the announcement of the combination. Investment Manager turnover has since remained low. These outflows have continued to decline over the course of the year, with the final quarter of 2024 seeing the lowest level of such outflows in the year.

Bespoke portfolios within the advisor linked channel saw net inflows of £0.6 billion (2023: £0.4 billion). Clients utilising the services of Rathbones Financial Planning or Saunderson House continued to see growth during 2024 with combined net flows of £0.3 billion. Within the IW&I line there was £0.2 billion of net flows in respect of clients using an IW&I Financial Planner. The expansion of the IFA network within Vision Independent Financial Planning to 142 IFAs also benefited the Group, with gross inflows of £0.4 billion (2023: £0.3 billion). At the year-end, advisor firms of the Vision Independent Financial Planning network were advising on client assets of £4.0 billion (2023: £3.3 billion).

The migration of former Saunderson House FUMA was completed on 31 July 2024. Gross outflows for the year include £245 million relating to clients who did not complete the migration consent process. £4.4 billion of former Saunderson House FUMA is included within Group FUMA at 31 December 2024.

Switches into execution-only services largely reflect the transfer of clients' funds into probate accounts following their death (£0.2 billion).

## GROUP CHIEF FINANCIAL OFFICER'S REVIEW

### SEGMENTAL REVIEW

**TABLE 8. WEALTH MANAGEMENT – NEW BUSINESS BY CHANNEL**

	2024 Gross opening FUMA £bn	Gross inflows £bn	Gross outflows £bn	Net flows £bn	Transfers £bn	SHL migrated FUMA £bn	Market movement & performance £bn	2024 Gross closing FUMA £bn	2024 Intra-group holdings <sup>1</sup> £bn	2024 Net closing FUMA £bn	2023 Net FUMA £bn
Bespoke portfolios	33.0	3.1	(3.0)	0.1	(0.6)	–	1.5	34.0	–	–	–
Managed via in-house funds	1.4	0.2	(0.2)	–	0.4	–	0.1	1.9	–	–	–
<b>Total direct</b>	<b>34.4</b>	<b>3.3</b>	<b>(3.2)</b>	<b>0.1</b>	<b>(0.2)</b>	<b>–</b>	<b>1.6</b>	<b>35.9</b>	<b>–</b>	<b>–</b>	<b>–</b>
Bespoke portfolios	12.0	1.6	(1.0)	0.6	0.2	0.9	0.1	13.8	–	–	–
Managed via in-house funds	2.4	0.3	(0.2)	0.1	0.1	0.4	0.2	3.2	–	–	–
<b>Total financial advisor linked</b>	<b>14.4</b>	<b>1.9</b>	<b>(1.2)</b>	<b>0.7</b>	<b>0.3</b>	<b>1.3</b>	<b>0.3</b>	<b>17.0</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total discretionary and managed</b>	<b>48.8</b>	<b>5.2</b>	<b>(4.4)</b>	<b>0.8</b>	<b>0.1</b>	<b>1.3</b>	<b>1.9</b>	<b>52.9</b>	<b>(5.7)</b>	<b>47.2</b>	44.5
Execution only and banking	2.7	0.4	(0.8)	(0.4)	0.2	–	0.2	2.7	–	2.7	2.7
Non-discretionary service	0.7	–	–	–	–	–	–	0.7	–	0.7	0.7
Saunderson House	1.6	0.1	(0.5)	(0.4)	–	(1.3)	0.1	–	–	–	1.3
IW&I	42.3	4.0	(5.0)	(1.0)	(0.3)	–	2.0	43.0	(0.2)	42.8	42.3
<b>Total Wealth Management</b>	<b>96.1</b>	<b>9.7</b>	<b>(10.7)</b>	<b>(1.0)</b>	<b>–</b>	<b>–</b>	<b>4.2</b>	<b>99.3</b>	<b>(5.9)</b>	<b>93.4</b>	<b>91.5</b>

1. Holdings of funds of the Asset Management segment held within client portfolios managed by the Wealth Management segment. This FUMA is also reported as FUMA of the Asset Management segment.

## GROUP CHIEF FINANCIAL OFFICER'S REVIEW

## SEGMENTAL REVIEW

## FINANCIAL PERFORMANCE

Underlying profit before tax for the Wealth Management segment increased by 91.8% in the year to £202.2 million. This represents an underlying operating margin of 24.8% (2023: 20.9%). This result reflects a full year of the contribution of the IW&I business (2023 included one quarter of contribution) and is net of the investment in the InvestCloud Client Lifecycle Management (CLM) system, which forms a key part of our digital strategy. Operating expenses for the year include £14.7 million in relation to the CLM system, forming part of our overall multi-year spend on this project of £45 million which we have communicated previously.

Net investment management fee income increased by £225.0 million (64.3%) in 2024. This increase reflects higher levels of FUMA during the year, driven by market growth, and the benefit of the migration of former Saunderson House FUMA into Rathbones investment solutions.

Net commission income increased by 71.3% to £91.8 million (2023: £53.6 million). Transaction volumes returned to normal levels during the year and also saw specific increases in activity around the time of the UK Government's budget in October as clients sought to crystallise capital gains ahead of expected increases in the rate of capital gains tax.

Net interest income increased steadily over the course of the prior year as interest rates rose. The benefit of the higher level of this income at the end of 2023 was carried into 2024 and mostly maintained throughout the year. The overall level of this income illustrates the continuing benefit of our banking permissions.

Fees from advisory services increased by 34.6% to £54.5 million due to continued growth in the advice proposition. Other income increased by 211.2% to £30.5 million, driven by the inclusion of £26.5 million net interest income generated from client money deposits within IW&I.

Underlying operating expenses were £612.0 million for the year (see table 12), an increase of 53.6% on the prior year. In addition to 2024 including a full year of IW&I costs, costs were driven higher by the effect of inflationary salary increases and recruitment in the prior year, in respect of which a full year has been incurred in 2024. Variable staff costs increased as a result of higher income levels.

TABLE 9. WEALTH MANAGEMENT – FINANCIAL PERFORMANCE

	2024 £m	2023 £m
Net investment management fee income <sup>1</sup>	575.1	350.1
Net commission income	91.8	53.6
Net interest income	62.3	49.9
Fees from advisory services <sup>2</sup>	54.5	40.5
Other income	30.5	9.8
Operating income	814.2	503.9
Underlying operating expenses <sup>3,4</sup>	(612.0)	(398.5)
Underlying profit before tax	202.2	105.4
Underlying operating margin <sup>5</sup>	24.8%	20.9%

1. Net investment management fee income is stated after deducting fees and commission expenses paid to introducers

2. Fees from advisory services includes income from trust, tax and financial planning services (including Vision and Saunderson House)

3. See table 12

4. Included within underlying operating expenses are £14.7 million of costs relating to the Group's digital strategy

5. Underlying profit before tax as a percentage of operating income. Excluding £14.7 million of expenditure on our digital strategy in the year, the underlying operating margin was 26.6%

TABLE 10. WEALTH MANAGEMENT – AVERAGE FUNDS UNDER MANAGEMENT AND ADMINISTRATION (excluding IW&amp;I)

	2024 £bn	2023 £bn
Valuation dates for billing		
— 5 April	50.2	45.7
— 30 June	50.5	45.4
— 30 September	50.5	45.4
— 31 December	50.7	48.0
Quarterly average <sup>1</sup>	50.5	46.1
Average MSCI level <sup>2</sup>	1,894	1,721

1. Quarterly average FUMA excluding Saunderson House and IW&I

2. MSCI PIMFA Balanced Index is considered to be a reasonable external comparison to Rathbones' portfolios. Based on the corresponding valuation dates for billing

## GROUP CHIEF FINANCIAL OFFICER'S REVIEW

### SEGMENTAL REVIEW

#### IW&I AVERAGE FUNDS UNDER MANAGEMENT AND ADMINISTRATION

	2024 £bn	2023 £bn
Valuation dates for billing		
— 28 Feb	41.9	–
— 31 May	42.9	–
— 31 August	43.2	–
— 30 November <sup>1</sup>	43.6	40.7
Quarterly average	42.9	–
Average MSCI level <sup>2</sup>	1,887	1,700

1. IW&I billing aligned to Rathbones quarterly billing cycle from December 2024

2. MSCI PIMFA Balanced Index is considered to be a reasonable external comparison to IW&I's portfolios. Based on the corresponding valuation dates for billing

#### TABLE 11. WEALTH MANAGEMENT – REVENUE MARGIN

	2024 bps	2023 bps
Basis point return <sup>1</sup> from:		
— fee income	58.5	57.9
— commission	9.0	8.8
Basis point return on FUMA	67.5	66.7

1. Fee or commission income, divided by the average gross funds under management and administration on the quarterly billing dates (see table 10)

The method for calculating basis point return on funds under management and administration for the Wealth Management segment has been revised in order to reflect the gross FUMA of the segment from which the segment generates income. This approach aligns with the approach applied to the Asset Management segment. The calculation was previously based on FUMA net of Group's eliminations.

#### TABLE 12. WEALTH MANAGEMENT – UNDERLYING OPERATING EXPENSES

	2024 £m	2023 £m
Staff costs <sup>1</sup>		
— fixed	233.9	147.2
— variable	129.5	78.2
Total staff costs	363.4	225.4
Other operating expenses	248.6	173.1
Underlying operating expenses	612.0	398.5
Underlying cost/income ratio <sup>2</sup>	75.2%	79.1%

1. Represents the costs of investment managers and teams directly involved in client-facing activities

2. Underlying operating expenses as a percentage of operating income (see table 9)

#### ASSET MANAGEMENT

The financial performance of the Asset Management segment is principally driven by the value of funds under management (FUM). Year-on-year changes in the key performance indicators for Asset Management are shown in [table 13](#).

#### FUNDS UNDER MANAGEMENT

Following the challenging trading conditions in 2023, 2024 continued to be a tough environment for the industry. The year saw significant net redemptions across the asset management industry (Investment Association (IA) data, December 2024). Industry-wide funds under management grew to £1.5 trillion at the end of December 2024 driven by market returns (2023: £1.4 trillion).

Gross inflows in Rathbones Asset Management fell 4% from £4.6 billion to £4.4 billion in 2024, as Saunderson House assets migrating into Rathbones funds, which made a significant contribution to 2023 inflows and was materially completed in the first half of 2024, delivered a smaller in-year boost than in 2023. Underlying gross inflows, excluding Saunderson House migration, were therefore stronger than 2023. Continued investor concerns over inflation, interest rates and equity market valuations have driven cautious investor sentiment. Despite these macroeconomic impacts on investor confidence, our range of funds, well balanced between multi-asset and single-strategy, has helped serve our clients' changing needs and provided some shelter from the market volatility for our overall FUM. The diverse nature of our multi-asset investment mix, and its obvious continuing appeal to clients in these challenging times, has ensured that positive net flows have continued into these funds, partially offsetting the outflows experienced in the single-strategy funds.

## GROUP CHIEF FINANCIAL OFFICER'S REVIEW

## SEGMENTAL REVIEW

Consistent with the Wealth Management segment, we have seen continued higher levels of investors withdrawing funds in response to the wider economic environment. These factors have led to a continuation of the elevated gross outflows experienced in 2023. Strong gross inflows, leading to positive net flows in Multi-asset funds and favourable investment performance offsetting net outflows in single strategy funds, ensured total FUM grew to a record high of £15.8 billion at the end of 2024, an increase of 14% during the year (see table 15).

TABLE 13. ASSET MANAGEMENT – KEY PERFORMANCE INDICATORS

	2024	2023
FUM at 31 December <sup>1</sup>	£15.8bn	£13.8bn
Rate of net growth in Asset Management FUM <sup>1</sup>	4.3%	13.7%
Underlying profit before tax <sup>2</sup>	£25.4m	£21.7m

1. See table 15

2. See table 17

TABLE 14. ASSET MANAGEMENT – FUNDS UNDER MANAGEMENT BY PRODUCT

	2024 £bn	2023 £bn
Rathbone Multi-Asset Portfolios	6.9	5.3
Rathbone Global Opportunities Fund	4.1	3.6
Rathbone Ethical Bond Fund	2.0	2.2
Offshore funds	0.7	0.6
Rathbone Income Fund	0.6	0.7
Greenbank Multi-Asset Portfolios	0.5	0.4
Rathbone Active Income Fund for Charities	0.2	0.2
Rathbone Core Investment Fund for Charities	0.2	0.2
Rathbone High Quality Bond Fund	0.1	0.2
Rathbone Greenbank Global Sustainability Fund	0.1	0.1
Rathbone Strategic Bond Fund	0.1	0.1
Other funds	0.3	0.2
	15.8	13.8

CHART 2. FUNDS – ANNUAL NET FLOWS (£m)



Volatility managed funds (multi-asset portfolios) dropped, according to December IA data, from being the number one selling sector class but continued to draw strong inflows to December 2024, with £4.0 billion of net sales across the sector, and this trend was mirrored in Rathbones, which accounted for approximately 30.0% of the industry total, with net sales totalling £1.2 billion in the year.

The Group's largest single-strategy fund, Rathbone Global Opportunities Fund, saw a net £0.2 billion outflow over the course of the year, an improvement of 33.0% compared to 2023 outflows (£0.3 billion), as consumer confidence in global equity markets begins to bounce back. This was underscored by a strong market performance for the fund, driving an overall growth in the year of £0.5 billion.

The Global Opportunities fund maintained its excellent industry long-term performance record in the year by maintaining a first quartile position for performance measured over five years, which is a key factor in investors' decision-making.

Rathbone Ethical Bond Fund had net redemptions of £0.2 billion in the year, at a similar level to 2023 (2023: £0.2 billion), as some consumer demand shifted towards funds with passive management styles.

During the year, the total number of investment professionals running the funds increased by three to 26 at 31 December 2024 (2023: 23).

## GROUP CHIEF FINANCIAL OFFICER'S REVIEW

### SEGMENTAL REVIEW

**TABLE 15. ASSET MANAGEMENT – FUNDS UNDER MANAGEMENT**

Year ended 31 December	2024 £bn	2023 £bn
As at 1 January	13.8	11.0
Net inflows	0.6	1.5
— inflows <sup>1</sup>	4.4	4.6
— outflows <sup>1</sup>	(3.8)	(3.1)
Market movement & investment performance <sup>2</sup>	1.4	1.3
As at 31 December	15.8	13.8
Rate of net growth <sup>3</sup>	4.3%	13.7%

1. Valued at the date of transfer in or out

2. Impact of market movements and relative performance

3. Net inflows as a percentage of opening FUM

**TABLE 16. ASSET MANAGEMENT – PERFORMANCE<sup>1, 2, 4</sup>**

2024/(2023) Quartile ranking <sup>3</sup> over	1 year	3 years	5 years
Rathbone Ethical Bond Fund	1 (1)	2 (2)	2 (1)
Rathbone Global Opportunities Fund	2 (1)	3 (3)	1 (1)
Rathbone Income Fund	4 (3)	3 (2)	3 (2)
Rathbone Strategic Bond Fund	2 (1)	3 (3)	3 (3)
Rathbone UK Opportunities Fund	3 (1)	4 (4)	4 (4)

1. Quartile ranking data is sourced from FE Trustnet

2. Excludes multi-asset funds (for which quartile rankings are prohibited by the Investment Association (IA)), High Quality Bond Fund, which has no relevant peer group against which to measure quartile performance, non-publicly marketed funds and segregated mandates

3. Ranking of institutional share classes at 31 December 2024 and 2023 against other funds in the same IA sector, based on total return performance, net of fees (consistent with investment performance information reported in the funds' monthly factsheets)

4. Funds included in the above table account for 43% of the total FUM of the fund's business

## FINANCIAL PERFORMANCE

Income of the Asset Management segment is primarily derived from annual management charges, which are calculated on a daily basis on the value of FUM of each fund, net of rebates payable to intermediaries.

Net annual management charges increased to £79.4 million in 2024, reflecting the rise in average FUM. Net annual management charges as a percentage of average FUM fell by 0.7 bps to 53.2 bps (2023: 53.9 bps), as the multi-asset funds, which have a lower annual management charge than single strategy funds, continued to grow their proportion of total funds under management.

Underlying operating expenses detailed in [table 18](#) increased by £10.8 million to £56.3 million (2023: £45.5 million). Fixed staff costs of £7.9 million for the year ended 31 December 2024 were £0.8 million higher than 2023. This reflects general inflationary rises as well as the impacts of staffing changes in the period.

Variable staff costs of £20.5 million were 53.0% higher than 2023. These costs relate to deferred awards which are spread over multiple years; the current year cost does not therefore solely reflect performance in the current year.

Other operating expenses have increased by 11.6% to £27.9 million in 2024. A large part of this cost increase, apart from the inflationary indexing on third-party supplier contracts, relates to the direct impacts on variable costs of the growth in revenues and scaling of the business. For example, administration costs which are directly tied to FUM increased by £0.7 million in the year to £6.8 million. We continue to make enhancements to our Charles River Investment Management Solution, which provides a strong platform from which we can serve our clients and further grow the business. This expenditure forms part of our ongoing technology development and change process.

## GROUP CHIEF FINANCIAL OFFICER'S REVIEW

## SEGMENTAL REVIEW

TABLE 17. ASSET MANAGEMENT – FINANCIAL PERFORMANCE

	2024 £m	2023 £m
Net annual management charges	79.4	64.7
Interest and other income	2.3	2.5
Operating income	81.7	67.2
Underlying operating expenses <sup>1</sup>	(56.3)	(45.5)
Underlying profit before tax	25.4	21.7
Operating % margin <sup>2</sup>	31.1%	32.3%

1. See table 18

2. Underlying profit before tax divided by operating income

TABLE 18. ASSET MANAGEMENT – UNDERLYING OPERATING EXPENSES

	2024 £m	2023 £m
Staff costs		
— Fixed	7.9	7.1
— Variable	20.5	13.4
Total staff costs	28.4	20.5
Other operating expenses	27.9	25.0
Underlying operating expenses	56.3	45.5
Underlying cost/income ratio <sup>1</sup>	68.9%	67.7%

1. Underlying operating expenses as a percentage of operating income (see table 17)

## GROUP CHIEF FINANCIAL OFFICER'S REVIEW

### FINANCIAL POSITION

#### SUMMARY OF FINANCIAL POSITIONS

As a banking Group, Rathbones is required to operate in accordance with the requirements relating to capital resources and banking exposures prescribed by the Capital Requirements Regulation, as applied in the UK by the Prudential Regulation Authority (PRA). The Group is required to ensure it maintains adequate capital resources to meet its combined Pillar 1 and Pillar 2 requirements.

**TABLE 19. GROUP'S FINANCIAL POSITION**

	2024 £m (unless stated)	2023 £m (unless stated)
Own funds <sup>1</sup>		
— Common Equity Tier 1 ratio <sup>2</sup>	19.0%	17.8%
— Total own funds ratio <sup>3</sup>	20.6%	19.4%
— Total retained earnings	279.8	263.7
— Tier 2 subordinated loan notes <sup>4</sup>	39.9	39.9
— Total risk exposure amount	2,521.9	2,425.6
— Leverage ratio <sup>5</sup>	21.1%	18.7%
Other resources:		
— Total assets	4,290.1	4,224.4
— Treasury assets <sup>6</sup>	2,737.4	2,601.0
— Investment Management loan book <sup>7</sup>	76.0	101.7
— Intangible assets from acquired growth <sup>8</sup>	468.5	502.7
— Tangible assets and software <sup>9</sup>	62.5	30.9
Liabilities:		
— Due to customers <sup>10</sup>	2,352.1	2,253.3
— Net defined benefit pension asset	0.5	7.0

1. Stated inclusive of the retained profit for the year ended 31 December 2024 which became verified profit on 25 February 2025, but prior to taking into account the proposed final dividend relating to 2024.

2. Common Equity Tier 1 capital as a proportion of total risk exposure amount

3. Total own funds (see table 20) as a proportion of total risk exposure amount

4. Represents the carrying value of the Tier 2 loan notes (see note 28)

5. Tier 1 capital as a percentage of total assets, excluding intangible assets, plus certain off-balance-sheet exposures

6. Balances with central banks, loans and advances to banks and investment securities

7. See note 16 to the financial statements

8. Net book value of acquired client relationships and goodwill (note 22)

9. Net book value of property, plant and equipment and computer software (notes 19 and 22)

10. Total amounts of cash in client portfolios held by Rathbones Investment Management as a bank (note 24)

The Group's Pillar 3 disclosures are published annually on our website ([rathbones.com/investor-relations/results-and-presentations](https://rathbones.com/investor-relations/results-and-presentations)) and provide further details about regulatory capital resources and requirements. The Group's key financial positions are set out in table 19.

The Group's CET1 and total capital ratios increased year on year despite a higher Pillar 1 requirement (see table 21). The larger requirement was countered by the increased own funds resources (see table 20) which benefited from a reduction in the deduction attributable to the defined benefit pension schemes following the completion of the buy-in during 2024.

The leverage ratio was 21.1% at 31 December 2024, up from 18.7% at 31 December 2023. The leverage ratio represents our Tier 1 capital (own funds) as a percentage of the Group's total assets (i.e. the 'exposure measure'), excluding central bank exposure and intangible assets. Whilst total assets and Tier 1 capital increased in the year due to the IW&I combination, assets excluded from the exposure measure (central bank exposure and regulatory deductions) represented a lower proportion of the balance sheet. This resulted in an uplift to the leverage ratio.

At 31 December 2024, neither Rathbones Investment Management Limited nor the Rathbones Group were subject to a minimum leverage ratio requirement.

#### CAPITAL MANAGEMENT

The Group continues to maintain a robust capital base, with a surplus of capital above the regulatory minimum of £207.2 million at 31 December 2024 (including retained profit for the year ended 31 December 2024 which became verified profit on 25 February 2025 but prior to reflecting the proposed final dividend relating to 2024) which supports strategic investment, the ongoing integration of the IW&I business and our progressive dividend policy.

As set out in the outlook and guidance section above, we will review our capital allocation policy, including an evaluation of our capacity for surplus returns, following the migration of IW&I onto a single operating platform later this year.

#### CAPITAL RESOURCES

At 31 December 2024, the Group's regulatory own funds (including retained profit for the year ended 31 December 2024 which became verified profit on 25 February 2025) were £520.2 million (2023: £471.4 million). This figure is prior to taking into account the proposed final dividend relating to 2024. Own funds consisted of both Common Equity Tier 1 and Tier 2 capital (see table 20).

## GROUP CHIEF FINANCIAL OFFICER'S REVIEW

### FINANCIAL POSITION

**TABLE 20. GROUP'S REGULATORY OWN FUNDS<sup>1</sup>**

	2024 £m	2023 £m
Share capital and share premium	<b>323.3</b>	317.7
Reserves	<b>1,104.2</b>	1,088.1
Less:		
Own shares	<b>(68.1)</b>	(55.6)
Intangible assets <sup>2</sup>	<b>(878.7)</b>	(911.8)
Retirement benefit asset <sup>3</sup>	<b>(0.5)</b>	(7.0)
Common Equity Tier 1 own funds	<b>480.2</b>	431.4
Tier 2 own funds	<b>40.0</b>	40.0
Total own funds	<b>520.2</b>	471.4

1. Stated inclusive of the retained profit for the year ended 31 December 2024 which became verified profit on 25 February 2025, but prior to taking into account the proposed final dividend relating to 2024.

2. Net book value of goodwill, client relationship intangible assets and software is deducted directly from own funds, less any related deferred tax

3. The retirement benefit asset is deducted directly from own funds

The Tier 2 eligible own funds equate to £40.0 million of ten-year subordinated loan notes, which were issued in October 2021 and have a carrying value of £39.9 million. The notes introduced a small amount of gearing into our balance sheet as a way of financing future growth in a cost-effective and capital-efficient manner. They are repayable in October 2031, with a call option for the issuer annually from 2026. Interest is payable at a fixed rate of 5.6% per annum until the first option call date, and at a rate of 4.9% over Compound Daily SONIA thereafter ([note 28](#)).

When taking the capital requirement into account, the resulting capital surplus at the end of 2024 of £207.2 million represents an increase of £72.7 million relative to the surplus of £134.5 million as at 31 December 2023.

### CAPITAL REQUIREMENT

The Group's own funds requirement (see table 21) is the combined total of both the Group's Pillar 1 and Pillar 2 requirement. The Pillar 2 requirement consists of both the Pillar 2A, set by the PRA, and the combined regulatory buffer requirement.

**TABLE 21. GROUP'S OWN FUNDS REQUIREMENTS**

	2024 £m	2023 £m
Credit risk requirement	<b>75.2</b>	72.3
Market risk requirement	<b>–</b>	–
Operational risk requirement	<b>126.6</b>	121.7
Pillar 1 own funds requirement	<b>201.8</b>	194.0
Pillar 2A own funds requirement	<b>0.6</b>	39.4
Total Capital Requirement (TCR)	<b>202.4</b>	233.4
Combined buffer:		
Capital Conservation Buffer (CCB)	<b>63.0</b>	60.6
Countercyclical Capital Buffer (CCyB)	<b>47.6</b>	42.9
Total Capital Requirement (TCR) and Combined buffer	<b>313.0</b>	336.9

### PILLAR 1 OWN FUNDS REQUIREMENT

Pillar 1 determines a total risk exposure amount (also known as 'risk-weighted assets') for the Group, taking into account expected losses in respect of the Group's exposure to credit, counterparty credit, market and operational risks. The combined exposure amount equates to the minimum requirement for the amount of capital the Group must hold.

The increase in credit risk to £75.2 million in 2024 was due to a revised allocation of the Group's treasury assets along with the consequences of including IW&I exposures.

At 31 December 2024, the Group's total risk exposure amount was £2,521.9 million (2023: £2,425.6 million). The increase was driven principally by the inclusion of IW&I exposures and following increased investment in treasury assets.

### PILLAR 2A OWN FUNDS REQUIREMENT

The Pillar 2 requirement supplements the Pillar 1 minimum requirement with firm-specific Pillar 2A requirements and a framework of regulatory capital buffers.

The Pillar 2A own funds requirement is set by the PRA as part of its supervisory review process and the calculation of it remains confidential to the PRA. The requirement reflects those risks that are specific to the firm that are not fully captured under the Pillar 1 own funds requirement. The Group-specific risks that are reflected in the Pillar 2A requirement are set out overleaf:

## GROUP CHIEF FINANCIAL OFFICER'S REVIEW

### FINANCIAL POSITION

#### INTEREST RATE RISK IN THE BANKING BOOK

The Group operates on a non-trading book basis, whereby all assets held are with the intent of holding to maturity. Assets are not actively traded in secondary markets for speculative purposes. The resulting interest rate risk represents losses that could arise for a 2% parallel shift in the Bank of England base rate. The exposure would measure the time to reprice interest bearing assets and liabilities.

#### CONCENTRATION RISK

Greater potential exposure as a result of the concentration of borrowers located in the UK relative to other overseas jurisdictions.

Further to the completion of the buy-in of the defined benefit pension scheme in 2024, the Pillar 2A risk attributable to the scheme was reviewed by the PRA as part of its supervisory review process and reduced to reflect the transfer of risk. This is reflected in the decreased requirement set out [in table 21](#).

#### COMBINED BUFFER REQUIREMENT

The Group is also required to maintain two regulatory capital buffers, both of which must be met with CET1 capital.

The capital conservation buffer (CCB) is a general buffer, designed to provide for losses in the event of a stress, and is set by the PRA. The CCB is set at 2.5% of the Group's total risk exposure amount as at 31 December 2024.

The countercyclical capital buffer (CCyB) reflects the credit conditions and overall health of the financial system in a particular jurisdiction. The firm specific CCyB reflects the weighted average of rates for relevant credit exposures. For relevant UK credit risk exposures, the percentage rate that applies is set by the Financial Policy Committee (FPC) of the Bank of England. For other jurisdictions where the Group has exposures, the percentage rate applicable to each jurisdiction is applied and set by their respective prudential policy makers.

The percentage buffer rate for UK exposures is currently 2.0%. The Group has relevant credit exposures in other jurisdictions where a different rate applies, resulting in a weighted rate of 1.9% as at 31 December 2024.

#### CAPITAL AND LIQUIDITY MONITORING

As required under PRA rules, we perform an Internal Capital Adequacy Assessment Process (ICAAP) and Internal Liquidity Adequacy Assessment Process (ILAAP) annually for the consolidated Group. Both processes include performing a range of stress tests to determine the appropriate level of regulatory capital and liquidity that the Group should hold above the regulatory minimum.

In addition, we monitor a wide range of capital and liquidity ratio statistics on a daily and monthly basis. Surplus capital levels are forecast monthly, taking account of anticipated dividend and investment requirements, to ensure that appropriate buffers are maintained. Investment of proprietary funds is controlled by our Group treasury department.

We routinely horizon scan across the regulatory landscape to ensure we maintain our compliance with future changes in prudential requirements. Our preparations for the incoming Basel 3.1 regime and the accompanying Small Domestic Deposit Takers (SDDT) regime are progressing and are a key focus for the Group.

#### TOTAL ASSETS

Total assets at 31 December 2024 were £4.3 billion (2023: £4.2 billion), of which £2.4 billion (2023: £2.3 billion) represents the cash element of client portfolios that is held as a banking deposit.

#### RIM TREASURY ASSETS

As a licensed deposit taker, Rathbones Investment Management Limited holds the Group's surplus liquidity on its balance sheet together with clients' cash. Cash in client portfolios held on a banking basis of £2.4 billion (2023: £2.3 billion) ([note 24](#)) represented 3.2% of total Investment Management funds under management and administration at 31 December 2024 compared to 4.7% at the end of 2023. Cash held in client money accounts was £27.6 million (2023: £8.4 million), this increase is due to a higher proportion of client settlements transactions outstanding in the market over year end. These balances are held off balance sheet in accordance with Client Money Rules of the FCA.

The value of treasury assets held with the Bank of England increased to £1.2 billion (2023: £1.0 billion), as did investment in marketable securities which increased in accordance with our treasury policy and risk appetite.

The Group treasury department of Rathbones Investment Management, reporting through the banking committee to the Board, operates in accordance with procedures set out in a Board-approved treasury manual and monitors exposure to market, credit and liquidity risk as described in [note 33](#) to the financial statements. It invests in certain securities issued by a diversified range of highly-rated counterparties. These counterparties must be single 'A-' rated or higher by Fitch at the time of investment and are regularly reviewed by the banking committee.

#### IW&I TREASURY ASSETS

The manner in which Investec Wealth & Investment Limited (a wholly owned subsidiary of Rathbones Group Plc) holds its surplus client money is governed by the CASS rules. In this regard these monies are off-balance sheet and held in trust on behalf of clients.

The IW&I Cash & Credit Management Committee (CCMC) is mandated by the Operations Committee to consider, approve, and keep under review, the suitability of financial institutions for the placement of firm's and clients' cash deposits in accordance with the CASS rules on client money and assets. Approved institutions are subject to the IW&I Credit Policy and annual due diligence which is undertaken in accordance with the CASS rules. Total Client Money held was £1.3 billion as at 31 December 2024 (2023: £1.3 billion) representing 3.0% of Investment Management funds under management at 31 December 2024 compared to 3.1% at the end of 2023.

## GROUP CHIEF FINANCIAL OFFICER'S REVIEW

### FINANCIAL POSITION

Investec Wealth & Investment Limited also hold Firm's money, which is on balance sheet, also subject to the IW&I Firm's Credit Policy Statement and overseen by the CCMC. Total Firm's Money held was £155.6 million as at the 31 December 2024 (2023: £161.9 million).

The treasury department of Investec Wealth & Investment Limited is responsible for the cash management of both the Client and Firm's money, reporting to the CCMC and operating in accordance with the Treasury Mandate. The treasury department monitors diversification and liquidity on a daily basis. Approved Institutions, other than Group companies, must have a minimum of S&P Short Term rating of A-2, a S&P Long Term Rating of BBB+ and are reviewed quarterly by the CCMC.

#### IW&I CLIENT MIGRATION

On migration, IW&I client deposits held on a CASS basis and off-balance sheet will transfer to RIM. These deposits will be held by RIM on a banking basis on-balance sheet and managed by the Group treasury department in line with existing Board-approved limits, as set out in the treasury manual.

#### LOANS TO CLIENTS

Loans are provided as a service to Wealth Management clients who have short to medium term cash requirements. Such loans are normally made on a fully secured basis against portfolios held in our nominee, with a requirement that the value of the loan is covered two times by the value of the secured portfolio. Loans are usually advanced for five years (see [note 16](#) to the financial statements). In addition, charges may be taken on property held by the client to meet security cover requirements.

Our ability to provide such loans is a valuable additional service to clients who require short to medium term finance, typically for bridging finance when buying and selling their homes.

Loans advanced to clients decreased to £76.0 million at end of 2024 (2023: £101.7 million). As borrowing costs increased, we saw lower demand for new loans as clients looked to reduce outstanding debt and finance their cash requirements from other means, including drawing down from investment portfolios, leading to higher outflows of funds under management and administration.

#### INTANGIBLE ASSETS

Intangible assets arise principally from business combinations and are categorised as goodwill and client relationships. Intangible assets reported on the balance sheet also include purchased and developed software.

At 31 December 2024, the total carrying value of goodwill and client relationship intangible assets was £973.4 million (2023: £1,010.5 million). During the year, client relationship intangible assets of £11.6 million were capitalised (2023: £352.9 million). A total of £2.4 million of client relationship intangible assets were disposed of in the year, relating to cessations of individual relationships.

Client relationship intangible assets are amortised over the estimated life of the client relationship, which is generally a period between 10 and 15 years. The total amortisation charge for client relationships in 2024, including the impact of any lost relationships, was £42.2 million (2023: £22.4 million). The increase in the year is predominately due to a full year of amortisation for the IW&I client relationship intangible asset.

#### CAPITAL EXPENDITURE

Capital expenditure during 2024 amounted to £48.7 million (2023: £4.5 million).

The increase in capital expenditure is driven by property spend, which has increased by £44.0 million year on year due to implementation of the property strategy for the enlarged Group as a result of the IW&I combination.

#### DEFINED BENEFIT PENSION SCHEMES

We operate two defined benefit pension schemes. With effect from 30 June 2017, we closed both schemes, ceasing all future benefit accrual and breaking the link to salary.

At 31 December 2024 the combined schemes' liabilities, measured on an accounting basis, had decreased to £87.9 million, down 13.1% from £101.1 million at the end of 2023. This decrease primarily reflected an increase in discount rates at the end of the year.

A bulk annuity policy buy-in of the of the Group's retirement benefits was completed during the year for both schemes, fully securing all of their liabilities. The buy-in was funded by the assets of the schemes, together with a contribution of £3.7 million from the Group. An asset for the bulk annuity policy was subsequently recognised at a fair value equivalent to the liabilities secured. The reported position of the schemes as at 31 December 2024 was a surplus of £0.5 million (2023: surplus of £7.0 million) with the decrease predominantly due to the cost of the bulk annuity policy being greater than the balance sheet liability of the benefits secured.

## GROUP CHIEF FINANCIAL OFFICER'S REVIEW

### LIQUIDITY AND CASH FLOW

As a bank, we are subject to the PRA's ILAAP regime, which requires us to hold a suitable liquid assets buffer to ensure that short-term liquidity requirements can be met under certain stressed scenarios. Liquidity risks are actively managed on a daily basis and depend on operational and investment transaction activity.

Cash and balances at central banks amounted to £1.2 billion at 31 December 2024 (2023: £1.0 billion). We continue to hold a substantial portion of the Group's overall liquidity with central banks. The increase during the year is in line with the growth in client deposits.

Cash and cash equivalents, as defined by accounting standards, includes cash, money market funds and banking deposits, which had an original maturity of less than three months (see [note 33](#) to the financial statements). Consequently, cash flows, as reported in the financial statements, include the impact of capital flows in treasury assets.

Net cash inflows from operating activities in the year largely reflect a £90.2 million increase in banking client deposits (2023: £251.5 million decrease) and a £147.6 million increase in interest received (2023: £111.9 million). Loans and advances to banks and customers decreased by £21.8 million in the year, (2023: £87.4 million) due to the repayment of portfolio lending which is attributed in part to the higher cost of debt.

**TABLE 22. EXTRACTS FROM THE CONSOLIDATED STATEMENT OF CASH FLOWS**

	2024 £m	2023 £m
Cash and cash equivalents at the end of the year	<b>1,459.2</b>	1,302.9
Net cash inflows from operating activities	<b>293.6</b>	(89.4)
Net change in cash and cash equivalents	<b>156.3</b>	(269.8)

Cash used in investing activities included a net inflow of £18.6 million from the purchase of certificates of deposit (2023: net outflow of £241.8 million), as we maintained our proportion of treasury assets held in marketable instruments for the prior year. All investment decisions were made under the existing low risk appetite framework set by the RIM Banking Committee. Included within cash used in investing activities is cash of £185.5 million acquired from the acquisition of IW&I.

The other significant non-operating cash flows during the year were as follows:

- outflows relating to the payment of dividends of £56.9 million (2023: £71.4 million)
- outflows relating to payments to acquire intangible assets of £9.7 million (2023: £5.6 million), which includes payments in respect of awards made to recently recruited investment managers in relation to the delivery of new business growth, along with the development of client software applications
- outflows of £46.9 million relating to capital expenditure on tangible property, plant and equipment (2023: £5.1 million), which relates predominantly to property fit-out costs.

RISK MANAGEMENT AND CONTROL

Our approach to risk management is fundamental to supporting the delivery of our strategic objectives. Our risk governance and risk processes are designed to enable the firm to manage risk effectively in accordance with our risk appetite and to support the long-term future of the firm.

MANAGING RISK

The Board has overall responsibility for risk management across the Group, regularly assessing the most significant risks and emerging threats to the Group's strategy. The Board delegates oversight of risk management activities to the Group Risk and Audit Committees. Our risk governance and risk management framework supports the Chief Executive and executive committee members with their day-to-day responsibility for managing risk.

RISK CULTURE

The risk culture embedded across the Group enhances the effectiveness of risk management and decision-making. The Board promotes a strong risk culture, reinforced by our executive and senior management team, which encourages appropriate behaviours and collaboration on managing risk across the Group.

Risk management is an integral part of everyone's day-to-day responsibilities and activities; it is linked to performance and development, as well as to the Group's remuneration and reward schemes. We aim to create an open and transparent working environment, encouraging employees to engage positively in risk management in support of the achievement of our strategic objectives.

 Read more about our risk management process: [See page 61](#)

RISK GOVERNANCE AND THREE LINES OF DEFENCE

We operate a three lines of defence model to support risk governance and risk management across the Group

GOVERNANCE			
BOARD	AUDIT COMMITTEE	GROUP RISK COMMITTEE	EXECUTIVE COMMITTEE EXECUTIVE RISK COMMITTEE BANKING COMMITTEE
Sets strategy and risk appetite across the Group, and is ultimately accountable for risk management.	Monitors and reviews the effectiveness of internal controls with oversight of the internal audit function in line with the Group's risk profile on behalf of the Board. It also oversees the appointment and relationship with the external auditor.	Oversees effectiveness of the risk management framework and activity across the Group. Advises the Board on risk appetite, risk assessment, risk profile and risk culture.	First line committees with responsibility for management of risk and internal control across the Group.

BUSINESS AREAS AND LINES OF DEFENCE		
1 FIRST LINE OF DEFENCE	2 SECOND LINE OF DEFENCE	3 THIRD LINE OF DEFENCE

Senior management  
Business operations and control functions

**RESPONSIBILITY**  
Responsible for managing risk in line with risk appetite by developing and maintaining an effective system of internal control.

Risk, compliance and anti-money laundering functions

**RESPONSIBILITY**  
Responsible for the risk management framework and the independent oversight and challenge of first line risk management activity.

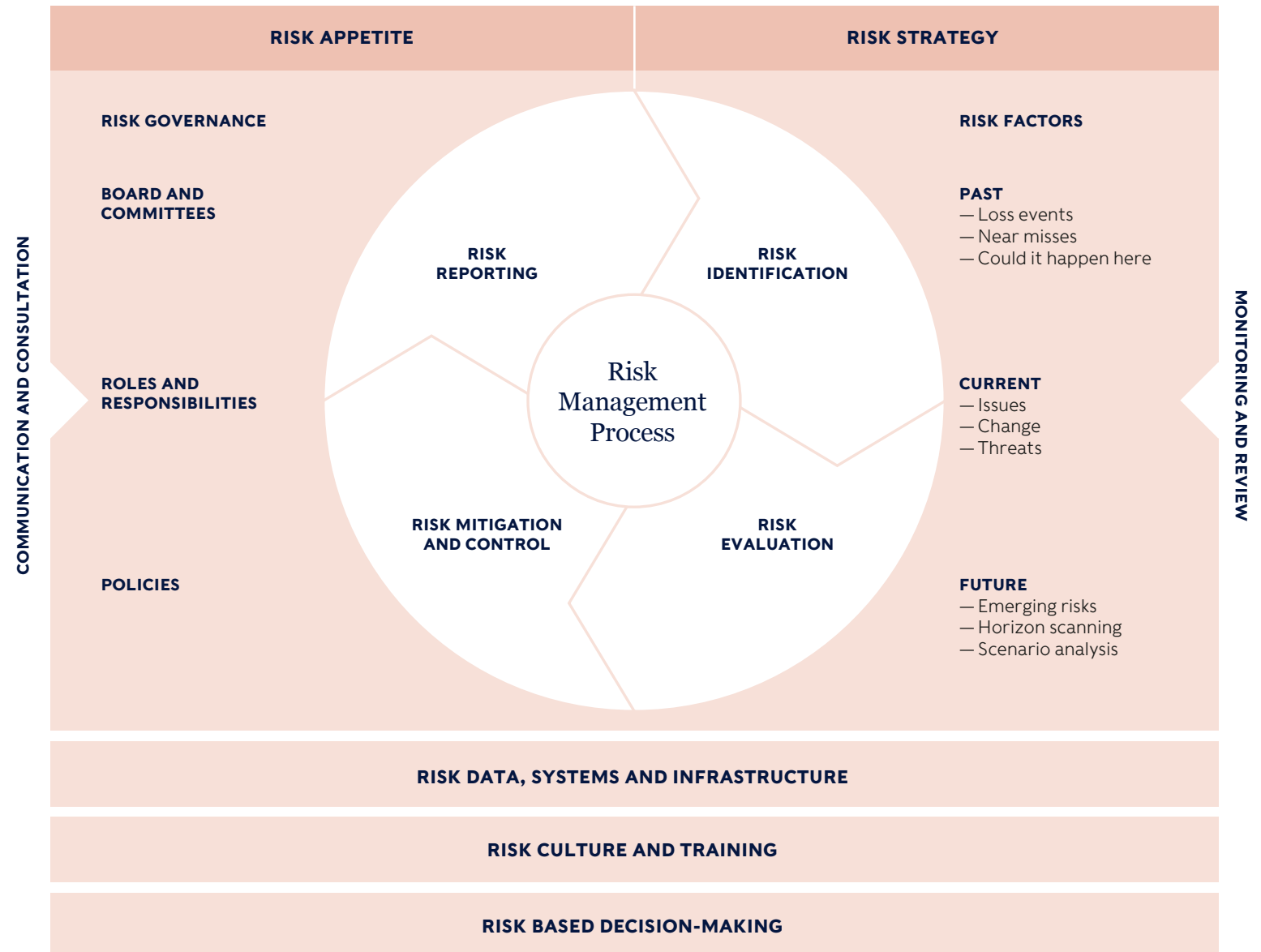
Internal audit

**RESPONSIBILITY**  
Responsible for providing independent assurance to senior management on the effectiveness of governance, risk management and internal control.

## RISK MANAGEMENT AND CONTROL

**RISK MANAGEMENT FRAMEWORK (RMF) OVERVIEW**

Our RMF provides the foundation for identifying, evaluating, managing and reporting risk and continually improving the effectiveness of risk management throughout the firm.



## RISK MANAGEMENT AND CONTROL

## RISK APPETITE

The Board approves the firm's risk appetite statement and framework at least annually to ensure it remains consistent with our strategic objectives and prudential responsibilities.

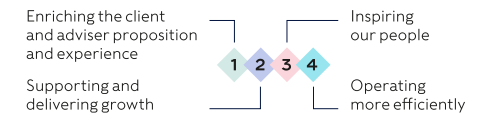
Specific risk appetite statements are set and measures established for each principal risk. The risk appetite framework supports strategic decision-making, as well as providing a mechanism to monitor our risk exposures.

The position against our risk appetite statements and measures is assessed and reported on a regular basis to the Executive Committee, Group Risk Committee and the Board.

Given the current economic outlook and the evolving regulatory landscape within the sector, the Board remains committed to having a relatively low overall appetite for risk in line with our strategy. The Board recognises our performance is susceptible to fluctuations in investment markets and has the potential to bear losses from financial and non-financial risks from time to time, either as reductions in income or increases in operating costs.

Risk appetite measures and thresholds have been approved by the Board for 2025, taking into account the combination between Rathbones and IW&I. This year's measures reflect the scale of the enlarged Group but, other than this, there have been no other material changes to our appetite for risk. Following full client migration in 2025, an interim review will be completed to ensure that measures remain appropriate for the Group and its individual entities.

## Our strategic priorities



RISK CATEGORIES	RISK APPETITE STATEMENT	STRATEGIC ALIGNMENT
<b>BUSINESS AND STRATEGIC RISK</b>	<p>Business and strategic risks will be identified and actively managed to protect the ability to deliver sustainable growth.</p> <p>Change initiatives will be orientated towards longer-term client, stakeholder and societal expectations.</p>	<p><b>BUSINESS RESILIENCE</b></p> <p>Supporting and delivering growth</p> <p>2</p>
<b>FINANCIAL RISK</b>	<p>Financial risks will be actively managed to preserve the Group's overall resilience.</p> <p>Credit and market risk exposures will be managed to Board approved instruments and limits in order to protect company assets and maintain prudent levels of liquidity and regulatory own funds.</p> <p>The Group will also continually monitor and respond to risks arising from its pension scheme obligations.</p>	<p><b>FINANCIAL RESILIENCE</b></p> <p>Supporting and delivering growth</p> <p>2</p>
<b>NON-FINANCIAL RISK (CONDUCT AND OPERATIONAL)</b>	<p>Conduct and regulatory risks associated with our business are recognised; however, we have no appetite for intentionally inappropriate behaviour or action by any entity within the Group or employees that could have a material detrimental impact on clients, key stakeholders and our reputation.</p> <p>Operational risks and losses can arise from inadequate or failed internal processes, people or systems, or from external events. We have an extremely low appetite for losses and no appetite for systemic or materially high risk events that could affect the operational resilience of important business services.</p>	<p><b>REGULATORY AND OPERATIONAL RESILIENCE</b></p> <p>Enriching the client and advisor proposition and experience</p> <p>Inspiring our people</p> <p>Operating more efficiently</p> <p>1 3 4</p>

## RISK MANAGEMENT AND CONTROL

### RISK MANAGEMENT PROCESS

Our risk management process is a defined approach to identify, assess and respond to risks that could affect delivery of strategic objectives and annual business plans. The Board, executive and senior management are actively involved in this process.

Risks are identified within a three-tier hierarchy, with the highest level containing business and strategic, financial, conduct and operational risks. Risks are assessed on an inherent and residual basis across a three-year period according to several impact criteria, which include consideration of the internal control environment and/or insurance mitigation.

We maintain a watch list to identify and evaluate current issues and emerging risks as a result of business development or changes in the regulatory landscape, as well as threats and issues in the wider external environment. This helps inform the view of the firm's current and longer-term risk profile, and influences management's decisions and actions.

Stress tests are undertaken to include consideration of the impact of a number of severe but plausible events that could impact the business. This work takes account of the availability and likely effectiveness of mitigating actions that could be taken to avoid or reduce the impact or likelihood of the underlying risks materialising.

The Group's risk profile, risk register, watch list and stress tests are regularly reviewed and challenged by the executive, senior management, Group Risk Committee and the Board. Throughout 2024, the Group risk governance structure has not altered but its membership and inputs have been enhanced to ensure oversight of the enlarged Group and its individual entities.



## RISK MANAGEMENT AND CONTROL

EXTERNAL EMERGING RISKS  
AND THREATS

Emerging risks, including legislative and regulatory change, which have the potential to impact the Group and delivery of our strategic objectives, are monitored through our watch list.

During the year, the executive committee continued to recognise and respond to a number of emerging risks and threats to the financial services sector as a whole and to our business.

Our view for 2025 is that we can reasonably expect current market conditions and uncertainties to remain, given the wide range of global economic and political scenarios which could emerge.

NEAR TERM	
<b>GLOBAL AND UK SPECIFIC POLITICAL TENSIONS</b>	Geopolitical events remains a threat to financial stability. War in the Middle East and war between Russia and Ukraine as well as tension between the US and China have driven increased inflation and market volatility. The US stance to international relations has changed rapidly. Uncertainty is expected to continue in the near term.
<b>UK AND GLOBAL ECONOMIC CHALLENGES</b>	The final quarter of 2024 was shaped by diverging growth patterns and shifting monetary policies. The US economy sustained steady growth, supported by resilient consumer spending and a recovery in industrial production. Swiftly implemented trade tariffs following Trumps re-election looks set to influence the global economy and financial markets. In Europe, Germany entered a technical recession as weak exports and manufacturing output weighed on its economy. Meanwhile, the UK is facing several challenges in the form of subdued growth and volatility in inflation which may slow the lowering of interest rates. The full impact of tax changes in the Autumn Budget will be a watch item throughout 2025.
<b>CYBER THREATS AND SUPPLY CHAIN RESILIENCE</b>	The sophistication of cyber attacks is ever-evolving, especially as our digital environment advances. Attacks have become far more persistent with a notable increase in frequency since the invasion of Ukraine. Rathbones is committed to enhancing the technology infrastructure to help mitigate the risk.
MEDIUM TERM	
<b>CHANGING REGULATORY EXPECTATIONS</b>	The regulatory landscape is an area of fast paced change centred on client advocacy, transparency and integrity. Of note Consumer Duty requirements have continued to be embedded. The look ahead shows that 2025 will be another busy year with key implementation dates for regulatory change.
<b>PANDEMIC</b>	Whilst operational resilience to a future pandemic is much improved following the COVID-19 outbreak, a future infectious disease epidemic could emerge and with that comes the economic repercussions and slow recovery from it.
<b>CLIMATE CHANGE TRANSITION RISK</b>	Climate related shocks are becoming a more important macro factor and will contribute to volatility in growth and inflation. Climate and environmental risk is a key focus as we move towards achieving net zero emissions by 2050 or sooner. Alongside reviewing our governance structures, we will continue to integrate data, develop metrics and increase disclosures in our client reporting.
<b>DIGITAL INNOVATION</b>	Developing technology across the wealth management sector poses a continual threat to maintaining a competitive advantage. Digital capability is less of a barrier to engaging clients and servicing their needs, in particular younger generations where there is an expectation of online accessibility. Rathbones is implementing a strategic programme of change to ensure our digital technology meets the needs of our prospective and existing clients.
<b>NEW ENTRANTS TO THE MARKET AND ARTIFICIAL INTELLIGENCE AI</b>	The threat of new non-traditional entrants to the investment sector is a higher probability. There has been continued consolidation within the sector including mergers and acquisitions driven by Private equity investments. In addition, AI capabilities, from advanced analytics, automation and predictive intelligence is fast becoming seen as a future competitive advantage within the financial sector, however, research has shown that investors are reticent to trust in these new tools.
LONGER TERM	
<b>GENERATIONAL WEALTH CHANGE</b>	Studies show that the over 45s and especially the post-war 'baby boomers' retain a significant portion of the UK wealth in the form of property and pensions. This wealth will begin to transfer to younger beneficiaries over the next 30 years. Generational differences could drive changes in behaviours and appetite towards investments.
<b>SOCIAL CARE FINANCING</b>	Accessibility and inequality in the adult social care sector has been a topic of concern for some time and it continues to be a risk to assets under management, with clients drawing on their investments to pay for their care fees.

## PRINCIPAL RISKS

### PROFILE AND MITIGATION OF PRINCIPAL RISKS

We continually assess our risk profile against both internal and external risk drivers and are investing further in our people, processes and technology to improve risk management. We remain focused on client service, the resilience of our business and wellbeing of our colleagues and we believe our approach continues to be effective.

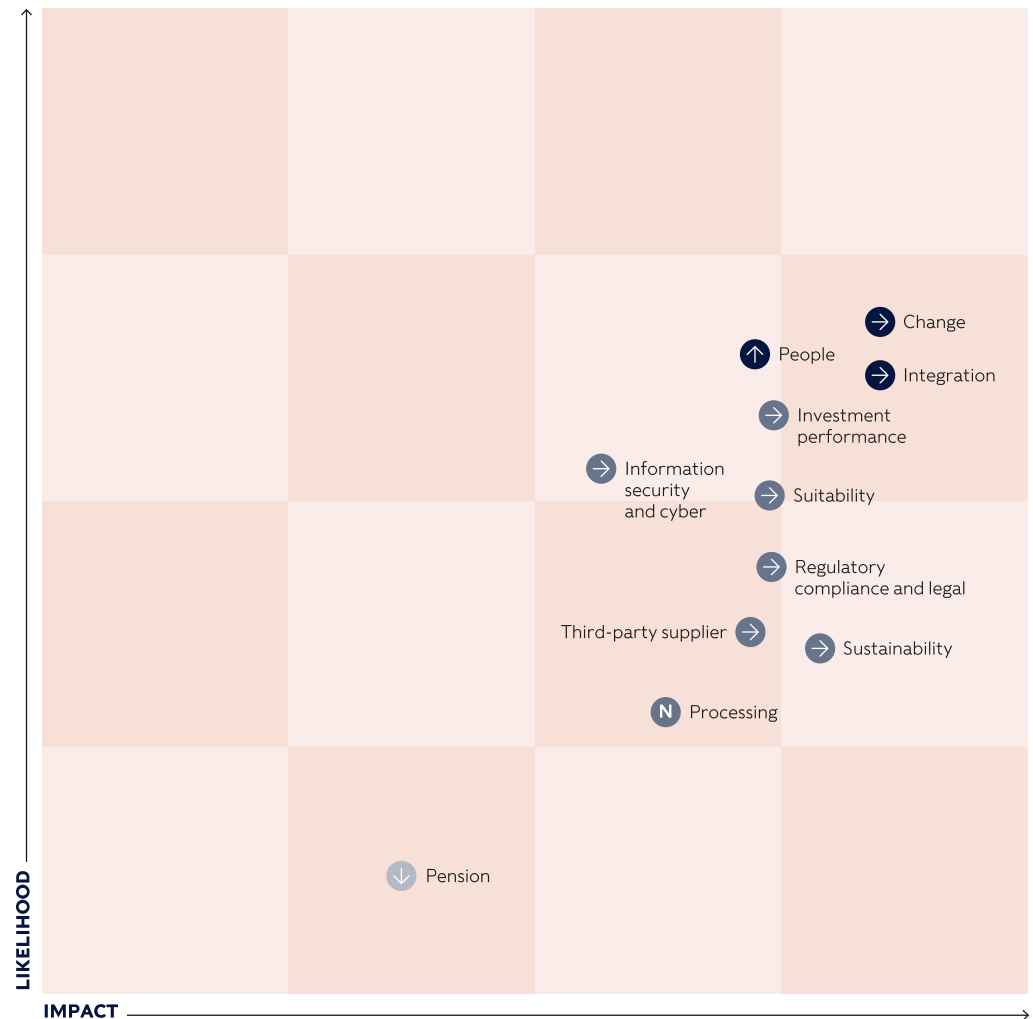
Based upon our risk assessment processes, the Board believes that the principal risks and uncertainties facing the Group that could impact the delivery of our strategic objectives have been identified below. These risks continue to reflect our strategic initiatives and transformation programme, continual enhancements to the Group's business model in response to environmental, societal and regulatory expectations, the evolving cyber threat landscape, operational resilience in relation to our supply chain, the importance of our people and the economic and political environment.

Information about our principal risks is set out on the following pages. The risks are mapped out by their likelihood and impact on a residual risk basis, having considered the effectiveness of controls in place to mitigate the risk. Details of how our principal risks align with our strategic priorities can be viewed in the link below.

We use ratings of high, medium, low and very low in our risk assessment. High-risk items are those that have the potential to impact the delivery of strategic objectives, with medium, low and very low rated risks having less impact on the Group. Likelihood is similarly based on a qualitative assessment.

We consider that the growth of the Group following the combination with IW&I has proportionately increased the risk profile. The ratings of the risks below are relative to the new scale of the organisation.

### PRINCIPAL RISKS: RESIDUAL ASSESSMENT



#### Risk profile

Low risk Medium risk High risk

#### Movement

Increasing Stable Decreasing New

## PRINCIPAL RISKS

## Risk profile

● Low risk   ● Medium risk   ● High risk

## Movement

↑ Increasing   → Stable   ↓ Decreasing   **N** New

## 2024 OVERVIEW

As we moved into the integration phase of our combination with IW&I we have seen this reflected in our principal risk profile. The integration of both firms has naturally augmented associated risks. People risk has materially increased in impact and likelihood and become one of our top risks in the latter

part of the year. To a lesser medium rated assessment, process risk has become a watch item as we consolidate and streamline our organisational design and operating procedures. This has not appeared in our top risks before so is new in 2024. Continuing from 2023, Rathbones other top risk in terms of a high residual risk assessment is change risk and

integration risk. Whilst both programmes continue to be successfully delivered, it still represents a key risk and the outlook remains unchanged into 2025. Our final risk profile movement is a positive change to pension risk which has remained low throughout 2024 following the transfer of risk through a pension buy-in. All other risks are unchanged in 2024.

RISK AND OWNER	CONTROL ENVIRONMENT	RISK TREND 2024
<b>CHANGE</b> The risk that the change portfolio does not support delivery of the Group's strategy <b>RISK OWNER:</b> Chief Operating Officer <b>RISK PROFILE:</b> ● <b>RISK APPETITE MEASURES:</b> — Priority programmes rated red — Programme overspend	— Executive and Board oversight of material change programmes — Differentiated governance approach to strategic change programmes and business projects — Dedicated change delivery function and use of internal and, where required, external subject matter experts — Two-stage assessment, challenge and approval of project plans — Planning and budgeting, monitoring of variances and actions to address.	→ This risk has remained high in 2024 as our digital transformation programmes delivered key functionality. Executive and senior management oversight has remained agile and focused on targeted delivery outcomes, benefits realisation, budget alignment and the impact of change on our risk profile.
<b>INTEGRATION</b> The risk that the integration of systems, people and processes fails or is ineffective <b>RISK OWNER:</b> Chief Operating Officer <b>RISK PROFILE:</b> ● <b>RISK APPETITE MEASURES:</b> — Budget compliance — Cost synergy	— Integration project plan — Executive oversight of integration programme — Board oversight of programme delivery — Transformation office programme board oversight and delivery-focused operating model — Cost/benefit monitoring — KRI tracking — External party appointed to provide independent assurance.	→ This was a new risk in 2023. We began the process of integrating Rathbones and IW&I businesses in early 2024. The risk remains high as we progress through the integration plan. In 2025 we will move into the client migration phase of the programme.
<b>PEOPLE</b> The risk of loss of key employees, lack of skilled resources or inappropriate behaviour or actions. This could lead to lack of capacity or capability threatening the delivery of business objectives, or to behaviour leading to complaints, litigation or regulatory action <b>RISK OWNER:</b> Chief People Officer <b>RISK PROFILE:</b> ● <b>RISK APPETITE MEASURES:</b> — Regretted leavers — Turnover ratio — Employee behaviour	— Board and executive oversight — Succession and contingency planning — Transparent, consistent and competitive remuneration schemes — Contractual clauses with restrictive covenants — Continual investment in employee training and development — Employee engagement survey — Appropriate balanced performance measurement system — Culture monitoring and reporting — Conduct risk framework and committee — Training and competence framework — Whistleblowing policy and process.	↑ We have continued to operate effectively in spite of a difficult labour market over the past few years. Continued high inflation and cost of living pressures will remain a risk driver into next year. Management action, and our agile approach to support our colleagues, has been positively received however, we continue to engage frequently through our employee survey tool.

## PRINCIPAL RISKS

## Risk profile

● Low risk ● Medium risk ● High risk

## Movement

↑ Increasing → Stable ↓ Decreasing **N** New

RISK AND OWNER	CONTROL ENVIRONMENT	RISK TREND 2024
<b>INVESTMENT PERFORMANCE</b> The risk that investment performance fails to meet clients' objectives or expectations <b>RISK OWNER:</b> Managing Director Rathbones Investment Management <b>RISK PROFILE:</b> ● <b>RISK APPETITE MEASURES:</b> — Actual performance versus performance benchmark — Portfolio alignment — Assessment of fund value rating	— Investment policy — Performance versus benchmarking monitoring — Defined investment strategy — Exception reporting — Product and proposition oversight — Client engagement and portfolio reviews.	→ Challenging market conditions are likely to continue in 2025. The position of client portfolios and investment performance are closely monitored.
<b>PROCESSING RISK</b> The risk of loss due to ineffective processes and systems <b>RISK OWNER:</b> Chief Operating Officer <b>RISK PROFILE:</b> ● <b>RISK APPETITE MEASURES:</b> — Loss amounts over preceding months — Reportable issues and events	— Control assurance routines — Policy framework — Procedures committee — Tracking and monitoring routines — Board and executive oversight.	<b>N</b> As a natural consequence of people risk increasing due to the integration, the potential for process risk has also increased. It has not previously featured in our principal risks so this is a new medium rated risk in 2024. Established control routines continue to operate effectively.
<b>REGULATORY COMPLIANCE AND LEGAL</b> The risk of failure by the Group or a subsidiary to fulfil its regulatory or legal requirements and comply with the introduction of new or updated regulations and laws <b>RISK OWNER:</b> Group Chief Executive Officer and Chief Risk Officer <b>RISK PROFILE:</b> ● <b>RISK APPETITE MEASURES:</b> — Compliance monitoring review outcomes — Regulatory review outcomes — Complaints data	— Board and executive oversight — Management oversight and active involvement with industry bodies — Compliance monitoring programme to examine the control of key regulatory risks — Separate anti-money laundering function with specific responsibility — Oversight of industry and regulatory developments — Documented policies and procedures — Employee training and development — Panel of external legal advisers — Whistleblowing policy and process.	→ While this risk has remained stable in 2024, the landscape and expectations on firms and our sector continue to evolve. We have continued to invest in and develop our first and second line oversight teams, including the deployment of software to support regulatory compliance. Consumer Duty continues to be embedded with regular reporting to Group Risk Committee.

## PRINCIPAL RISKS

## Risk profile

● Low risk ● Medium risk ● High risk

## Movement

↑ Increasing → Stable ↓ Decreasing N New

RISK AND OWNER	CONTROL ENVIRONMENT	RISK TREND 2024
<b>SUSTAINABILITY</b> The risk that the business model does not respond sufficiently to changing market conditions, including environmental and social factors, such that sustainable growth, market share or profitability are adversely affected <b>RISK OWNER:</b> Group Chief Executive Officer <b>RISK PROFILE:</b> ● <b>RISK APPETITE MEASURES:</b> <ul style="list-style-type: none"> <li>— Underlying dividend cover</li> <li>— Net organic growth rate</li> <li>— Net organic outflow rate</li> <li>— Climate targets</li> <li>— Diversity targets</li> </ul>	<ul style="list-style-type: none"> <li>— Board, Executive and Responsible Business Committee oversight</li> <li>— A documented strategy, including Responsible Investment Policy</li> <li>— Monitoring of strategic risks</li> <li>— Annual business targets, subject to regular review and challenge</li> <li>— Regular reviews of pricing structure and client propositions</li> <li>— Continued investment in the investment process, service standards and marketing</li> <li>— Regular competitor benchmarking and analysis</li> <li>— Trade body participation</li> <li>— ESG factors integrated into the investment process</li> <li>— Dedicated responsible investment project to drive changes to achieve sustainability goals</li> <li>— Diversity and environmental targets included in risk appetite measures.</li> </ul>	<p>→ 2024 has presented challenging market conditions given the external environment, including a volatile economic and political landscape.</p> <p>We do, however, have a strong balance sheet and recognised market position.</p> <p>Climate risk has been integrated into our risk management framework to support the transition to net zero.</p> <p>We are responding to evolving expectations of firms to manage climate and other ESG risks, which remain a key priority of our responsible business agenda.</p>
<b>INFORMATION SECURITY AND CYBER</b> The risk of inappropriate access to manipulation, or disclosure of, client or company-sensitive information <b>RISK OWNER:</b> Chief Operating Officer <b>RISK PROFILE:</b> ● <b>RISK APPETITE MEASURES:</b> <ul style="list-style-type: none"> <li>— Number of cyber incidents</li> <li>— Number of data privacy events</li> <li>— Cyber external threat landscape rating</li> </ul>	<ul style="list-style-type: none"> <li>— Board and executive oversight</li> <li>— Data governance committee and information security steering group oversight</li> <li>— Information security policy, data protection policy and associated procedures</li> <li>— System access controls and encryption</li> <li>— Penetration testing and multi-layer network security</li> <li>— Training and employee awareness programmes</li> <li>— Physical security.</li> </ul>	<p>→ The threat landscape in 2025 continues to be influenced by the volatile external environment. However, we continue to invest in our control environment and resources to improve our security posture and ensure our infrastructure and employees are well positioned against an ever-changing threat landscape.</p>
<b>THIRD-PARTY SUPPLIER</b> The risk of one or more third-party suppliers failing to provide or perform authorised and/or outsourced services to standards expected by the Group, impacting the ability to deliver core services. This includes intra-group outsourcing activity. <b>RISK OWNER:</b> Chief Operating Officer and Chief Executive Officer, Rathbone Asset Management <b>RISK PROFILE:</b> ● <b>RISK APPETITE MEASURES:</b> <ul style="list-style-type: none"> <li>— Supplier chain performance</li> </ul>	<ul style="list-style-type: none"> <li>— Board and executive oversight</li> <li>— Third-party supplier and outsourcing framework</li> <li>— Senior dedicated relationship managers</li> <li>— Supplier contracts and defined service level agreements/KPIs</li> <li>— Supplier due diligence and approval process</li> <li>— Close liaison, contractual reviews and regular service review meetings</li> <li>— Documented policy and procedures</li> <li>— Whistleblowing policy and process.</li> </ul>	<p>→ Our framework for third-party supplier and outsourcing risk management has continued to be embedded and developed in 2024. We have focused on a technology solution which further improves our controls in this area. We see this risk remaining medium in 2025 as we add further systemic control to support operational resilience.</p>

## PRINCIPAL RISKS

## Risk profile

● Low risk   ● Medium risk   ● High risk

## Movement

↑ Increasing   → Stable   ↓ Decreasing   N New

RISK AND OWNER	CONTROL ENVIRONMENT	RISK TREND 2024
<b>SUITABILITY</b> The risk of an unsuitable client outcome either through service, investment mandate, investment decisions taken, investment recommendations made or portfolio or fund construction <b>RISK OWNER:</b> Managing Director Rathbones Investment Management <b>RISK PROFILE:</b> ● <b>RISK APPETITE MEASURES:</b> — Timely portfolio reviews — Timely client reviews — Quality scores	— Board, executive and management committee oversight — Investment governance and structured committee oversight — Management oversight and segregated quality assurance and performance teams — Performance measurement information and attribution analysis — ‘Know your client’ (KYC) suitability processes — Weekly investment management meetings — Training and competence framework — Investment manager reviews through supervisor sampling — Compliance monitoring — Defined investment mandates and tracking — Exception reporting — Complaints analysis.	→ Throughout 2024 we have seen the benefit of the improvements to improve processes and oversight of investment and suitability risk which were implemented in 2023. This area continues to be strengthened with regular review routines in place supported by dedicated expertise. Our ongoing investment in technology will also further improve suitability processes and controls in 2025.
<b>PENSION</b> The risk that the cost of funding our defined benefit pension schemes increases, or their valuation affects dividends, reserves and regulatory own funds <b>RISK OWNER:</b> Chief Financial Officer <b>RISK PROFILE:</b> ● <b>RISK APPETITE MEASURES:</b> — Pillar 2A Net Stressed deficit — IFRS deficit	— Board, senior management and trustee oversight — Monthly valuation estimates — Triennial independent actuarial valuations — Investment policy — Senior management review and defined management actions — Annual ICAAP.	↓ The Group has recently undertaken a pension buy-in so Rathbones liability no longer represents the same level of risk.

# VIABILITY STATEMENT

## ASSESSMENT OF THE COMPANY'S PROSPECTS

The Board reviews its strategic plan annually. This, alongside the ICAAP and ILAAP, forms the basis for capital planning which is discussed periodically with the Prudential Regulation Authority (PRA).

On a monthly basis, critical capital projections and sensitivities have been refreshed and reviewed, taking into account current or expected market movements and business developments. During the year, the Board has also considered a number of stress tests and scenarios which focus on material or severe but plausible events that could impact the business and the company's financial position. The Board also considers the plans and procedures in place in the event that contingency funding is required to replenish regulatory capital or liquidity.

The Board's assessment considers all the principal risks identified by the Group and assesses the sufficiency of our response to all Pillar 1 risks (defined as credit, market and operational risks, including conduct) to the required regulatory standards. In addition, the crystallisation of the following events was considered for enhanced stress testing: a significant fall in the market value of FUMA, a business/competitive threat from a reputational event leading to loss of investment managers and/or FUMA, loss of FUMA and higher costs-to-achieve through integration risk, uncontrolled business expansion risk and a combined FUMA fall and reputational event. The economic and commercial impacts of a global pandemic on the prospects of the company were also factored into the assessment. The assessment also considers the point at which the current business model could become unviable (reverse stress testing).

The Group considers the possible impacts of serious business interruption as part of its operational risk assessment process and remains mindful of the importance of maintaining its reputation.

Since the business is almost wholly UK-situated, it does not suffer from any other material client, geographical or counterparty concentrations.

While this stress test does not consider all of the risks that the Group may face, the directors consider that this severe but plausible suite of stress testing-based assessment of the Group's prospects is reasonable in the circumstances of the inherent uncertainty involved.

## VIABILITY STATEMENT

In accordance with the UK Corporate Governance Code, the Board has assessed the prospects and viability of the Group over a three-year period considering the risk factors identified above. The Directors have considered the firm's current position and the potential impact of the principal risks and uncertainties set out above. The Directors confirm that they have carried out a robust assessment of both the principal risks facing the Group, and stress tests and scenarios that would threaten the sustainability of its business model, and its future performance, solvency or liquidity.

The Board regularly reviews business performance and, at least annually, its current strategic plan, alongside a strategic risk assessment. The Board also considers five-year projections as part of its annual regulatory reporting cycle, including strategic and investment plans.

However, the Directors have determined, and continue to believe, that a three-year period to 31 December 2027 constitutes an appropriate and prudent period over which to provide its viability statement given the uncertainties associated with economic and political factors and their potential impact on investment markets over a longer period.

This three-year view is also more aligned to the firm's detailed stress testing and capital planning activity. There is no reason to believe the five-year view would be different but, as always, there is more uncertainty over a longer time horizon particularly in relation to external factors.

Stress testing and scenario analysis shows that the Group would remain profitable, and in excess of our risk appetite tolerances for capital and liquidity, and able to withstand the impact of such scenarios. An example of a mitigating action in such scenarios would be a reduction in costs, specifically around change initiatives, along with a reduction in dividend.

## SCENARIOS MODELLED INCLUDE:

- Market-wide stress (capital & liquidity): a 30% fall in the market value of FUMA for a one-year period, with recovery over the following three years and Foreign Exchange illiquidity
- Idiosyncratic reputational stress (capital & liquidity): a reputation-affecting cyber event, social media or ESG-related event causing outflow of 20% of FUMA together with associated compensation and rectification costs
- Idiosyncratic integration stress (capital): a specific stress relating to the planned integration of IW&I into the Group, resulting in outflow of 15% of FUMA together with additional integration costs and cost synergies not being achieved
- Combined stress (capital and liquidity): aggregation of the above market-wide and integration stresses
- Reverse stress testing is also undertaken to assess the point at which the current business model is no longer viable.

Based on this assessment, the Directors confirm that they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period to 31 December 2027.

# RESPONSIBLE BUSINESS REVIEW

## OUR UPDATED RESPONSIBLE BUSINESS FRAMEWORK

**In 2024, we have strengthened our responsible business framework through rigorous research and analysis, including a materiality assessment, competitor review, and stakeholder engagement. Our updated framework was approved by the Responsible Business Committee in September 2024.**

Our responsible business framework guides our approach to delivering for our clients, supporting our colleagues and communities, having strong governance, and being responsible towards the environment. We work with a broad range of partners, recognising that collaboration will help drive the change we, and our stakeholders, want to see.

The framework outlines our approach across all key social and environmental topics, as identified through our impact materiality assessment. These topics, and the action we are taking on them, are organised into four themes. These themes, and the social, environmental and governance topics within them, will help guide our actions, track our progress, and structure disclosure and reporting aligned with key sustainability frameworks.

### Our approach to responsible business

Our purpose is to think, act and invest for everyone's tomorrow.

In support of this purpose, our responsible business framework has central themes which include:

#### OUR CLIENTS

Applying an active and thoughtful approach to client service, marketing practices and responsible investment

➔ **Read more:** [See page 72](#)

#### OUR COLLEAGUES

Ensuring our people are safe, supported and treated fairly

➔ **Read more:** [See page 73](#)

#### OUR COMMUNITIES

Ensuring we support positive change in our industry and our communities

➔ **Read more:** [See page 75](#)

#### OUR GOVERNANCE

Enhancing our governance through embedding privacy, human rights, nature and climate risk considerations in our decision-making process

➔ **Read more:** [See page 76](#)

### OUR RESPONSIBILITY ACROSS ENVIRONMENTAL AND SOCIAL TOPICS

## RESPONSIBLE BUSINESS REVIEW

### OUR UPDATED RESPONSIBLE BUSINESS FRAMEWORK

#### AMBITION AND IMPACT

We prioritise the long-term perspective to create value for our clients and contribute to our communities. Our commitment to investing for everyone's tomorrow involves understanding environmental, social, and governance (ESG) issues, ensuring the best possible outcomes for our business and our stakeholders.

#### MANAGEMENT OF RESPONSIBLE BUSINESS

Our commitment to operating in a way that creates long-term value for our stakeholders includes putting in place strong governance foundations to hold ourselves to account. Alongside clear accountability, we monitor our progress and report on our commitments in a transparent and timely manner. Our approach to responsible business enables us to deliver on our purpose through various activity including our responsible investment approach, our diversity, equality and inclusion (DE&I) programme, our community investment programme, and our action to reduce our environmental impact.

#### COLLABORATION

We cannot deliver the level of change needed to impact the world's most pressing environmental, social and governance issues on our own. Therefore, we have joined forces and operate in alignment with selected recognised initiatives and frameworks. This approach, alongside our work with regulators and delivery partners, support our understanding of stakeholder expectations and response opportunities. A selection of our affiliations and partnerships can be seen on our [website](#), including our continued work with and support of the United Nations Global Compact (UNGC).

#### Responsible Business Committee

In 2024, our Responsible Business Committee, co-chaired by our Group Chief Executive and the Managing Director of our investment business, discussed and took action on a range of areas including:

- progress towards our net zero commitment and restatement of our near-term targets following integration with IW&I
- responsible business framework update
- our stewardship activities
- our DE&I programme, including our gender pay gap
- continued engagement with suppliers and our modern slavery statement

- our human rights statement and a two-year implementation workplan
- the implementation of a new approach to community investment.

Of particular focus in 2024 were key changes to the regulatory requirements of disclosure including Sustainability Disclosure Requirements (SDR), and the increasing ESG reporting requirements introduced by frameworks such as those published by the International Sustainability Standards Board (ISSB) and the final Taskforce on Nature-related Financial Disclosures framework (TNFD).

#### Looking forward





In 2025, we will build upon the evolved responsible business framework and develop the implementation plan that will help turn the framework into a more detailed responsible business strategy. This will include setting up workstreams to deliver against each theme of the framework, identifying appropriate metrics and setting new targets, and ensuring continued alignment with emerging regulation.



## RESPONSIBLE BUSINESS REVIEW

## OUR RESPONSIBLE BUSINESS PROGRESS

## AREAS OF PROGRESS IN 2024

THEMES	AREAS OF FOCUS	2024 PROGRESS	FURTHER INFORMATION
<b>CLIENTS</b> Applying an active and thoughtful approach to client service, marketing practices and responsible investment 	<b>Client service, experience and product offering</b>	Conducted an extensive study with over 3,000 participants and created a multi-dimension market segmentation, defined by lifestage, attitude and source of wealth	➔ Read more: <a href="#">See page 26</a>
	<b>Responsible marketing</b>	99.8% of in scope employees completed anti-greenwashing training 98.7% of our Investment Managers completed mandatory training, including our vulnerable client module	➔ Read more: <a href="#">See page 72</a>
	<b>Responsible investment and stewardship</b>	Undertook 743 <sup>1</sup> engagements (2023 <sup>1</sup> : 752) on 53 topics ranging from anti-microbial resistance to succession planning 24% of in-scope FUMA have set Science Based Target initiative aligned targets	➔ Read more: <a href="#">See page 72</a>
<b>COLLEAGUES</b> Ensuring our people are safe, supported and treated fairly 	<b>Culture and values</b>	eNPS score of 14 (benchmark of 26) We commissioned and performed an independent culture evaluation, involving interviews and focus groups with Rathbones and IW&I colleagues	➔ Read more: <a href="#">See page 27</a>
	<b>Diversity, equality and inclusion</b>	Eight employee networks brought together members from Rathbones and IW&I, supporting broader inclusion	➔ Read more: <a href="#">See page 73</a>
	<b>Employee learning and development, wellbeing and benefits</b>	Supported our colleagues through organisational change. This included delivery of training and toolkits on leading through change and resilience, and the delivery of wellbeing events both in person and online	➔ Read more: <a href="#">See page 73</a>
<b>COMMUNITIES</b> Ensuring we support positive change in our industry and our communities 	<b>Community investment</b>	0.7% of pre-tax profit invested in our local communities, supporting 78 charity partners at both a national and regional level	➔ Read more: <a href="#">See page 75</a>
	<b>Financial inclusion and education</b>	Nine Rathbones financial awareness sessions run, our support for Young Enterprise continued and we welcomed MyBnk as a partner supporting their work focused on vulnerable young adults	➔ Read more: <a href="#">See page 75</a>
	<b>Entrepreneurs</b>	Hosted 19 Rathbones Inspire sessions in 2024 which engaged over 270 participants	➔ Read more: <a href="#">See page 75</a>
	<b>Policy engagement</b>	Responded to public consultations and engagements with industry bodies, regulators and government officials on matters ranging from the proposed reviews to the Stewardship Code to the FAC consultation on diversity and inclusion in the financial sector	➔ Read more: <a href="#">See page 75</a>
<b>GOVERNANCE</b> Enhancing our governance through embedding privacy, human rights, nature and climate risk considerations in our decision-making process 	<b>Human rights and supplier engagement</b>	79% of our in-scope suppliers were reviewed through our responsible business assessment. Topics raised include net zero commitments and modern slavery	➔ Read more: <a href="#">See page 76</a>
	<b>Corporate governance and ethics</b>	96.1% of in-scope employees completed anti-bribery and corruption training	➔ Read more: <a href="#">See page 76</a>
	<b>Operational GHG emissions and impacts</b>	Resource consumption <sup>2</sup> : 20 sites (out of 33) using renewable electricity, which covers 66% of our total consumption (kWh) Carbon intensity Scope 1 and 2 – location-based emissions (tCO <sub>2</sub> e/FUMA £bn) <sup>2</sup> : 10.6 (down from 12.9 in 2023)	➔ Read more: <a href="#">See page 77</a>

1. Data excludes IW&amp;I

2. Data covers all sites occupied by Rathbones Group in 2024

## RESPONSIBLE BUSINESS REVIEW

### OUR RESPONSIBLE BUSINESS PROGRESS

# OUR CLIENTS

Applying an active and thoughtful approach to client service, marketing practices and responsible investment.

## CLIENT SERVICE, EXPERIENCE AND PRODUCT OFFERING

Clients are at the heart of our strategy and their interests are a key consideration in everything that we do. Our commitment to deliver valuable propositions, exceptional service, and best practices underpins both our success and our responsibility as a trusted partner. We strive to provide clients with the best possible service, driven by our direct fiduciary duty to put their needs first in every decision and process. We build deep, long-lasting relationships with our clients.

In 2024 we expanded our Client Office function which oversees our service and product offering to our clients. From enhanced insights and improved digital services, to a broader regional presence and increased scale and stability, our Client Office function is dedicated to supporting our client relationships and servicing our clients' needs.

We develop a clear view of clients' evolving needs by focusing our resources on key client segments. The team has a clear understanding of these segments, their unique needs, preferences, and behaviours. Throughout 2024 we continued to focus on implementing a client segmentation model to tailor the client experience, product offerings, and distribution channels for each segment. Clients are segmented not just by wealth but also by life stage (e.g. young professionals, retirees, family offices) to deliver relevant, personalised services.

## RESPONSIBLE MARKETING

Consumer Duty sits at the heart of Rathbones and mirrors our long-established culture of always putting our clients first. We continue to progress against our regulatory agenda with a particular focus on Consumer Duty, underlining how Rathbones should treat its clients. We are well positioned to meet the challenges this brings as we continue to raise internal standards and gather new insights, particularly through the integration with IW&I. In 2024 we also conducted training for the team, including anti-greenwashing and vulnerable client training.

## RESPONSIBLE INVESTMENT AND STEWARDSHIP

We are committed to identifying high-quality, ESG (Environmental, Social, and Governance) aligned investments that deliver on clients' long-term objectives while contributing to broader societal benefits. With a team of financial, ESG integration, and stewardship analysts, supported by third-party data sources, we assess a wide range of ESG factors. These include climate change challenges, resource management, regulatory risks, human rights, business ethics, and corporate governance issues like executive pay and board composition. Our analysis, which can then be used in investment decisions, incorporates sustainability frameworks and multiple ESG data sources.

Our Responsible Investment (RI) Policy is reviewed annually. This year, our review sought to allow us to focus on how company intentions translate into measurable outcomes. We also published our fossil fuel positioning statement, thermal coal phase-out plan (targeting 2030), and net zero stewardship strategy.

Engagement remains a priority; we escalate or adjust holdings if companies present persistent ESG risks. In 2024, Rathbones undertook 743 engagements and voted on 11,615 resolutions (5,068 resolutions for IW&I) to drive change. Our robust RI oversight includes updates for key committees and reviews to align with the Green Claims Code and Consumer Duty considerations. See more in our [Responsible Investment Report](#).

## OUR INVESTMENT TARGETS

Having re-based our SBTi aligned targets in 2024 following the integration with IW&I we saw 24% of Funds under management and administration (FUMA) have set their own SBTi aligned science-based targets (23% at the end of 2023). We therefore remain on track to meet our 2030 near-term target of 55%.

- ➔ **Read more:** [page 78](#)
- ⊕ **Responsible Investment Report**
- ⊕ **Responsible Investment Policy**
- ⊕ **Our approach to investment in fossil fuels, including thermal coal**



## RESPONSIBLE BUSINESS REVIEW

### OUR RESPONSIBLE BUSINESS PROGRESS

# OUR COLLEAGUES

Ensuring our people are safe, supported and treated fairly.



## CULTURE AND VALUES

We are a people business, so it is imperative that our strategy helps foster a culture that drives performance and builds long, rewarding careers for our colleagues. Based around a common set of corporate values and a commitment to diversity, equality and inclusion (DE&I), we are focused on leveraging the talent in our business, as we develop more career paths, build leadership skills and manage succession. Rathbones is committed to becoming a more inclusive business which, in turn, will support us in delivering value to our clients.

Our 2022–2024 People Strategy focused on providing career paths and development opportunities, building leadership and change management skills, and embedding our values and commitment to inclusion. We are currently in the process of finalising our People Strategy, which will align what our people want and the business needs, in the context of our refreshed corporate objectives and the integration with IW&I.

The Rathbones' culture is set from the top. Our Board and executive team recognise the role that our culture plays in the long-term success of the Group. Across 2024, we have continued to measure our eight drivers of our culture and performance, with progress against associated indicators being reported to the Board twice a year. Our values are integrated into the employee appraisal process – at both our mid-year and full-year appraisals, employees are required to confirm they are in alignment with these.

Throughout the year, our management team and the Board have continued to engage with our people through a variety of channels to ensure an open dialogue.

A key highlight of the year was our 2024 colleague engagement survey, which identified Peer relationships, Management support, and Goal setting as particular cultural strengths across the Group.

➔ [Read more about our culture on page 17](#)

## DIVERSITY, EQUALITY AND INCLUSION

At the end of 2024, our Board had five female directors out of nine, which meant we met the commitment of 33% female board representation for FTSE 350 companies. We also had four female members of our Group Executive Committee (GEC). In 2024, we met the requirements of the Parker Review, to have at least one ethnic minority director on our board. In 2024, given the organisational changes the business is undertaking we did not report a senior management target. We will look to set one in 2025. We are signatories to the Women in Finance Charter and as of September 2024 we reached 30.8% female representation in senior management compared to 26.5% female representation in 2023. Reporting on compliance requirements can be found in the tables on [pages 74 and 102](#).

We are committed to equality and inclusion. Addressing our gender pay gap is a key component of achieving this. To read more on our approach, please see our [Gender Pay Gap Report](#) on our website.

In 2024 we brought together our colleagues from across both organisations in our eight Inclusion Networks. The networks will continue to be colleague led focusing on strands of diversity where our data tells us we need to improve representation to better reflect our communities. The networks work to enable colleagues from underrepresented groups to connect and create positive change.

They are inclusive of allies too; colleagues who may not identify as a member of the underrepresented group but are passionate and eager to support our DE&I vision.

In 2024, we were pleased to work with several organisations to support our work. These include LGBTGreat, Progress Together, the Armed Forces Covenant and our membership of the Business Disability Forum. As a Disability Confident Employer, we are committed to creating an inclusive and accessible recruitment process. We guarantee an interview to disabled candidates who meet the minimum criteria for the role. Additionally, we proactively anticipate and provide reasonable adjustments, supporting employees who acquire a disability to remain in work and thrive.

⊕ **Responsible Business Update**

⊕ **Gender Pay Gap Report**

To date, 61% of employees (63% in 2023) have shared their diversity data with us (for more details, see the table on [page 74](#)). We believe this decrease may be the result of the move to a new system to collect data which introduced more categories of diversity data.

## EMPLOYEE LEARNING AND DEVELOPMENT, WELLBEING AND BENEFITS

We have a range of provisions in place to support the mental and physical health of our people and are committed to investing in the learning and development of all employees. The wellbeing of our colleagues is a priority, which has been particularly important as we have gone through our integration with IW&I. We have a range of provisions in place to support the mental and physical health of our people.

## RESPONSIBLE BUSINESS REVIEW

### OUR RESPONSIBLE BUSINESS PROGRESS

In 2024, we continued to offer access to our Employee Assistance Programme, including a free and confidential phone and online advice service. Alongside these services our wellbeing team and inclusion networks have run awareness sessions on several topics, from cancer and menopause awareness to mental health and neurodiversity. We continue to gather and review colleagues' feedback about their wellbeing through our opinion surveys.

We are committed to investing in the learning and development of all our people and seek to give everyone the opportunity to develop the skills and knowledge they need to deliver at their best. In 2024, we transformed our Learning and Development team into the Talent, Performance and Learning team to enhance how we can deliver on this commitment. We also rolled out programmes focused on understanding climate risk and guarding against greenwashing. Our 2024 training spend per employee was £499 (2023: £529).

#### MEASURING OUR DIVERSITY

Success Factors, the platform on which we ask employees to self-report their demographic data, covers many of the Equality Act 2010 protected characteristics. It is a secure system with the necessary governance and controls to store confidential personal data. The data is accessible to a limited number of our people team. The data extracted from Success Factors will always be aggregated, anonymised, with groups of less than 10 not being reported on. All demographic questions have been modelled from what is considered best practice, e.g.: "Is your gender identity the same as at birth?" or "What was the main household earner occupation when aged 14?"

Gender diversity at 31 December 2024		Total number of employees	Percentage of total employees
Men	2024	1,886	52%
	2023	1,236	54%
Women	2024	1,717	48%
	2023	1,049	46%
Other categories	2024	-	-
	2023	-	-
Not specified/prefer not to say	2024	-	-
	2023	-	-
Ethnic diversity at 31 December 2024		Total number of employees	Percentage of total employees
White British or other White (including minority white groups)	2024	2,243	62.3%
	2023	1,267	54.45%
Mixed/Multiple Ethnic Groups	2024	65	1.8%
	2023	22	0.96%
Asian/Asian British	2024	186	5.2%
	2023	98	4.29%
Black/African/Caribbean/ Black British	2024	73	2.0%
	2023	32	1.40%
Other ethnic group, including Arab	2024	13	0.4%
	2023	22	0.96%
Not specified/prefer not to say	2024	1,023	28.4%
	2023	844	36.94%

Our Board and Executive diversity data can be found on [pages 101-102](#).

## RESPONSIBLE BUSINESS REVIEW

### OUR RESPONSIBLE BUSINESS PROGRESS

# OUR COMMUNITIES

Ensuring we support positive change in our industry and our communities.



## COMMUNITY INVESTMENT

Through our business we aim to add value not only to our clients but also to the communities in which we operate. We recognise the role we can play in helping create successful and thriving communities of which we are part.

As a UK wealth manager, with over 3,500 people across 23 offices and with over £109 billion of funds under management, we understand there is a growing expectation on our role in society. As a result, we work closely with regulators, partners, suppliers and communities to understand their aims and ambitions, working to align our approach to best practice across our programmes.

We deliver financial support through the Rathbones Group Foundation. We offer further support through our employee Give As You Earn scheme, our matching scheme, giving in-kind and volunteering.

Community investment funding from the Rathbones Group Foundation is focused on equality of opportunity for children and young people (up to 25 years old) across three key areas:

- Education
- Entrepreneurs
- Environment.

In 2024, we were pleased to invest £699,793 (2023: £589,172) in community projects. This represents 0.7% of our pre-tax profit (1.38% in 2023). With our focus on equality of opportunity and disadvantaged youth, we supported 78 charities. We were pleased to maintain our support for Young Enterprise (YE) and welcomed MyBnk as a new partner, which is aligned with the work we carry out through our financial awareness programme. We also supported the Disasters Emergency Commission (DEC) Middle East Humanitarian Appeal.

With the aim of encouraging employee volunteering, we continue to offer our colleagues paid time off to participate. We are delighted to see more offices taking advantage of team volunteering days, fostering collaboration and giving back to our local communities.

Following the combination with IW&I, we implemented changes to the structure of our support and giving by creating five community investment hubs that include all our offices<sup>1</sup>. This new structure aims to foster learning and collaboration among colleagues from neighbouring offices.

## FINANCIAL INCLUSION AND EDUCATION

We continue to recognise the importance of financial awareness in society and our role in supporting this. In 2024, MyBnk joined Young Enterprise (YE) as our national partners in delivering programmes to empower children and young adults with vital financial skills. Their approaches complement each other, addressing different age groups and stages of life to create a continuous pathway toward financial literacy and inclusion. As a founding partner of YE's Inspiring Futures programme, we are excited to be supporting YE as they equip disadvantaged youth aged 15 to 19 with practical career, and employability skills.

Over the past 12 years, Rathbones' own financial awareness sessions have reached more than 13,000 people. To read more about our work in financial awareness please see our standalone Responsible Business Update.

 **Responsible Business Update**

## ENTREPRENEURS

As a company with a long history of supporting entrepreneurs and multi-generational family-run firms, we are committed to supporting entrepreneurs, founders and business owners on their growth journey.

One way we achieve this is through Rathbones Inspire, a programme launched in September 2023 with the objective to create a community of founders. The programme provides founders and business leaders with the opportunity to engage with talented peers, access subject matter experts, and build new connections to further strengthen their businesses. Our strong track record of investing in successful businesses means we understand the challenges and needs of entrepreneurs and their leadership teams. In 2024, we reached over 300 participants on the programme and hosted 19 content events.

## POLICY ENGAGEMENT

Through collaboration and advocacy, we aim to influence policy frameworks that promote climate action and equitable economic development. We see policy engagement as a core pillar of driving meaningful change.

For example, in 2024 we were signatories to the 2024 Global Investor Statement to Governments on the Climate Crisis. This letter stated that effective policies are essential at all levels of government to accelerate the private capital flows needed for a climate-resilient, nature-positive, just net zero transition.

Therefore, we encourage a whole-of-government approach to implement policies in line with countries' nationally determined contributions (NDCs) and a 1.5°C scenario, recognising common but differentiated responsibilities and respective capabilities between emerging and developed economies, that will accelerate private sector action and large-scale investment.

<sup>1</sup> The hubs are: North, South, Scotland and Northern Ireland, London and Cambridge, and the Channel Islands

## RESPONSIBLE BUSINESS REVIEW

### OUR RESPONSIBLE BUSINESS PROGRESS

# OUR GOVERNANCE

Enhancing our governance through embedding privacy, human rights, nature and climate risk considerations in our decision-making process.



## HUMAN RIGHTS AND SUPPLIER ENGAGEMENT

Rathbones is pleased to continue to support the United Nations Global Compact (UNGC). This commitment aligns with our support for the International Labour Organization's (ILO) standards and the Universal Declaration of Human Rights (UDHR). As a business, we will not tolerate child or forced labour, be it through our operations or the investments we make.

In 2024, we developed a Group-wide human rights statement which states our commitment to human rights. We also produced a human rights work plan for 2025 and 2026. This plan is aligned to the business and human rights principles guidance. We also conducted internal human rights awareness raising activities including: a webinar open to all our colleagues on modern slavery in March, and published articles on our intranet about evolving legislation changes and key dates.

Our updated modern slavery statement will go to the Board for approval and is planned to be released in May 2025 and made available on our [website](#).

As a UK-based financial services business, Rathbones has a relatively low human rights risk within its direct supply chain. Indirect suppliers further down our supply chain however, may present an elevated risk. In 2024, we reviewed and updated our supplier maturity roadmap, including a revision of our ESG questionnaire. The roadmap outlines our next steps, including increased business level management information and a greater focus on procurement/on-boarding support from the central team.

With 79% of suppliers (equating to 70% of Rathbones third-party spend) having completed our ESG review, the main areas identified for further action included modern slavery statements, living wage compliance (where our smaller supplier partners response may be limited by their size) and net zero approaches supported by near-term targets and data disclosure in our larger partners.

## CORPORATE GOVERNANCE AND ETHICS

Feeling secure and trusting that they will not suffer adverse consequences helps our employees have the confidence to raise a concern about how we operate as a business. Training on our code of conduct and whistleblowing process happens every year. In 2024, there were two cases raised via our whistleblowing process. All matters were independently investigated and resolved.

There is strong correlation between corruption and human rights issues. Considering this Rathbones has a zero-tolerance policy towards bribery and corruption and therefore we ensure all our employees are adequately trained. At the end of the year, 96.1% (95.2% in 2023) of Rathbones' in scope employees completed our anti-bribery and anti-corruption training.

We also protect personal data and privacy through a combination of rigorous policies, advanced security measures, and adherence to regulatory requirements such as GDPR. Sensitive information is handled with care, employing encryption, access controls, and regular vulnerability assessments to prevent unauthorised access or breaches.

By fostering a culture of accountability and providing ongoing education on best practices, we empower both our team and stakeholders to uphold privacy standards. This proactive stance ensures the integrity and confidentiality of all personal and financial data entrusted to us.

## GHG EMISSIONS AND OPERATIONAL IMPACTS

In 2024, we saw our operational emissions increase, with purchased goods and services, capital goods and business travel as the most significant contributors to our emissions. We also calculated our investment footprint, which indicates our investment exposure to climate change. For full details of our operational and investment footprint, see the metrics and targets section of our [Climate Report page 34](#).

In 2024, we broadened our Climate Change Working Group to include nature impacts and brought together experts from across the business to formulate our approach to managing and disclosing climate and nature-related risks and opportunities. This working group consults on and learns from our specialist team, Greenbank, which has started the process of setting nature-related targets focused on the governance of nature-related risks, the assessment of nature-related impacts and dependencies, and training on the relation between nature loss and investment.

 **Read more:** Greenbank sets new nature targets

# CLIMATE-RELATED FINANCIAL DISCLOSURES

## GHG EMISSIONS AND OPERATIONAL IMPACTS

### Highlights

#### OPERATIONAL FOOTPRINT (UK)

**37,342 tCO<sub>2</sub>e**

2023: 23,681 tCO<sub>2</sub>e

#### % OF FUMA ALIGNED WITH SBTi TARGETS

**24%**

2023: 23%\*

#### % OF CLIENTS USING THE MYRATHBONES APP

**61%**

2023: 58%

\* The figure for the % of FUMA aligned with SBTi targets differs from what was disclosed in 2023. Calculations were updated to include all in-scope assets under management in line with the SBTi Financial Institutions' Near-Term Criteria v2. Where visibility into the underlying assets of in-scope funds was restricted, it was assumed none of the underlying assets had targets.

#### OUR APPROACH TO MANAGING OUR IMPACT

Following the combination with IW&I we have consolidated both our operational data, which can be seen in the table opposite, and our emissions exposure through the investments we make on behalf of our clients. As a result, we have restated our net zero near-term targets to reflect these changes using 2023 as our new baseline.

#### KEY DRIVERS OF OUR CARBON FOOTPRINT

We saw emissions increase in 2024, with purchased goods and services remaining the largest emissions source. As spend increased our emissions also increased, 75% from 2020 and 10% from 2023. Despite this, emissions grew slower than spending as cost was focused on lower-carbon services like management consultancy services and software support, leading to a reduction in emissions intensity from 0.16 to 0.11 kgCO<sub>2</sub>e per £ between 2020 and 2024.

Capital Goods account for 36% of emissions in 2024, a significant contrast to previous years where it contributed 2-4%. This contributed to a spike in emissions relative to 2023, with the refit of our London office being a key driver. We expect emissions in this category to return to pre-2024 levels next year as the scale of office renovations slows. Business travel emissions continued to increase, 66% relative to 2023. The most significant contributor to this increase was from air travel, with an increase in long-haul business class travel increasing emissions by 412 tCO<sub>2</sub>e. Other significant contributors were domestic air travel and increased road mileage. The increase also reflects improvements in data accuracy, providing a clearer picture of our business travel emissions profile. Our levers for change are on [page 78](#).

#### OUR CARBON FOOTPRINT DATA<sup>1</sup>

(Inc. streamlined energy and carbon reporting)

Location-based emissions (tCO <sub>2</sub> e) <sup>2</sup>	2024	2023	2022
<b>Scope 1 (tCO<sub>2</sub>e)</b>	<b>531</b>	584	639
UK <sup>3</sup> emissions	<b>531</b>	584	639
Global <sup>3</sup> emissions (excl UK)	–	–	–
<b>Scope 2 (tCO<sub>2</sub>e)</b>	<b>643</b>	773	757
UK <sup>3</sup> emissions	<b>637</b>	769	753
Global <sup>3</sup> emissions (excl UK)	<b>5</b>	4	4
<b>Scope 3 (tCO<sub>2</sub>e)<sup>4, 5, 7, 8</sup></b>	<b>36,168</b>	22,425	20,630
UK <sup>3</sup> emissions	<b>35,831</b>	21,977	20,621
Global <sup>3</sup> emissions (excl UK)	<b>337</b>	448	368
<b>Total location-based emissions (tCO<sub>2</sub>e)</b>	<b>37,342</b>	23,781	22,025
UK emissions	<b>36,999</b>	23,330	21,653
Global emissions (excl UK)	<b>342</b>	451	372
Market-based Scope 2 emissions	<b>394</b>	478	540
<b>Total energy consumption (MWh)<sup>6</sup></b>	<b>5,194</b>	8,057	8,111
UK consumption	<b>5,104</b>	7,955	7,891
Global consumption (excl UK)	<b>90</b>	101	94
<b>Intensity ratios<sup>7, 8, 9</sup></b>			
Scope 1 and 2 location-based emissions (tCO <sub>2</sub> e/FUMA £bn)	<b>10.7</b>	12.9	13.8
Total location-based emissions (tCO <sub>2</sub> e/FUMA £bn)	<b>342</b>	224.9	218
Total location-based emissions (tCO <sub>2</sub> e/FTE)	<b>10.6</b>	6.8	6.6

- Following agreement of the combination with IW&I we have restated our environmental figures. All figures in the table include IW&I emissions and are therefore comparable
- In accordance with best practice introduced in 2015, we report two numbers to reflect emissions from electricity. Location-based emissions are based on average emissions intensity of the UK grid and market-based emissions reflect emissions from our specific suppliers and tariffs. Scope 2 market-based emissions for 2024 are 394 tCO<sub>2</sub>e (2023: 478 tCO<sub>2</sub>e)
- Under SECR regulation we are required to split our global and UK emissions. Our global emissions (excl. UK) and global consumption (excl. UK) reflect electricity emissions and consumption (respectively) from our Jersey office. It is not possible to split out travel and allocate to our Jersey office at this stage
- Data centre emissions are reported under Scope 3, as per the WRI GHG Protocol, categorised in purchased goods and services
- Electricity transmission and distribution (T&D) reflects emissions from line losses associated with electricity transmission and distribution
- Total energy consumption (kWh) of our Scope 1 and Scope 2 emissions (electricity), and scope 3 (employee cars)
- 2023 Scope 3 emissions increased by 100tCO<sub>2</sub>e relative to what was reported last year due to data improvements (business travel), this also impacted our intensity ratios for 2023
- Data relates to total Scope 1, 2 (location-based) and Scope 3 GHG emissions
- Total location-based emissions intensity metrics are calculated using our Scope 1, 2 and Scope 3 category 1-8 data.

## CLIMATE-RELATED FINANCIAL DISCLOSURES

## GHG EMISSIONS AND OPERATIONAL IMPACTS

## OUR JOURNEY TO NET ZERO

We have committed to reaching net zero<sup>1</sup> emissions by 2050 or sooner. Since the SBTi approved our net zero emissions targets in 2022, Rathbones merged with Investec Wealth & Investment UK, which triggered the need for the recalculation of base year emissions and targets. Our restated near-term net zero emissions targets will be submitted for validation by the SBTi.

CHALLENGES IN OUR  
INVESTMENT FOOTPRINT

Data related to the emissions from the investments we hold on behalf of our clients remains an industry challenge. In response, we regularly engage with data suppliers to understand both their approach and coverage.

PROGRESS IN OUR  
INVESTMENT TARGET

In 2024, 24% of our in-scope<sup>4</sup> FUMA had validated SBTi aligned targets. This is up from 23% in 2023.

CHALLENGES IN OUR  
OPERATIONAL FOOTPRINT

Our purchased goods and services continue to be a primary driver of our operational footprint, as referenced on the [previous page](#), in addition to capital goods and business travel.

## OUR ROADMAP MILESTONES

2030 (2023 BASELINE<sup>2</sup>)

2035

2040

2050

Key levers to reach  
our net zero<sup>1</sup> targets:

- Digitising our business: cloud computing, data centre consolidation and digital communications platforms
- Swapping to renewable energy suppliers
- Seeking out green building credentials
- Embedding our travel policy and hybrid working
- Increasing the amount of relevant information to support their decisions
- Training to enable our investment managers to engage clients
- Engaging suppliers and investees on their climate commitments
- Carbon removal credits, to offset our residual emissions.

Achieving net zero<sup>1</sup> across our operations<sup>5</sup>**70%**

of suppliers<sup>3</sup> by emissions to have set targets within five years of target submission date

**42%**

reduction across Scope 1 and 2 emissions

## Achieving net zero across our investments

**55%**

of in-scope<sup>4</sup> FUMA, by invested value, to have set SBTi targets by 2030 (category 15)

**77%**

have set SBTi validated targets by 2035

**100%  
BY 2040**

this allows time for those who have committed to achieve their targets

**ESG engagement across  
colleagues, suppliers and clients**

**ESG integration  
and training**

**External collaboration  
and advocacy**

1. Rathbones Group Plc define net zero as: balancing the release of greenhouse gases into the atmosphere by absorbing or avoiding an equivalent amount. As defined in our glossary ([https://www.rathbones.com/sites/rathbones.com/files/glossary\\_clear.pdf](https://www.rathbones.com/sites/rathbones.com/files/glossary_clear.pdf))

2. Our environmental target was set based on our 2023 operational and investment emissions footprint. Our investment target covered 89% of our FUMA as of 31 December 2023

3. Scope 3, Category 1+2, Purchased Goods, Services and Capital Goods

4. In-scope FUMA include equity, bonds, fixed income, structured products, collectives and passive funds

5. Our near term targets are set on a five year basis. Further targets will be set as we reach the end of our current target term.

## CLIMATE-RELATED FINANCIAL DISCLOSURES SUMMARY

### INTRODUCTION AND COMPLIANCE

As wealth managers, we have a fiduciary duty on behalf of our clients to consider all long-term risks that may impact their investments. We are committed to helping our clients safeguard their portfolios against physical and transitional risk as the world moves to a low-carbon economy. We recognise that this is a collaborative exercise that spans industries and as such we are continuously engaging with our stakeholders, including our clients, investors, regulators and industry organisations, to improve our collective climate reporting and help smooth the transition to a net zero economy.

During the year ending 31 December 2024, the Board has complied with the requirements of the listing rule 9.8.6. Our report includes a measurement of how we comply with the 11 recommendations of the TCFD and with the mandatory climate-related financial disclosures (CFD) by UK publicly quoted companies, large private companies and LLPs. In developing the report, we have considered and addressed all recommendations within the all-sector guidance as well as the supplemental guidance for asset managers in full. We have also included a map to our compliance to the CFD.

While the TCFD was disbanded in 2023, the recommendations continue to be included in UK listing rules and therefore provide a baseline for compliance and structure our [2024 Climate Report](#). The Financial Stability Board asked the International Financial Reporting Standards (IFRS) to oversee further climate reporting developments and Rathbones has conducted a gap analysis informed by its criteria, to develop workstreams that improve alignment with IFRS criteria for future disclosure.

We have chosen to publish our full [2024 Climate Report](#) as a standalone statement, allowing us to report in more detail and link from that report to applicable content across our reporting suite. Our standalone statement will be available as a PDF on the reports and disclosure page of our website. The following pages include a summary update of our approach and also signpost to where more information can be found.

-  **Climate Report**
-  **Responsible Business Update**
-  **Responsible Investment Report**

CLIMATE-RELATED FINANCIAL DISCLOSURES  
SUMMARY

GOVERNANCE

Disclose the organisation’s governance around climate-related issues and opportunities.

TCFD RECOMMENDED DISCLOSURE	2024 UPDATE	CFD REQUIREMENTS	CFD ALIGNMENT	FURTHER INFORMATION
<b>Describe the Board’s oversight of climate-related risks and opportunities</b>	Responsibility for managing climate risks and opportunities sits with the Rathbones Board. The Board is supported by several committees that maintain responsibility for the consideration and integration of climate risks and opportunities in their area of specialism as appropriate. The Board is responsible for setting the right tone for the business, supporting a strong risk management culture and, through our senior leadership team, encouraging appropriate behaviour and collaboration across the business. The Board regularly assesses the most significant risks and emerging threats to the Group’s strategy and receives updates at least twice a year via risk and responsible business papers. Oversight of risk management activities is also undertaken through the Group Risk and Audit Committees. They offer support to the Board, setting a constructive tone in support of a strong risk culture, which is integrated into our company culture and which our people embrace as part of their day-to-day responsibilities.	A description of the governance arrangements of the company or LLP in relation to assessing and managing climate-related risks and opportunities	Full	<div>➔ <b>Audit Committee report:</b> <a href="#">page 106</a></div> <div>⊕ <b>Climate Report:</b> <a href="#">page 6</a></div> <div>➔ <b>Risk management:</b> <a href="#">page 58</a></div>
<b>Describe management’s role in assessing and managing climate-related risks and opportunities</b>	We have assigned climate-related responsibilities to several individuals and committees across the business. As chair of the Responsible Business Committee, our Group Chief Executive has responsibility for bringing climate-related matters to the Board. Our Chief Risk Officer (CRO) is the senior management function responsible for climate-related financial risks, as designated in accordance with the Prudential Regulation Authority’s Supervisory Statement on managing financial risks relating to climate change (SS3/19). Additionally, there are a number of teams involved in assessing, managing and reporting on our climate risk, including our finance, risk and compliance, research and investment teams, alongside our supplier management function and properties and facilities departments. At an organisational level responsibility for climate change-related matters lies with the company secretary and is led by our Responsible Business Manager.			

## CLIMATE-RELATED FINANCIAL DISCLOSURES

## SUMMARY

## STRATEGY

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy and financial planning where such information is material.

TCFD RECOMMENDED DISCLOSURE	2024 UPDATE	CFD REQUIREMENTS	CFD ALIGNMENT	FURTHER INFORMATION
<b>Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term</b>	Rathbones' climate-related risks include physical risks (arising from the physical effects of climate change on the businesses' operations, workforce, markets, infrastructure, raw materials and assets) and transition risks (resulting from policy, legal, technology and market changes occurring from the shift to a lower-carbon global economy). We have identified transition and physical risks that materialise over the following timelines: short-term <1-year, medium term 1-5 years and long term >5 years <sup>1</sup> . Importantly, the transition to a low-carbon future also provides Rathbones with opportunities which, if acted on, stand to benefit the business. A detailed overview, timeframe and description of our strategy to mitigate each risk and realise each opportunity is provided in our full climate report; with a high-level overview shared in the tables on <a href="#">pages 86 to 87</a> .	A description of the principal climate-related risks and opportunities arising in connection with the operations of the company or LLP and the time periods by reference to which those risks and opportunities are assessed	Full	<p>⊕ <b>Responsible Investment Report</b></p> <p>⊕ <b>Climate Report:</b> <a href="#">pages 14 to 18</a></p>
<b>Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning</b>	The climate-related risks and opportunities that we face as a business occur across both our direct operations and our investments. A more detailed description of the actual and potential impacts of each risk and opportunity on our business and the mitigating actions we take in response is described in the full climate report, and a summarised version is provided in the tables on <a href="#">page 88</a> . By taking these actions, we endeavour to improve our resilience to the impacts of climate change in our strategic decision-making and financial planning. Whilst our commitment to becoming a net zero business by 2050 or sooner includes both our direct operations and our investments, we recognise that the majority of our greenhouse gas emissions and other climate-related risks are derived from the investments we hold on behalf of our clients. In response to this, we strive to integrate climate considerations into our investment approach (outlined in more detail in our RI report and Climate report) and offer investment solutions which adapt to the continually evolving environment. We continue to pursue an absolute reduction in our operational carbon footprint and offset residual emissions, and in doing so respond to the operational climate-related risks and opportunities that we face as a business. The focus of our operational carbon reduction efforts is primarily directed on the following areas: resource consumption, energy efficiency, digitising our business and business travel.	A description of the actual and potential impacts of the principal climate-related risks and opportunities on the business model and strategy of the company or LLP	Full	<p>⊕ <b>Responsible Investment Report</b></p> <p>⊕ <b>Climate Report:</b> <a href="#">pages 19 to 20</a></p>

1. The risk timeframes align with those we use for going concern and viability statements. Our short term risk aligns with going concern, for which we use a period of at least 12 months from the financials. Our viability statement aligns with our medium term risk (three years), which mirrors the risk assessment approach. This was reduced from five years, to manage the fact that the longer we look out, the more uncertainty there is. We consider longer term risk five years and beyond.

## CLIMATE-RELATED FINANCIAL DISCLOSURES

### SUMMARY

#### STRATEGY CONTINUED

TCFD RECOMMENDED DISCLOSURE	2024 UPDATE	CFD REQUIREMENTS	CFD ALIGNMENT	FURTHER INFORMATION
<p><b>Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario</b></p>	<p>By using climate scenario analysis across physical and transitional risks, we assess the potential impact of climate change on our propositions, therefore helping to determine the resilience of our strategy as an organisation. While several scenario models are available, Rathbones use the Network for Greening the Financial System (NGFS) scenarios, which is preferred by most banks and prudential supervisory authorities. These undergo regular reviews and updates, with access provided through MSCI. We assess the impact of physical and transition risks on our investment holdings under the following scenarios:</p> <ul style="list-style-type: none"> <li>— 1.5°C / NGFS / Orderly</li> <li>— 1.5°C / NGFS / Disorderly</li> <li>— 2°C / NGFS / Orderly</li> <li>— 3°C / HOT HOUSE WORLD / Nationally Determined Contributions (NDCs).</li> </ul> <p>The TCFD recommends investors consider a set of scenarios, including a '2°C or lower scenario' in line with the Paris Agreement. In addition, we use the scenarios mentioned above to help understand the implications of climate action failing on our portfolio.</p> <p>Our approach to scenario analysis involves assessing the exposure of our equity and corporate bonds holdings by applying MSCI's Climate Value-at-Risk (Climate VaR) methodology. This methodology provides a forward-looking and return-based valuation assessment to measure climate related risks and opportunities of publicly-listed companies and their issued securities, offering insights into how climate change could affect financial outcomes in different scenarios. Our results<sup>1</sup> from FY24 indicate that:</p> <ul style="list-style-type: none"> <li>— Transition risk is projected to be highest in a 1.5°C disorderly scenario, with a similar potential financial risk under the 1.5°C orderly scenario; likely as a result of policy changes that will be more prominent in these scenarios</li> <li>— As expected, physical risk is projected to be highest in a 3°C hot house world scenario, as a result of the increased frequency and severity of weather events and rising sea levels. This indicates a growing urgency to take concerned climate action and pursue a 1.5°C scenario</li> <li>— Climate-related opportunities, specifically technology, are projected to be greatest in a 1.5°C disorderly scenario; likely as a result of a rapid transition to a low-carbon economy with increased policy shifts and urgent investment in climate technologies.</li> </ul> <p>We use these results, combined with other climate metrics, to identify priority companies for engagement and monitoring, and to explore the role we can play alongside policy and corporate action to mitigate climate risk and promote climate-related opportunities. Our stress testing and scenario analysis shows that the Group would remain profitable of our risk appetite tolerances and would be able to withstand the impacts of such scenarios.</p> <p>See <a href="#">page 21</a> for our full scenario analysis results in our <a href="#">Climate Report</a> and full details of our business model resilience.</p>	<p>An analysis of the resilience of the business model and strategy of the company or LLP, taking into consideration different climate-related scenarios</p>	Full	<p>⊕ <b>Responsible Investment Report</b></p> <p>⊕ <b>Climate Report:</b> <a href="#">page 21</a></p>



1. Analysis based on the securities we held at the end of June 2024 (half-year) and covers 66.7% of our FUMA

## CLIMATE-RELATED FINANCIAL DISCLOSURES

## SUMMARY

## RISK MANAGEMENT

Disclose how the organisation identifies, assesses and manages climate-related risks

TCFD RECOMMENDED DISCLOSURE	2024 UPDATE	CFD REQUIREMENTS	CFD ALIGNMENT	FURTHER INFORMATION
<b>Describe the organisation's processes for identifying and assessing climate-related risks</b>	Risks are identified within a three-tier hierarchy, with the highest level containing business and strategic, financial, conduct and operational risks. Risks are assessed on an inherent and residual basis across a three-year period according to several impact criteria and includes consideration of the internal control environment and/or insurance mitigation. Climate-related risks are identified and assessed as part of our hierarchical approach to risk management. With external consultancy support, Rathbones undertakes benchmark research and internal stakeholder engagement to ensure relevant risks and opportunities are assessed and included in the risk register. A watch list is maintained to record any current, emerging or future issues, threats, business developments and regulatory or legislative change. The Group's risk profile, risk register and watch list are regularly reviewed by the Group Executive Committee, senior management, Board and Group Risk Committee. We rely on the stress test work undertaken as part of our ICAAP process to recognise the potential impact of climate or ESG risk on investment valuations, particularly for securities where ESG risk is high or unmanaged, thereby connecting these risks to our financial stability.	A description of how the company or LLP identifies, assesses and manages climate-related risks and opportunities	Full	 <b>Risk management:</b> <a href="#">page 58</a>  <b>Climate Report:</b> <a href="#">pages 29 to 30</a>
<b>Describe the organisation's processes for managing climate-related risks</b>	We have a well-established approach to risk management, which has continued to evolve in response to the firm's growth and external developments. Our risk governance, processes and infrastructure are designed to ensure that appropriate risk management is applied to existing and emerging challenges to the firm's day-to-day activities and strategic objectives. The Board, Group Executive Committee and Group Risk Committee regularly review and at least annually formally approve the Group's risk appetite statement, ensuring it remains consistent with our strategy and objectives. Our appetite framework is aligned with the Group's overall prudential requirements for strategic, financial and non-financial risk (conduct and operational), and specific appetite measures are set for each principal risk. Risks that have triggered key risk indicators or risk appetite measures are reported and escalated in accordance with our framework to the Executive Risk Committee, Group Executive Committee, the Group Risk Committee and the Board as appropriate, so that risk mitigation can be reviewed and strengthened if needed.			
<b>Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management</b>	Our risk management framework (RMF) provides the foundation and organisational arrangements for identifying, monitoring, reviewing and continually improving risk management throughout the firm. Climate-related risks are identified and assessed as part of our hierarchical approach to risk management. More specifically, our exposure to climate-related risks is most material through the investments we make on behalf of our clients. The management of these risks is integrated into four of Rathbones' core responsible investment principles and pillars: ESG integration, voting with purpose, engagement with consequences and transparency. We are in the process of developing our ESG client reporting framework to support clients in the comprehension and monitoring of the climate and ESG characteristics of their portfolio.	A description of how processes for identifying, assessing and managing climate-related risks are integrated into the overall risk management process in the company or LLP	Full	 <b>Risk management:</b> <a href="#">page 58</a>  <b>Climate Report:</b> <a href="#">page 29 to 30</a>

## CLIMATE-RELATED FINANCIAL DISCLOSURES

### SUMMARY


#### METRICS AND TARGETS

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

TCFD RECOMMENDED DISCLOSURE	2024 UPDATE	CFD REQUIREMENTS	CFD ALIGNMENT	FURTHER INFORMATION
<b>Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets</b>	<p>In 2022, Rathbones Group committed to net zero emissions by 2050 or sooner and set validated SBTi targets. Since these targets were set, Rathbones combined with Investec Wealth &amp; Investment UK, which triggered the need for a recalculation of base year emissions and targets. As a result, new targets have been developed and will be taken through the SBTi validation process in 2025. Our standalone <a href="#">Climate Report</a> summarises Rathbones previously validated targets and provisional targets that will undergo validation throughout 2025. The below sets out Rathbones new, provisional targets.</p> <p>Using 2023 as a baseline year, we will work to achieve a 42% reduction in market-based emissions by 2030 and a 70% reduction of Scope 3, Category 1 &amp; 2 suppliers to have science aligned targets within five years of the target submission date. In terms of our investments, we will work to achieve 54% of the investments held on behalf of our clients having validated science-based initiative aligned targets by 2030 (77% by 2035). This is in line with our objective of achieving 100% investment coverage by 2040. These targets correspond to all climate-related risks and opportunities outlined in the table on <a href="#">pages 15 to 20 of our standalone Climate Report</a>. It will be shared publicly when the new targets are validated and a statement with more detail about target alignment with SBTi criteria will be available on our <a href="#">website</a>.</p>	Description of the targets used by the company or LLPs to manage climate-related risks and to realise climate-related opportunities and of performance against those targets	Full	<p>➔ <b>Our Governance:</b> <a href="#">page 76</a></p> <p>⊕ <b>Responsible Business Update</b></p> <p>⊕ <b>Climate Report:</b> <a href="#">pages 35 to 39</a></p>
<b>Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process</b>	<p>We use several metrics to measure the progress of our net zero journey, which is the primary measure of our response to climate-related risks and opportunities. Specifically, these include carbon emissions (scopes 1, 2 and 3) and GHG intensity indicators. Therefore, percentage reduction across all Scopes is a key performance indicator used to measure our overall progress. In addition to our operational metrics, we use a selection of other metrics to inform our climate risk and engagement strategy. The primary performance indicator used to measure progress towards our SBTi engagement target (detailed above) is the percentage of our portfolio which has set or committed to setting SBTi targets. This year, 24% of our portfolio has set an SBTi target, up from 23% last year. Additionally, we have used a number of data sources to calculate the carbon emissions associated with our clients' investments (Scope 3, category 15). We worked with our research team to determine our absolute carbon emissions, weighted carbon emissions and average weighted carbon intensity. We also consider the coverage of our portfolio that have set or committed to SBTi aligned targets.</p>	The key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and a description of the calculations on which those key performance indicators are based	Full	<p>➔ <b>Our Governance:</b> <a href="#">page 76</a></p> <p>⊕ <b>Responsible Business Update</b></p> <p>⊕ <b>Climate Report:</b> <a href="#">pages 35 to 39</a></p>
<b>Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risk</b>	<p>We share our Scope 1, 2 and material Scope 3 GHG emissions and related risks on <a href="#">pages 36 to 37 of our Climate Report</a>, which also includes more information on the metrics and targets used.</p>			

CLIMATE-RELATED FINANCIAL DISCLOSURES  
SUMMARY

ENTITY LEVEL AND BUSINESS REPORTS

TCFD RECOMMENDED DISCLOSURE	2024 UPDATE	CFD REQUIREMENTS	CFD ALIGNMENT	FURTHER INFORMATION
Disclose any areas where entity approaches differ from those shared in the group disclosure	Full details on the entity-level climate reports are found in the appendix of our standalone climate report. Including: Rathbones Investment Management Rathbones Investment Management International Greenbank Investments Rathbones Asset Management Investec Wealth & Investment UK.	N/A	Full	 <b>Climate Report</b>  Rathbones Investment Management  Rathbones Investment Management International  Greenbank Investments  Rathbones Asset Management  Investec Wealth & Investment UK

## CLIMATE-RELATED RISKS



As a business, we consider several transitional and physical risks and opportunities. In the table below, we have provided a description of each climate-related risk and opportunity, an assessment of the potential impact on the business and our mitigation response.

All risks and opportunities outlined below are deemed material to the business and correspond to Rathbones Group principal risk categories (full definitions of which can be found on [pages 64 to 67](#)).

The following table provides a high-level overview of Rathbones climate-related risks – full narrative of descriptions of impacts and mitigation responses are available on [pages 15 to 18](#) of our [Climate Report](#).

For more details on how we identify, manage and respond to these risks, please see the risk management section of the full [Climate Report](#).

## TRANSITIONAL

RISK TYPE AND DESCRIPTION	ACTUAL AND POTENTIAL IMPACT	MITIGATION ACTIONS
<b>REPUTATIONAL: CUSTOMER PERCEPTION</b> Failure to manage climate transition risk within existing propositions S	— Claims for financial compensation and loss of business and market share if we do not deliver on our fiduciary duty as well as managing climate risk	— Corporate policies established with periodic review and approval — Company engagement with clients — Capability building (investment and fund managers)
<b>REPUTATIONAL: EMPLOYEE SATISFACTION AND RETENTION</b> Inability to attract and retain suitable resource M	— Lack of climate-related expertise needed to identify and manage climate risk and emissions reductions — Lack of expertise across the business leading to disruption of business-as-usual and financial losses. For example, due to inadequate risk assessments and poor decision-making	— Delivery of net zero target and associated actions — ESG-linked remuneration measures — Training and development
<b>REPUTATIONAL: SHAREHOLDER CONCERN</b> Failure to manage shareholder expectations S	— Failure to manage shareholder expectations could lead to a loss of business and competitive advantage; through potential shareholder withdrawals and an inability to attract new shareholders	— Transparency and compliance — Target setting — Risk management — Peer benchmarking
<b>REGULATORY, COMPLIANCE AND LEGAL: CARBON PRICING</b> Increased regulations on carbon pricing (investments) M	— Indirect devaluation of investments through increased operational costs for investee companies	— Engagement with investee companies on ESG — Consideration of ESG criteria in investment decisions
<b>REGULATORY, COMPLIANCE AND LEGAL: CARBON PRICING</b> Increased regulations on carbon pricing (operations) S	— Direct regulatory costs imposed on operations through potential energy and fuel price increases — Increasing supply chain costs, particularly from suppliers impacted by carbon pricing	— Internal carbon price — Energy efficiency programmes and green initiatives — Routine assessment of emerging regulation — ESG review of suppliers
<b>REGULATORY, COMPLIANCE AND LEGAL: EMISSIONS REPORTING OBLIGATIONS</b> Failure to maintain compliance with emissions reporting obligations and readiness for emerging regulations S	— Fines as a result of regulatory action — Reputational damage — Increased operational costs due to remedial actions	— Monitoring of legislative landscape — Resource allocation to responsible business functions — Retention of external consultants for business and compliance support

## CLIMATE-RELATED RISKS



RISK TYPE AND DESCRIPTION	ACTUAL AND POTENTIAL IMPACT	MITIGATION ACTIONS
<b>SUSTAINABILITY: UNCERTAINTY IN MARKET SIGNALS</b> Inability to attract and retain clients due to uncertain risks related to climate change 	— Adverse effects on market share and profitability if the business model does not respond to changing market conditions (including environmental and social factors)	— Providing access to dedicated funds that consider ESG-criteria — Ensuring the right resource is in place to help assess investment risk and opportunities
<b>SUSTAINABILITY: PRODUCTS AND SERVICES</b> Technology: Substitution of existing products and services with lower emissions options 	— Failure to substitute existing products and services with lower emission options poses a risk to our operations and value chain through increased costs and stranded assets	— Management and monitoring of carbon footprint aligned with Science Based Target initiative targets

## PHYSICAL

RISK TYPE AND DESCRIPTION	ACTUAL AND POTENTIAL IMPACT	MITIGATION ACTIONS
<b>BUSINESS CONTINUITY: ACUTE – EXTREME WEATHER EVENTS</b> The impact of climate-change related extreme weather events on business operation 	— Disruption to business operations and continuity — Increased operational expenses to rectify damage	— Maintain business continuity plans — Contingency testing — ESG review of critical suppliers and their continuity plans
<b>SUITABILITY: CHRONIC – CHANGES IN WEATHER PATTERNS</b> The impact of long-term changes in weather patterns, such as air temperature and precipitation (operations of companies invested in) 	— Impacts to operations of global companies invested in — Impacts to financial value of company assets — Increased operational expenses and lower returns for clients	— Development of responsible investment framework — Development of sector-specific standards — Application of integration approaches to fit investment services and mandates

CLIMATE-RELATED  
OPPORTUNITIES



Importantly, the transition to a low-carbon economy also provides Rathbones with opportunities which, if acted on, stand to benefit the business. An overview, timeframe and a description of our strategy to realise each opportunity is provided in the table below:

OPPORTUNITY TYPE AND DESCRIPTION	ACTUAL AND POTENTIAL IMPACT	STRATEGIC ACTIONS TO REALISE OPPORTUNITIES
<div>→</div> <div>↑</div> <div>M</div> <div><b>RESOURCE EFFICIENCY: EFFICIENT BUILDINGS</b> Increased energy efficiency at our offices</div>	<div>— Scope 1 and 2 emissions reductions</div> <div>— Decrease in costs associated with carbon credit purchases</div> <div>— Reduced operational costs through efficiency measures</div>	<div>— Energy Savings Opportunity Scheme (ESOS) action plan</div> <div>— Streamlined Energy and Carbon Reporting (SECR) compliance</div> <div>— Building Research Establishment Environmental Assessment Methodology (BREEAM) for buildings</div>
<div>→</div> <div>↑</div> <div>M</div> <div><b>ENERGY SOURCE: RENEWABLE ENERGY</b> Purchase and use of renewable energy sources in our direct operations</div>	<div>— Scope 1 and 2 emissions reduction</div> <div>— Decrease in costs associated with carbon credit purchases</div> <div>— Prevention of stranded assets (e.g. heating equipment)</div>	<div>— Renewable energy procurement (renewable electricity tariffs)</div> <div>— Installation of lower-emission energy sources (e.g. electric boilers)</div>
<div>→</div> <div>↑</div> <div>S</div> <div><b>SUSTAINABILITY: R&amp;D AND INNOVATION OF NEW PRODUCTS AND SERVICES TO PROVIDE ACCESS TO NEW MARKETS</b> Launch products that provide clients with access to financing low-carbon opportunities</div>	<div>— Reduction in Scope 3 Category 15 emissions</div> <div>— Stimulus for low-carbon industries</div> <div>— Acceleration of net zero targets</div> <div>— Increased market share and revenue from increased demand in products</div>	<div>— Alignment with responsible investment framework</div> <div>— Compliance with Sustainability Taxonomies</div> <div>— Direct propositions in climate solutions and leveraging existing solutions</div>

# NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

The information presented here, including the sections referred to, represents our non-financial information statement as required by sections 414CA and 414CB of the Companies Act 2006. The next pages contain a summary of our approach to management of these aspects of our business and measuring our performance.

ISSUE AND SUMMARY	RELEVANT POLICIES AND POLICY OUTCOMES	OVERVIEW OF DUE DILIGENCE PROCESS
<b>EMPLOYEES</b> We are a people business, it is therefore imperative that our strategy sets a culture that drives performance and builds long, rewarding careers for our colleagues. Based around a common set of values and our DE&I commitment we are focused on becoming a more diverse business that will support us in delivering value to our clients.	<b>→ Our colleagues:</b> <a href="#">See page 73</a> — Code of Conduct — Equal Opportunities Policy — Health and Safety Policy — Compliance Framework Policy — Anti-bribery Policy — Rathbones is the employer of choice for the wealth sector.	— Regular employee engagement surveys — Workforce engagement programme — Regular tracking of people metrics and trends — Diversity, equality and inclusion strategy — Executive sponsored inclusion networks.
<b>SOCIAL IMPACTS</b> We are committed to being a trusted member of the communities in which we operate. The Rathbones Group Foundation supports projects that align with our focus on opportunities for disadvantaged youngsters.	<b>→ Our communities:</b> <a href="#">See page 75</a> — Code of Conduct — Community Investment Guidelines — Anti-bribery Policy — Rathbones is a trusted partner in the communities in which we operate.	— Responsible Business Committee has oversight of our responsible business programme and how we work to have a positive impact.
<b>HUMAN RIGHTS</b> Rathbones is committed to respecting the human rights of others. Our approach aligns with our membership of the UNGC and commitment to provide decent work and economic growth.	<b>→ Our Governance:</b> <a href="#">See page 76</a> — Code of Conduct — Modern Slavery Statement — Anti-bribery Policy — Rathbones understands and manages our human rights and modern slavery risk.	— Responsible Business Committee reviewed our Modern Slavery Statement, ahead of Board approval and received reports on our ongoing supplier engagement on ESG matters — 79% of our suppliers have been reviewed in alignment with our ethics questionnaire.

## More information

### OUR BUSINESS MODEL

**→ Read more:** [See page 18](#)

### OUR KEY PERFORMANCE INDICATORS

**→ Read more:** [See page 33](#)

### OUR PRINCIPAL RISKS

**→ Read more:** [See page 63](#)

### OUR COLLEAGUES

**→ Read more:** [See page 73](#)

### OUR COMMUNITIES

**→ Read more:** [See page 75](#)

### OUR GOVERNANCE

**→ Read more:** [See page 76](#)

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

ISSUE AND SUMMARY	RELEVANT POLICIES AND POLICY OUTCOMES	OVERVIEW OF DUE DILIGENCE PROCESS
<p><b>CLIMATE AND ENVIRONMENT</b></p> <p>In 2021, Rathbones committed to achieve net zero emissions by 2050 at the latest. In 2024 we re-based our SBTi aligned near-term targets to reflect the business post combination.</p> <p>We continue to monitor and manage the carbon emissions of our operations, recognising that the most material exposure is through the investments we make on behalf of our clients.</p>	<p>➔ <b>Climate-related financial disclosures:</b> <a href="#">See page 77</a></p> <ul style="list-style-type: none"><li>— Responsible Investment Policy</li><li>— Group's climate statement</li><li>— Net zero emissions commitment</li><li>— Fossil Fuel Statement</li><li>— Thermal Coal Exclusion Policy</li><li>— Rathbones delivers progress against our 2050 net zero commitment and near-term targets.</li></ul>	<ul style="list-style-type: none"><li>— Climate governance structure in place</li><li>— Responsible Business Committee monitors the climate-related risks operationally</li><li>— Responsible Investment Committee oversee the investment aspects of our net zero commitment and the impact on the investments we hold on behalf of our clients</li><li>— Engagement Committee proposes our stewardship programme</li><li>— Executive Risk Committee oversees an annual review of our climate risk appetite.</li></ul>
<p><b>ANTI-CORRUPTION AND BRIBERY</b></p> <p>Rathbones has a zero-tolerance towards anti-bribery and corruption.</p> <p>All employees must comply with our code of conduct and complete our conflicts of interest submission.</p>	<p>➔ <b>Our Governance:</b> <a href="#">See page 76</a></p> <ul style="list-style-type: none"><li>— Anti-bribery Policy</li><li>— Conflicts of Interest Policy</li><li>— Whistleblowing Policy</li><li>— Rathbones maintains our zero tolerance to anti-bribery and corruption culture seeking to prevent, detect and report any identified cases of bribery and corruption</li><li>— In 2024, there were two cases raised via our whistleblowing hotline.</li></ul>	<ul style="list-style-type: none"><li>— Anti-bribery and corruption training completed by 96.1% of in-scope employees</li><li>— Due-diligence of all third-party relationships</li><li>— Gifts and Entertainment Policy</li><li>— Conflict of Interest Policy</li><li>— Whistleblowing Policy.</li></ul>

The strategic report contains certain forward-looking statements, which are made by the Directors in good faith based on the information available to them at the time of their approval of this annual report. Statements contained within the strategic report should be treated with some caution due to the inherent uncertainties (including but not limited to those arising from economic, regulatory and business risk factors) underlying any such forward-looking statements. The strategic report has been prepared by Rathbones Group Plc to provide information to its shareholders and should not be relied upon for any other purpose.

[Pages 1 to 90](#) constitute the strategic report, which was approved by the Board and signed on its behalf by:

**PAUL STOCKTON GROUP**  
CHIEF EXECUTIVE OFFICER

**IAIN HOOLEY GROUP**  
CHIEF FINANCIAL OFFICER

25 February 2025

More information

CLIMATE-RELATED  
DISCLOSURES

➔ Read more: [See page 77](#)

⊕ Our Climate Report

OUR GOVERNANCE

➔ Read more: [See page 76](#)

OUR COLLEAGUES

➔ Read more: [See page 73](#)

FOR MORE INFORMATION  
ON OUR STRATEGY

➔ Read more: [See page 19](#)

⊕ Published policies can be found on our website

# GOVERNANCE REPORT

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## CORPORATE GOVERNANCE REPORT

### CHAIR'S LETTER

# Governance in focus

**CLIVE C R BANNISTER**  
CHAIR

## Board highlights 2024

### RISK MANAGEMENT

We were pleased to approve a pension buy-in, mitigating future balance sheet risk, whilst insuring the benefits of the members.

➔ **Read more:** [See page 58](#)

### BOARD EVALUATION

This year we undertook an external board evaluation programme.

➔ **Read more:** [See page 104](#)



**On behalf of the Board, it is my pleasure to present our Corporate Governance report for the year ended 31 December 2024. This sets out how the Group's governance framework supports and promotes its long-term success, and also provides an overview of the activities of the Board and its committees.**

The key responsibilities of the Board are to ensure effective leadership, the long-term sustainability of the firm and the creation of value for our stakeholders. The Board recognises that sustainable business success is not possible without a clear purpose and that good governance is about more than complying with rules; it is also about culture, behaviours and how we service our clients. The Board is therefore committed to ensuring that the firm's purpose, values and culture are set by the whole Board and embedded throughout the firm. The executive directors and management team play an integral role in this, ensuring that our people understand the firm's culture and what is expected of them to achieve our purpose. I believe that all this, together with our strong governance framework, allows the Board to ensure that the whole firm is moving in the right direction as we develop and execute our strategy.

Our approach to governance has been even more important in the past 12 months, as we have navigated through integration of the IW&I business, finalisation of the Saunderson House migration, implementation of our digital programme and Consumer Duty obligations while being mindful of the impact on our stakeholders. The Board is committed to maintaining a robust and effective governance, control and risk management framework. I have been pleased, once again this year, to see the benefits of that framework.

### CULTURE AND STRATEGIC INITIATIVES

The firm's client focus and integrity are fundamental to achieving the best results for clients, colleagues and shareholders over the long term by delivering our strategic initiatives. As a Board, we are responsible for setting the tone and for championing a healthy, responsible culture that will promote long-term sustainable success for all of our stakeholders, which is at the heart of our purpose. In order to achieve this goal, the Board reviews our culture dashboard which is used to monitor and analyse the firm's culture. The culture dashboard is updated every six months and presented to the Board for review and monitoring. In addition, Non-executive Directors assess the firm's culture through informal engagement, branch visits to teams as well as the workforce engagement initiatives that are discussed on [pages 28 to 29](#).

As the Board has a long term orientation, we continued to place strategy – both execution and evolution – at the heart of our discussions in 2024, reflecting on trends in the wealth industry. The Board has dedicated additional time to analysing industry developments, in order to remain well informed in a period of increased pace of change, alongside our oversight of business performance, our people, and maintaining our culture during an intense period of strategic delivery. It is clear to the Board that the industry is facing unusually high levels of change and we must remain alert to opportunities and the unexpected. Continuing to be relevant and close to clients during volatile times is and will be vital to us whilst ensuring we can deliver investment performance and service to them. These will be our priorities in our new strategy as will the continued development of our talent, which we see as the bedrock on which the business is built.

CORPORATE GOVERNANCE REPORT  
CHAIR'S LETTER

MANAGEMENT SUCCESSION

During the year, the Board has also successfully overseen a number of new appointments to key roles on our Executive Committee. We welcomed Jayne Rogers as Chief Distribution Officer and Chair of RAM in 2023 and Simonetta Rigo as Chief Client Officer, in September 2024. Further detail on the Board's approach to succession planning can be found on [page 100](#).

EXECUTIVE REMUNERATION

Executive remuneration is an important area of focus and debate. As reported in last year's report, we introduced changes to our directors' remuneration policy as part of our triennial remuneration policy review. Our revised remuneration policy was approved at the 2024 Annual General Meeting (AGM) and I was pleased that it received such strong support from our shareholders. The Directors' remuneration report, which includes further detail on the application of the new policy, can be found later in this section.

DIVERSITY, EQUALITY AND INCLUSION

The Board agrees that greater diversity drives better decision-making. We strongly believe that building a diverse and inclusive workforce will lead to better outcomes for clients, colleagues and for our business. You can read more about our approach to building diversity and inclusion across our workforce and the initiatives that support it in our responsible business review on [page 69](#). The Board has aligned its diversity policy for Board appointments with new targets set out in the UK Listing Rules and is proud to have met those targets.

In 2024, over 40% of our Board was made up of women, one of our senior Board positions is held by women and we have at least one director from an ethnic minority background.

You can read more about the policy and the importance we place on diversity in the recruitment of Non-executive Directors and across the organisation on [page 100](#) of the Nomination Committee report.

BOARD EVALUATION

This year's annual board and committee effectiveness evaluation was conducted by an external facilitator. In accordance with the recommendations of the Code and best practice, the evaluation process was formal and rigorous and covered a broad range of elements relevant to the effectiveness and performance of the Board and its committees. The findings are set out on [page 104](#) and the Board will shortly be developing an action plan to identify opportunities to implement these findings during the year ahead.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement remains a priority for the Board. During the year, the Board has used formal meetings and other opportunities to discuss the firm's performance. These discussions included consideration of their interests, as well as risks arising from the wider regulatory, economic and political environment. As part of the Board's regular meetings and in sessions specifically focusing on strategy, the directors have spent considerable time assessing and having regard to the impact of individual decisions and the firm's operations on different stakeholder groups. This has included extensive discussion of points arising from engagement with shareholders, customers, employees, regulators and other groups. You can find our formal statement in relation to section 172 of the Companies Act 2006, together with further detail about how the directors have engaged with, and had regard to the interests of, stakeholders in the strategic report on [page 24](#).

2024 BOARD AND COMMITTEE ATTENDANCE

	Board	Nomination Committee	Audit Committee	Group Risk Committee	Remuneration Committee
Number of meetings held	7	3	4	7	4
Clive Bannister (Chair)	6/7	3/3	-	-	4/4
Paul Stockton (CEO)	7/7	-	-	-	-
Iain Hooley (CFO)	7/7	-	-	-	-
Sarah Gentleman (SID)	7/7	3/3	4/4	7/7	4/4
Terri Duhon (NED)	7/7	3/3	4/4	7/7	4/4
Iain Cummings (NED)	7/7	3/3	4/4	6/7	4/4
Dharmash Mistry (NED)	7/7	1/3	3/4	6/7	4/4
Henrietta Baldock (NED)	7/7	-	-	-	-
Ruth Leas (NED)	7/7	-	-	-	-

The Board gains a direct understanding of employees' views through employee survey results, townhalls and branch visits. Separately, the Board's workforce engagement programme, led by Iain Cummings and Dharmash Mistry, continued during the year with ongoing engagement with our employees. Details of this initiative can be found on [page 28](#). In addition, both my Non-Executive Director colleagues and I used formal and informal opportunities to talk to employees across all offices.

Our shareholders are key. We managed a comprehensive engagement programme with them throughout the year. We undertook a number of investor meetings, either in person or virtually. The Group Chief Financial Officer continues to report to the Board regularly on shareholders' views regarding the firm, and the firm's corporate brokers present regularly to the Board on market developments and shareholder perceptions. This helps to ensure that the Board is fully briefed on the views and aspirations of shareholders.

Our relationship with our various regulators is of fundamental importance to us and we maintain an open, constructive dialogue with them to ensure that we are aware of and meet the standards that they expect. For more information about how the directors have had regard to the interests of our key stakeholders within the context of promoting the success of the company, please see our section 172 statement on [page 24](#).

This report, in its entirety, has been approved by the Board of Directors and signed on its behalf by:

**CLIVE C R BANNISTER**  
CHAIR  
25 February 2025

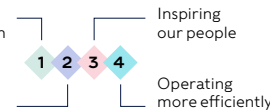
## CORPORATE GOVERNANCE REPORT

## CORPORATE GOVERNANCE FRAMEWORK

## Our strategic priorities

Enriching the client and advisor proposition and experience

Supporting and delivering growth



## Our stakeholders

- Clients
- Our people
- Shareholders

- Society and communities
- Partners and regulators

## Role

- Individual
- Committee

## CHALLENGE AND OVERSIGHT

## The Board



## Key highlights:

- Monitored integration of IW&I, including and synergies and cost to achieve
- Approval of firm's Consumer Duty annual report
- Approved the proposal and implementation of the pension buy-in arrangement

- Conducted an externally led Board evaluation and developed an action plan
- Approved the opening of an office in Ireland
- Monitored the delivery of the firm's technology platform
- Regular review of our investor perception study

## Key roles:

- Chair
  - Senior Independent Director
  - Non-executive Directors
  - Executive Directors
- For roles and responsibilities, please see our website

## AUDIT COMMITTEE

## CHAIR: IAIN CUMMINGS

## Key highlights:

- Reviewed the Annual Report and Interim Accounts
- Approval of CASS reports for both Rathbones and IW&I
- Approved the findings and decision of the External Quality Assessment
- Monitored the transition of lead external audit partner



→ Audit Committee report:  
[See page 106](#)

For full terms of Reference for the committee, please see our website

## RISK COMMITTEE

## CHAIR: TERRI DUHON

## Key highlights:

- Reviewed and approved the ICAAP and ILAAP for RIM and ICARA for IW&I
- Monitored implementation of the firm's Consumer Duty activities
- Approved the firm's risk appetite for the combined Group



→ Group Risk Committee report:  
[See page 111](#)

## REMUNERATION COMMITTEE

## CHAIR: DHARMASH MISTRY

## Key highlights:

- Approved the new Executive Performance Share Plan and performance targets under new scheme rules
- Approved the remuneration of the executive members and the firm's MRT population



→ Remuneration Committee report:  
[See page 114](#)

## NOMINATION COMMITTEE

## CHAIR: CLIVE BANNISTER

## Key highlights:

- Reviewed the succession planning and talent pipeline for members of the GEC and those who hold senior manager functions (SMFs)
- Received updates on the Diversity, Equality & Inclusion Strategy



→ Nomination Committee report:  
[See page 100](#)

## LEADERSHIP

## Group Executive Committee



## Key highlights:

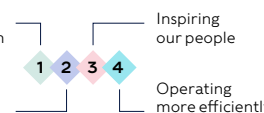
- Held a GEC offsite to discuss strategic and growth initiatives for the combined Group
- Discussed the results of the employee engagement survey and developed an action plan
- Monitored and discussed the synergies achieved and the cost synergy targets

- Oversight of the delivery of the integration programme
- Discussed and approved the consolidation of dual location of offices
- Reviewed the results of the client survey and developed an action plan

## CORPORATE GOVERNANCE REPORT

KEY BOARD DECISIONS AND CONSIDERATION  
OF STAKEHOLDER INTEREST

## Our strategic priorities

Enriching the client  
and advisor proposition  
and experienceSupporting and  
delivering growth

## Our stakeholders

Clients

Our people

Shareholders

Society and communities

Partners and regulators

KEY AREAS	BOARD DECISION	STAKEHOLDER IMPACT
<b>INTEGRATION AND SYNERGIES</b> 	<b>CLIENT MIGRATION PREPARATION</b> Approval and oversight of the process for attaining client consent ahead of planned client migration in 2025.	<b>Clients</b> – ensuring seamless service with minimal client impact <b>Our People</b> – preparing our colleagues for the client migration to ensure adequate capacity and coverage <b>Partners and regulators</b> – assurance to our regulators that we remain compliant with our responsibilities relating to client assets and client care
	<b>PROPERTY CONSOLIDATION</b> Approval of the consolidation of properties in eight locations where we have dual presence, which led to a number of office relocations.	<b>Our People</b> – co-locating with IW&I colleagues fosters a shared collaborative culture. Renovation of some sites created better working environments <b>Shareholders</b> – creating value for shareholders through management of cost base <b>Society and Communities</b> – reduction of emissions by selecting greener buildings where available which support our efforts to reduce environmental impact <b>Partners and regulators</b> – provided opportunities to consolidate our supplier partners across larger sites
<b>FINANCE AND REGULATORY CAPITAL</b> 	<b>PENSION BUY-IN</b> Approval of a collaborative approach to enter into an agreement to fully insure the benefits of the members. This removed the future obligations on the Group to fund these benefits and mitigates substantive risks on the Group's balance sheet.	<b>Our People</b> – removal of future obligations for the Group safeguards our employees pension position in the future <b>Shareholders</b> – mitigating risk on the Group's balance sheet supports value creation for shareholders <b>Partners and regulators</b> – engaging with the regulator throughout this process has enabled appropriate supervision
<b>TECHNOLOGY</b> 	<b>OBJECTWAY CONTRACT</b> Approval of a new contract with one of our existing supplier partners, Objectway, to upgrade the firm's investment management platform with a view to modernising the platform over the next few years, increasing resilience and security.	<b>Clients</b> – harnessing technology to enable our client service capabilities <b>Our People</b> – investing in the improvement of our platforms supports and encourages our colleagues' efforts to work more effectively and efficiently <b>Shareholders</b> – creating value for shareholders by improving our services with the aim of driving new business <b>Partners and regulators</b> – leveraging existing relationships for new projects builds trust with our supplier partners and improves these relationships
<b>PEOPLE</b> 	<b>SUCCESS FACTORS</b> Oversight of the progress made in migrating our IW&I colleagues onto our new people system.	<b>Our People</b> – enabling our IW&I colleagues to have better oversight of their compensation packages, and greater ownership over their personal and professional development <b>Partners and regulators</b> – gathering of data to support the business in setting targets and introducing initiatives to deliver an inclusive workforce
	<b>DIVERSITY EQUITY &amp; INCLUSION</b> Oversight of the key milestones achieved in the Group's DE&I strategy to date and the proposed plan to achieve the medium to long term goals.	<b>Our People</b> – encouraging our colleagues to bring their authentic selves to work by promoting a strategy which values everyone's individual backgrounds <b>Society and Communities</b> – continuing to ensure we promote DE&I within our firm to support the wider goals we have in society

CORPORATE GOVERNANCE REPORT  
BOARD OF DIRECTORS

N NOMINATION COMMITTEE

A AUDIT COMMITTEE

RI RISK COMMITTEE

RE REMUNERATION COMMITTEE

G GROUP EXECUTIVE COMMITTEE

COMMITTEE CHAIR

**CLIVE BANNISTER**  
CHAIR

N RE

**APPOINTED: 06/04/2021****EXPERIENCE, SKILLS  
AND CONTRIBUTIONS**

Clive brings a wealth of strategic, commercial, and financial experience to the Board. He started his career as a banker at First National Bank of Boston in 1981 in Boston and London. In 1984, he joined Booz Allen Hamilton and became a partner in their financial consulting practice in 1990.

In 1994, Clive joined HSBC Investment Bank as director and head of planning and strategy in London. He moved to New York in 1996 to be the deputy CEO of HSBC Inc and head of Investment Banking in the US. In 1999, he was appointed Chief Executive of HSBC Group Private Banking, became a group general manager in July 2001, and group managing director in 2006 responsible for Group Insurance and Asset Management at HSBC Holdings Plc. In 2011, Clive was appointed as group CEO of the Phoenix Group, the UK's largest life and pensions consolidator.

**CURRENT EXTERNAL APPOINTMENTS**

Clive is currently the chair of the Museum of London and Beazley plc.

**PAUL STOCKTON**  
GROUP CHIEF  
EXECUTIVE OFFICER

G

**APPOINTED: 09/05/2019****EXPERIENCE, SKILLS  
AND CONTRIBUTIONS**

Paul was appointed as Group Chief Executive in May 2019, having served as Managing Director of Rathbones Investment Management from May 2018. He was previously Group Finance Director from 2008 to 2019.

Paul brings the following key skills to the Board which supports the firm's strategy: executive leadership, financial services and wealth management, risk management and regulation.

Paul qualified as a chartered accountant with PricewaterhouseCoopers in 1992, subsequently accepting a position in New York before returning to London in 1996. In 1999 he joined Old Mutual Plc as group financial controller, becoming finance director of Gerrard Limited in 2001. In 2005, two years after the sale of Gerrard, he left to work initially for Euroclear and, subsequently, as a divisional finance director of the Phoenix Group. He was formerly a non-executive director of the Financial Services Compensation Scheme.

**CURRENT EXTERNAL APPOINTMENTS**

Paul is a board member of the Personal Investment Management and Financial Advice Association (PIMFA) and Member of the FCA Practitioner Panel.

**IAIN HOOLEY**  
GROUP CHIEF  
FINANCIAL OFFICER

G

**APPOINTED: 01/01/2024****EXPERIENCE, SKILLS  
AND CONTRIBUTIONS**

Iain was appointed as Group Chief Financial Officer on 1 January 2024. Iain served as finance director of Investec Wealth & Investment Limited (IW&I) for more than a decade and was appointed CEO of IW&I UK in February 2023. He brings to his current role his extensive knowledge of the sector along with a wealth of experience of financial and regulatory reporting, corporate governance and risk management.

Iain is a fellow chartered accountant and began his career with Coopers & Lybrand, which subsequently became PricewaterhouseCoopers. Working in the audit practice, Iain had responsibility for managing a varied portfolio of audit engagements which included SMEs and listed companies across a range of sectors. In 2000, he joined BWD Securities PLC, which went on to become IW&I UK, initially as group financial controller with responsibility for the management of the Group's internal and external financial reporting, tax compliance and other financial matters.

**CURRENT EXTERNAL APPOINTMENTS**

None.

**SARAH GENTLEMAN**  
SENIOR INDEPENDENT DIRECTOR

N A RI RE

**APPOINTED: 21/01/2015****EXPERIENCE, SKILLS  
AND CONTRIBUTIONS**

Sarah joined Rathbones Board in 2015 and was appointed Senior Independent Director in 2022. Sarah was Chair of the Remuneration Committee from June 2017 and August 2023 and was a designated Non-executive Director of the firm's workforce engagement programme between 2019 and 2023.

Sarah brings the following key skills to the Board which supports the firm's strategy: banking, digital marketing, risk management, corporate governance and regulatory experience.

She started her career as a consultant at McKinsey & Company and then subsequently spent several years in the telecoms and digital sectors, latterly as chief financial officer of the LCR Telecom Group. In 1999, she joined the internet bank Egg, the internet banking subsidiary of Prudential, where she was responsible for business development and strategy. In 2005, she joined Sanford C. Bernstein & Co, the institutional research and trading arm of Alliance Bernstein, as a banking analyst covering the European banking sector. Sarah joined Engine B Ltd in 2020 as an adviser to early-stage technology companies.

**CURRENT EXTERNAL APPOINTMENTS**

Non-executive director of Molten Ventures Plc.

**TERRI DUHON**  
NON-EXECUTIVE DIRECTOR  
(INDEPENDENT)

N A RI RE

**APPOINTED: 02/07/2018****EXPERIENCE, SKILLS  
AND CONTRIBUTIONS**

Terri is Chair of the Group Risk Committee. She has over 30 years of experience in the financial market and brings the following skills to the Board: banking, investment management, risk management and regulatory experience.

Terri graduated with a maths degree from the Massachusetts Institute of Technology (MIT). She is a non-executive director of Morgan Stanley International where she chairs the risk committee. In addition, she is non-executive director of Wise Plc and Hanover Investors Ltd, and is an Associate Fellow at The Saïd Business School at Oxford University. Previously, Terri was a board member of CHAPS Co and Operation Smile UK, was chair of Morgan Stanley Investment Management Limited and was a founding member of the Women's Leadership Group for the Prince's Trust. As an executive, Terri held a number of senior roles at JP Morgan and ABN AMRO before setting up her own consultancy firm.

**CURRENT EXTERNAL APPOINTMENTS**

Non-executive director of Morgan Stanley International Ltd, Hanover Investors Ltd and Wise Plc.

## CORPORATE GOVERNANCE REPORT

## BOARD OF DIRECTORS



**IAIN CUMMINGS**  
NON-EXECUTIVE DIRECTOR  
(INDEPENDENT)



**APPOINTED: 05/10/2021**

**EXPERIENCE, SKILLS  
AND CONTRIBUTIONS**

Iain is Chair of the Audit Committee and co-leads the firm's workforce engagement programme with Dharmash Mistry.

To support the firm's strategy, he brings a wealth of experience in audit and accounting regulatory reporting, financial services, corporate governance and risk management.

Iain is a Fellow of the Institute of Chartered Accountants in England & Wales with over 36 years of experience working in the financial sector. He was a partner at KPMG for over 24 years working with banks and other major financial services firms in both audit and advisory roles including three years leading KPMG's banking audit practice. His audit roles included large firms in the investment banking sector and listed firms in the wealth, asset management and insurance sectors while his advisory engagements focused on aspects of risk, regulation and internal audit. Iain also served for a number of years as chairman of the ICAEW Financial Services Faculty's risk and regulation committee and as a member of the ICAEW's Technical Strategy Board.

**CURRENT EXTERNAL APPOINTMENTS**

Non-executive director of Skipton Building Society, and The Tradition London group of companies.



**DHARMASH MISTRY**  
NON-EXECUTIVE DIRECTOR  
(INDEPENDENT)



**APPOINTED: 05/10/2021**

**EXPERIENCE, SKILLS  
AND CONTRIBUTIONS**

Dharmash joined Rathbones as a Non-executive Director in October 2021, he is a Chair of the Remuneration Committee, and co-leads the firm's workforce engagement programme with Iain Cummings.

Dharmash brings the following key skills to the Board which support the firm's strategy: financial services, media & technology experience, digital transformation, private & public market investing and corporate governance.

He started his career with Procter & Gamble as a Brand Manager, followed by a period with Boston Consulting Group. He spent eight years in the media as Group Managing Director of EMAP Consumer Media and EMAP Performance. He co-led the 2008 delisting of Emap Plc from the FTSE 100. He was formerly a Partner at Balderton & Lakestar, leading investments including Revolut, Glovo, Infarm, Blockchain.com and Lovefilm amongst others. He co-founded Blow LTD and served as Chairman & CEO until its sale in 2021. His previous non-executive appointments include: Hargreaves Lansdown Plc, Dixons Retail Plc, The British Business Bank and BBC Commercial Holdings.

**CURRENT EXTERNAL APPOINTMENTS**

A board member of Halma plc, The FA (Football Association), The FA Premier League, and Competition and Markets Authority (CMA).



**HENRIETTA BALDOCK**  
NON-EXECUTIVE DIRECTOR

**APPOINTED: 21/09/2023**

**EXPERIENCE, SKILLS  
AND CONTRIBUTIONS**

Henrietta Baldock was appointed as a Non-executive Director on 21 September 2023 under the terms of the Relationship Agreement following completion of IW&I (UK) combination.

Henrietta has extensive knowledge of the financial services sector, through her 25 years' experience in investment banking, most recently as chair of the European Financial Institutions team at Bank of America Merrill Lynch, where she advised boards on significant transactions. In 2021, she was appointed chair of Investec Wealth & Investment (UK). Henrietta's industry experience demonstrates her valuable strategic and transformation advisory skills.

**CURRENT EXTERNAL APPOINTMENTS**

Henrietta is a senior independent director designate of Legal & General Group Plc, chair of Legal and General Assurance Society, chair of the remuneration committee at Investec Plc, non-executive director of Investec Bank Plc, and non-executive director of Hydro Industries Limited.



**RUTH LEAS**  
NON-EXECUTIVE DIRECTOR

**APPOINTED: 21/09/2023**

**EXPERIENCE, SKILLS  
AND CONTRIBUTIONS**

Ruth Leas was appointed as a Non-executive Director on 21 September 2023 under the terms of the Relationship Agreement following completion of IW&I (UK) combination.

Ruth has been with Investec for 25 years having joined in South Africa in 1998. In 2002, she moved to London where she spent 10 years in client-facing roles and was subsequently appointed as co-head of US Principal Finance. She joined the credit team and was subsequently appointed as Head of UK Investor Relations. In 2016, she was appointed as an executive director and head of risk management and as chief risk officer in 2017. In 2019, she was appointed as chief executive officer of Investec Bank plc, the main banking subsidiary of Investec plc, which includes Investec Group's non-Southern African operations (including the UK, Channel Islands, Republic of Ireland, US and India).

**CURRENT EXTERNAL APPOINTMENTS**

Chief executive officer of Investec Bank plc.



**ALI JOHNSON**  
GROUP COMPANY SECRETARY

**APPOINTED: 01/05/2016**

**EXPERIENCE, SKILLS  
AND CONTRIBUTIONS**

Ali joined Rathbones in April 2016 and was appointed Company Secretary in May 2016.

Ali graduated in law and is a fellow of the Chartered Governance Institute. He has over 20 years' experience as a company secretary in a wide range of publicly listed companies in the UK and US. Ali has extensive knowledge and experience in corporate governance, executive remuneration, corporate transactions, stock exchange listing obligations, responsible business programme, insurance and employee/executive share plans.

## CORPORATE GOVERNANCE REPORT

## MEET THE GROUP EXECUTIVE COMMITTEE

The group executive committee (GEC) is chaired by Paul Stockton, Group Chief Executive Officer, and he is supported by the senior management team. The key role of the GEC is day-to-day management of Rathbones. The committee actively reviews and assesses business performance supported by a range of committees that operate across the Group.

Full biographies of the Group Executive Committee are available on our [website](#).

⊕ Read more on the  
Group Executive Committee



**PAUL STOCKTON**  
GROUP CHIEF EXECUTIVE OFFICER



**IAIN HOOLEY**  
GROUP CHIEF FINANCIAL OFFICER



**RUPERT BARON**  
CHIEF EXECUTIVE OFFICER  
INVESTMENT MANAGEMENT



**ANDY BRODIE**  
GROUP CHIEF OPERATING OFFICER



**IVO DARNLEY**  
MANAGING DIRECTOR RIM



**GAYNOR GILLESPIE**  
GROUP CHIEF PEOPLE OFFICER



**MURRAY MACKAY**  
MANAGING DIRECTOR  
IW&I (UK)



**TONY OVERY**  
CHIEF EXECUTIVE OFFICER  
SHL/RFP



**SARAH OWEN-JONES**  
GROUP CHIEF RISK OFFICER



**SIMONETTA RIGO**  
CHIEF CLIENT OFFICER



**JAYNE ROGERS**  
GROUP CHIEF DISTRIBUTION OFFICER  
EXECUTIVE CHAIR OF RAM

## CORPORATE GOVERNANCE REPORT

## COMPLIANCE WITH THE 2018 UK CORPORATE GOVERNANCE CODE

The firm is committed to the highest standards of corporate governance as set out in the UK Corporate Governance Code (the Code). The Code sets out the standards of good practice in relation to how the company should be governed and can be found on the FRC's website at [www.frc.org.uk](http://www.frc.org.uk). This has been applied by the company during the period under review. The Board is satisfied that the company has complied with the provisions of the Code throughout the period under review with one instance to the contrary, which is referenced in more detail in the Nomination Committee report on [page 100](#). You can read more about the firm's compliance with the Code as set out below:

SECTION 1: BOARD LEADERSHIP AND COMPANY PURPOSE	Page	SECTION 2: DIVISION OF RESPONSIBILITIES	Page	SECTION 3: COMPOSITION, SUCCESSION AND EVALUATION	Page	SECTION 4: AUDIT, RISK AND INTERNAL CONTROLS	Page
<b>A</b> Effective and entrepreneurial Board to promote the long-term sustainable success of the company, generating value for shareholders and contributing to wider society		<b>F</b> Leadership of Board by Chair		<b>J</b> Board appointments and succession plans for Board and senior management and promotion of diversity		<b>M</b> Independence and effectiveness of internal and external audit functions and integrity of financial and narrative statements	
<b>B</b> Purpose, values and strategy with alignment to culture		<b>G</b> Board composition and responsibilities		<b>K</b> Skills, experience and knowledge of Board and length of service of Board as a whole		<b>N</b> Fair, balanced and understandable assessment of the company's position and prospects	
<b>C</b> Resources for the company to meet its objectives and measure performance. Controls framework for management and assessment of risks		<b>H</b> Role of non-Executive Directors		<b>L</b> Annual evaluation of Board and Directors and demonstration of whether each director continues to contribute effectively		<b>O</b> Risk management and internal control framework and principal risks company is willing to take to achieve its long-term objectives	
<b>D</b> Effective engagement with shareholders and stakeholders		<b>I</b> Company secretary, policies, processes, information, time and resources					
<b>E</b> Consistency of workforce policies and practices to support long-term sustainable success		• Board composition	<a href="#">96</a>	• Board composition	<a href="#">96</a>	• Audit Committee report	<a href="#">106</a>
• Chair's statement	<a href="#">8</a>	• Key roles and responsibilities	<a href="#">94</a>	• Diversity, tenure and experience	<a href="#">100</a>	• Risk Committee report	<a href="#">111</a>
• Strategic Report	<a href="#">2</a>	• General qualifications required of all directors	<a href="#">101</a>	• Board, committee and director performance evaluation	<a href="#">104</a>	• Strategic report	<a href="#">2</a>
• Board engagement with key stakeholders	<a href="#">24</a>	• Information and training	<a href="#">100</a>	• Nomination Committee report	<a href="#">100</a>	• Fair, balanced and understandable annual report	<a href="#">106</a>
• Shareholder engagement	<a href="#">30</a>	• Board appointments and succession planning	<a href="#">100</a>			• Going concern basis of accounting	<a href="#">106</a>
• Audit Committee report	<a href="#">106</a>					• Viability statement	<a href="#">68</a>
• Risk Committee report	<a href="#">111</a>						
• Conflicts of interest	<a href="#">102</a>					<b>SECTION 5: REMUNERATION</b>	<b>Page</b>
						<b>P</b> Remuneration policies and practices to support strategy and promote long-term sustainable success with executive remuneration aligned to company purpose and values	
						<b>Q</b> Procedure for executive director and senior management remuneration	
						<b>R</b> Authorisation of remuneration outcomes	
						• Remuneration Committee report	<a href="#">114</a>

# NOMINATION COMMITTEE REPORT



**CLIVE C R BANNISTER**  
CHAIR OF THE  
NOMINATION COMMITTEE

“

The committee spent considerable time during the year considering the Group's succession planning at executive committee and senior manager levels.

⊕ Full terms of reference for the Committee are available on the company's website.

This report sets out an overview of the committee's roles, responsibilities and its key activities during the year. Activities undertaken by the committee included a formal review of senior management succession planning, assessing the capability and potential of incumbents in key roles and the succession pipeline across the Group. Further information on talent and succession planning can be found in the responsible business review on [page 69](#).

## SUCCESSION PLANNING

In tandem with considering composition during the year the committee ensured appropriate succession planning for both the Board and the Group's senior management was in place. This involved:

- Reviewing the succession planning and talent pipeline for members of the GEC and those who hold senior manager functions (SMFs) to ensure resilience in these key areas is maintained and planned
- Actively considering mechanisms for staggering Board tenure to manage evenly the distribution of change amongst the Board
- Reviewing arrangements for short-term contingency planning to prepare for unexpected periods using existing talent – for Non-Executive Directors, members of the GEC and individuals holding SMFs. This process helped identify any areas of over-reliance on key individuals, which the committee will monitor.

All of these assessments (relating to composition and succession) were undertaken in line with the board diversity policy – the committee reviews broader aspects of diversity as part of its reviews of board composition and succession planning, and when searching for candidates.

## EXECUTIVE MANAGEMENT AND TALENT DEVELOPMENT

The committee spent considerable time during the year considering the Group's succession planning at Executive Committee level and below. Murray Mackay has decided to retire from the firm at the end of February 2025. Also, during the year, Rupert Baron notified the firm that he would like us to plan for his retirement once a successor had been identified as CEO of Investment Management. To ensure a comprehensive and unbiased evaluation of potential candidates, both internal and external, we collaborated with Russell Reynolds, the executive search firm. The detailed candidate specification was centred on our overall strategic objectives and the integral role the CEO of Investment Management would play in achieving these. This was pivotal in defining the required competencies and experiences for the prospective candidates. Russell Reynolds assessed the competencies of both internal and external candidates in order to assess all candidates on an equal footing and to ensure that the selection process was objective and fair. Further details on the recruitment of CEO of Investment Management will follow later in 2025.

Recognising that investing in our workforce and nurturing talent is critical to the future success of the Group, the Committee also paid particular attention to succession planning below the GEC as part of the integration with IW&I UK. The committee monitored initiatives to ensure that there was a suitably experienced pipeline in place for internal promotion to senior management roles.

## BOARD INDUCTION PROGRAMME

Our Executive and Non-Executive Directors are offered a comprehensive and tailored induction programme to introduce them to the business, industry and regulatory context. The programme is based on one-to-one meetings with the Executive Directors and Executive Committee members, the heads of group functions and the Company Secretary and covers the areas of business outlined below.

## BOARD DIVERSITY

The Board believes that building a diverse and inclusive workforce is important not just because it is the right thing to do, but because it is good for the Group's clients, its business and its colleagues. The Group's objective is to build a diverse workforce at all levels and create an inclusive culture. The Board is committed to creating a culture where people treat each other with dignity and are encouraged to realise their full potential. The Group's Inclusion and Diversity Policy makes clear the Group's aspirations and commitment; and by defining the roles and responsibilities that will support it in attaining these objectives.

The Group's diversity, equality and inclusion strategy outlines the priority areas of focus, which are currently:

- To build a culture of inclusion where colleagues feel safe, respected and where they belong
- To increase ethnic minority representation, recognising the need to accelerate progress in this area
- To maintain our commitment to increase female representation and close the gender pay gap.

NOMINATION COMMITTEE REPORT

During the period, the committee reviewed progress against the Group’s inclusion and diversity strategy and action plan, including a number of key achievements, details of which can be found on [page 73](#) of the strategic report.

The Board’s diversity policy is designed to ensure transparency and diversity in making appointments to the Board upon the recommendation of the Nomination Committee. The policy recognises the importance of having Directors with a range of relevant experience, and embraces the benefits derived from having Directors who come from diverse backgrounds. The gender and ethnicity balance of the Board is taken into consideration when recruiting a new Non-executive Director. This is reflected in the current composition of our Board. To achieve this goal, we only engage with external search firms that are signatories to the Voluntary Code of Conduct for Executive Search Firms for board-level appointments.

The Nomination Committee reviews and evaluates the structure, size and composition of the Board and is responsible for identifying and recommending new Directors for appointment. Board appointments are made following rigorous consideration by the Nomination Committee of the balance of skills, experience, knowledge and diversity. When considering Board composition, the Nomination Committee reviews best practice, including the new Listing Rules relating to diversity, the findings of the FTSE Women Leaders Review and the Parker Review.

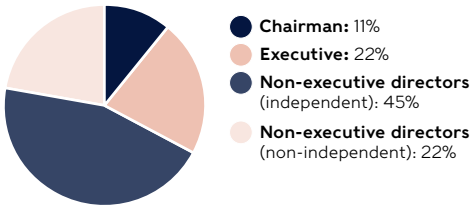
The committee considered the Group’s diversity in the context of the UK Listing Rule 6.6.6R(9)(a) requirements on diversity metrics and reporting. As at 31 December 2024, the company has met the FCA diversity targets:

- the Board met its target of having 40% female directors (2024: 44%)
- the Board met its target of having at least one director from a minority ethnic background (2024: 1)
- the Board met the requirement to have one of the senior board positions (Chair, Senior Independent Director, Chief Executive or Chief Financial Officer) occupied by a female director. The directors who hold these roles were appointed following formal, rigorous and transparent procedures and are the most suitable and experienced individuals for their roles and the Group’s needs. The Board recognises that this will be a consideration for future appointments to these roles (2024: 1).

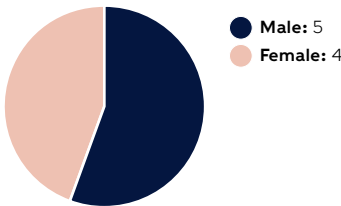
In accordance with UK Listing Rule 6.6.6R(9)(a) the data for the above disclosure is as disclosed by the relevant individuals as at 31 December 2024.

The tables on the [following page](#) illustrate the gender and ethnic diversity of the executive management population, which comprises the Group Executive Committee and company secretary, but excludes administrative or support colleagues, pursuant to UK Listing Rule 6.6.13R.

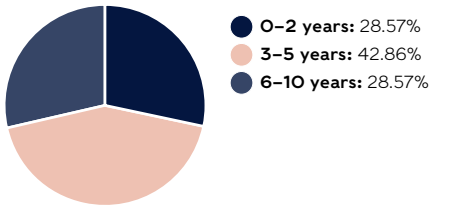
BOARD COMPOSITION



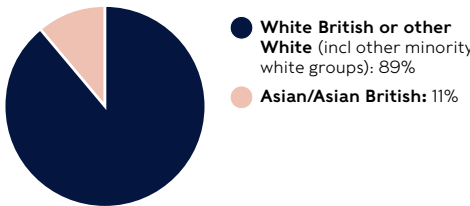
BOARD GENDER DIVERSITY



NON-EXECUTIVE DIRECTORS’ TENURE



BOARD ETHNICITY



## NOMINATION COMMITTEE REPORT

## BOARD AND GROUP EXECUTIVE COMMITTEE GENDER DISCLOSURE

Reporting table on gender representation as at 31 December 2024

	Number of Board members	% of the Board	Number of senior positions on the Board (Chair, CEO, CFO, SID)	Number in GEC	% of executive management
Men	5	56%	3	8	67%
Women	4	44%	1	4	33%
Not specified/ prefer not to say	–	–	–	–	–

1. GEC is defined as members of our Group Executive Committee including the Group Company Secretary

## BOARD AND GROUP EXECUTIVE COMMITTEE ETHNICITY DISCLOSURE

Reporting table on ethnicity representation as at 31 December 2024

	Number of Board members	% of the Board	Number of senior positions on the Board (Chair, CEO, CFO, SID)	Number in GEC <sup>1</sup>	% of executive management
White British (including minority white groups)	8	89%	4	9	75%
Mixed/multiple ethnic group	–	–	–	–	–
Asian/Asian British	1	11%			
Black/African/Caribbean/ Black British	–	–	–		–
Other ethnic group	–	–	–		–
Not specified/ prefer not to say	–	–	–	3	25%

1. GEC is defined as members of our Group Executive Committee including the Group Company Secretary

DIRECTOR INDEPENDENCE,  
TIME COMMITMENT AND RE-ELECTION

The committee conducted its annual review of the independence of the Non-executive Directors, and time commitments of the Directors generally. In reviewing the independence of the Non-executive Directors, the committee considered in detail whether any circumstances had arisen, including those set out in Provision 10 of the Code, which are likely to impair, or could appear to impair the independence of each non-executive director. The committee concluded that it considered each of the Non-executive Directors (other than the shareholder nominated directors) to be independent under the provisions of the Code. The committee recognises that Sarah Gentleman, Senior Independent Director, has exceeded her nine-year tenure on the Board. The committee has agreed to extend her tenure in order to ensure stability and continuity on the Board following the combination with IW&I. The committee has noted her significant contribution, including as Remuneration Committee Chair and the Board, and I, as Chair, value her knowledge, experience and continuity. Nevertheless, the committee will consider Non-executive Director succession during 2025.

As outlined in my statement last year, two Shareholder Representative Directors were appointed to the Board following completion of the combination with IW&I: Ruth Leas and Henrietta Baldock. Under the terms of the Relationship Agreement, such appointments required the committee's approval but the Board agreed that Shareholder Directors would not be considered independent under the Code given their relationships with appointing shareholders. They will not be appointed to the Audit, Remuneration or Risk Committees.

In concluding that each of the Non-executive Directors has sufficient time available to allocate to the company as set out in their letters of appointment, the committee considered: the detailed requirements of the Code and other key regulatory requirements; attendance records for each Director and responsiveness to company business; as well as the confirmations given to the Chair by each of the Non-executive Directors that they continue to have sufficient time to discharge their responsibilities effectively. Based on its assessment of each director's performance and ability to continue to contribute to the Board in light of the knowledge, skill and experience they possess, the committee has recommended to the Board that each of the directors is eligible to be put forward for election or re-election at the 2025 AGM as appropriate.

## NOMINATION COMMITTEE REPORT

### BOARD EFFECTIVENESS REVIEW

During the year, the committee led the annual Board evaluation process. The committee supported the Senior Independent Director and the Company Secretary in agreeing the scope of the evaluation and oversaw the process to select Independent Audit as the independent board evaluator. Further information can be found on [page 104](#).

The committee considers that during the year it continued to have access to sufficient resources to enable it to carry out its duties and has continued to perform effectively. During the year, the committee reviewed its terms of reference to ensure that they remain appropriate.

### CHAIR AND INDIVIDUAL DIRECTOR PERFORMANCE EVALUATIONS

The SID leads the non-executive members of the Board in an annual evaluation of the performance of the Chair, which includes an assessment of the working relationship between the Chair and the Group CEO. In carrying out the annual evaluation, the SID meets with the non-executives without the Chair present and takes into account the views of the Executive Directors, as appropriate. Following this year's review, the effectiveness of the Chair continued to be highly-rated. The Chair meets with Board members throughout the year to assess their individual performance. Following this year's review, and the insights gained from the external facilitator, the Chair confirmed that the individual directors' continued to contribute effectively to the Board.

### FOCUS FOR 2025

Looking ahead to the next financial year, it is anticipated that the committee will focus on:

- Succession planning and talent pipeline to ensure alignment to the future strategic needs of the firm
- Delivery of our diversity and inclusion strategy
- Implementation of the recommendations from external Board effectiveness review.

### CLIVE C R BANNISTER

CHAIR OF THE NOMINATION COMMITTEE

25 February 2025

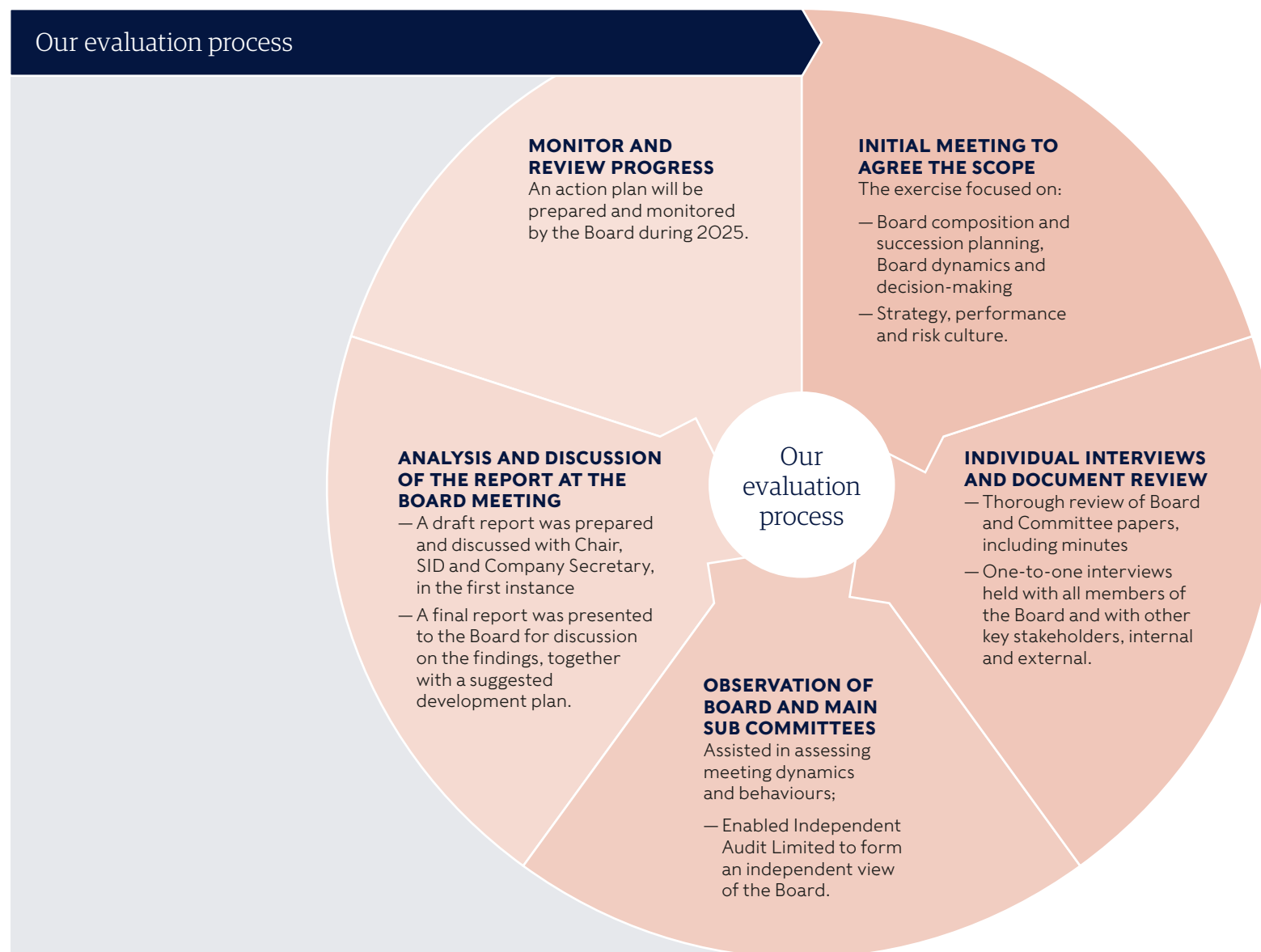
## NOMINATION COMMITTEE REPORT

## BOARD AND COMMITTEE EVALUATION

Another role of the Nomination Committee is to oversee the annual Board and Committees' effectiveness review. In line with best practice, a formal and rigorous review of the effectiveness of the Board and its Committees is conducted each year. The Board and its Committees undergo a full, independent external evaluation every three years, and an externally-facilitated internal evaluation on all other years. This year, in line with the requirements of the Code, the effectiveness review was undertaken by an independent, external board effectiveness review specialist.

Following a robust tender process conducted by the SID and Group Company Secretary, upon the Committee's recommendation, the Board approved the appointment of Independent Audit Limited (IAL) as the independent external reviewer to conduct the 2024 evaluation. IAL was chosen due to its experience in financial services firms. IAL have previously supported the firm's internal and external reviews and, to ensure independence was maintained, this year's review was undertaken by a new team. The process, findings and resulting actions from the 2024 effectiveness review of the Board and its Committees can be found in the diagram to the right. IAL had the opportunity to comment on these disclosures. They have also conducted an external review of a firm which is chaired by the Rathbones' Chair.

## Our evaluation process



NOMINATION COMMITTEE REPORT  
BOARD AND COMMITTEE EVALUATION

2024 External evaluation

Following our 2024 external evaluation, the overall findings and tone of the report was positive and indicated that the Board and its committees have the attributes necessary for an effective Board. There was confidence in the Board’s ability to oversee strategy whilst delivering a transformational transaction and chair continued to lead the Board effectively. A summary of the Board’s strengths along with a number of recommendations for development are provided below.

KEY OUTCOMES	STRENGTHS	CONTINUED AREAS OF FOCUS
BOARD OPERATIONS, COMPOSITION AND DIVERSITY:	<ul style="list-style-type: none"><li>— Non-Executive Directors are well prepared for the meetings</li><li>— Differing personal styles of the Non-Executive Directors add diversity of thought to Board and Committee discussions</li><li>— The Board Committees and the extensive work of the chairs outside of the boardroom, supported the effectiveness of the Board.</li></ul>	<ul style="list-style-type: none"><li>— Non-Executive Directors to continue to share more of their own experiences with the Executive team</li><li>— Enhance the quality of the Board and Committee papers to enable the Board to ask the right questions and better support its priorities on strategy.</li></ul>
ENGAGEMENT WITH THE EXECUTIVE TEAM:	<ul style="list-style-type: none"><li>— The strength of the company’s culture built around good behaviours and positive challenge to the executive team.</li></ul>	<ul style="list-style-type: none"><li>— Facilitate more informal engagement between the non-executive directors and the Executive team to enable more open discussions</li><li>— Continue to cascade feedback received from our people to the Executive team.</li></ul>
PEOPLE AND CULTURE:	<ul style="list-style-type: none"><li>— Chair is effective at encouraging participation in meetings and fostering debate supported by a very able SID</li><li>— The CEO is highly regarded by the Board and has a collaborative relationship with the Chair</li><li>— There is good challenge by the NEDs in board meetings</li><li>— Board agendas address the key priorities of the business.</li></ul>	<ul style="list-style-type: none"><li>— Continued focus on succession to ensure the Board has the right skills</li><li>— Culture and values may need to be reviewed in line with combined enlarged Group</li><li>— Conduct a review of the firm’s longer-term people strategy.</li></ul>
STRATEGY AND RISK:	<ul style="list-style-type: none"><li>— The Board and the executive team continue to focus on evolving the firm’s strategy post integration of IW&amp;I</li><li>— The Board, supported by the Risk Committee, ensure that consideration is given to risk in all major decisions made.</li></ul>	<ul style="list-style-type: none"><li>— There needs to be ongoing focus on the firm’s long term strategy and more time given to “blue sky” thinking</li><li>— At Board strategy day, introduce internal and external speakers to discuss key topics, market trends and development.</li></ul>

2023 Internal evaluation

The full details of the internal evaluation, including the process and its findings, can be found on [page 98 of our 2023 Annual Report](#). Below is a summary of the progress against the actions from the 2023 evaluation:

- INTEGRATION

Monitoring and delivery of the IW&I integration, agree format/dashboard of regular reporting and ensure the Board has sufficient MI during integration.

The Board received critical MI and dashboard on integration at each meeting that ensured oversight of activity.
- STRATEGY

Continue to focus on the ‘big picture’ and the future of the firm as well as the direction of the industry.

The Board and GEC held a strategy day in 2024 to discuss the future direction of the firm.
- ENGAGEMENT WITH MANAGEMENT

Increase the level of 1:1 meetings between management and the NEDs to ensure Board discussions are better informed. Also, additional informal meetings can be arranged to address key topics with management.

Non-Executive Directors and the executive team held regular 1:1 catch ups, in addition, the Board held a number of informal virtual meetings during the year.

# AUDIT COMMITTEE REPORT



**IAIN CUMMINGS**  
CHAIR OF THE AUDIT COMMITTEE

“  
The committee acts independently of management to ensure the interests of stakeholders are properly protected.

⊕ Full terms of reference for the Committee are available on the company's website.

This report provides an overview of how the committee has discharged its responsibilities over the last 12 months. Key areas of focus in 2024 were:

- Analysis of the firm's financial reporting with particular consideration of accounting judgements made during the preparation of the financial statements
- Assessing the integrity and fair presentation of the Group's external financial reporting, including climate change disclosures as well as our climate report
- Reviewing and approval of the client assets sourcebook audits and submissions for relevant subsidiaries
- Reviewing the maintenance and effectiveness of the Group's internal control framework including the impact of significant change activity
- Reviewing the impact and the Group's response to the upcoming changes to the Corporate Governance Code
- Overseeing the effectiveness of internal audit and the External Quality Assessment (EQA) process.

The Audit Committee's key role is to ensure there is confidence in the integrity of our processes and procedures as they relate to internal financial controls and corporate reporting. The Board relies on the committee to review financial reporting and to appoint and oversee the work of the internal and external auditors. This includes reviewing and challenging the appropriateness of accounting policies, significant issues and judgements, and the assumptions in support of the company's ability to continue as a going concern and its longer-term viability. You can find further details on [page 68](#).

## COMMITTEE MEMBERSHIP, OPERATIONS AND EFFECTIVENESS

The committee acts independently of management to ensure the interests of shareholders are properly protected in relation to financial reporting and internal control. The committee members bring a diverse range of experience in finance, risk, control and business, with particular experience in the financial services sector.

The composition of the committee satisfies the relevant requirements of the UK Corporate Governance Code. The Board also considers that I have the appropriate recent and relevant experience. The qualification for each of the members is outlined on [pages 96 to 97](#). In addition to the members of the committee, standing invitations are extended to the Chair, Executive Directors, Chief Risk Officer, Head of Internal Audit, Group Financial Controller, and the external audit partner and manager. Other executives and external advisers are invited to attend the committee from time to time as required to present and advise on reports commissioned.

An external evaluation of the Board and its committees was undertaken during the year in line with the requirements of the UK Corporate Governance Code, as described on [page 99](#). The evaluation found that the committee continues to operate effectively. The committee considers that it has access to sufficient resources to enable it to carry out its duties.

## FINANCIALS REPORT AND FINANCIAL STATEMENTS AND INTERIM RESULTS

Through considering significant accounting issues, policies and judgements throughout the year, the committee plays an important role in the production of the report and financial statements and interim results. This includes reviewing and challenging the basis of our reporting in key areas of judgement and uncertainty ([Note 2](#)) and the assumptions that support the use of the going concern basis for the preparation of the financial statements and the statement given by the Directors as to the company's longer-term viability, which can be found on [page 68](#). In addition, the committee also undertakes a broader review of the content of the report and financial statements to advise the Board as to whether, taken as a whole, it is fair, balanced, and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy. This supports the Board in providing the confirmations set out on [page 134](#).

In considering the wider content of the report and financial statements, the committee has focused its attention to ensuring the narrative sections are consistent with, and provide context for, the financial statements and outline an appropriate balance between the articulation of successful outcomes, opportunities, challenges, and risks. In addition to considering its content, the committee oversees the process for preparing the report and financial statements and receives regular updates throughout the period on planning for the year end reporting, with overall responsibility for coordinating production assigned to the Chief Financial Officer.

## AUDIT COMMITTEE REPORT

### EXTERNAL AUDIT

A key aspect of the committee's role is its oversight of the Group's relationship with the external auditor. This includes making recommendations to the Board in relation to the appointment of the external auditor, approving its scope of work, fees and terms of engagement, as well as regularly reviewing its independence, objectivity and effectiveness. We received assurance from our internal effectiveness review and the FRC Audit Quality Review that our external auditors, Deloitte LLP, continue to perform satisfactorily. Further details of work in respect of these and other key areas are set out in the sections below.

### AUDIT WORK 2024

Deloitte has been auditor to the Group since May 2019, and Simon Cleveland succeeded Manbhinder Rana as the firm's lead partner, who rotated off this audit during 2024. During the year, the Audit Committee Chair has engaged and had oversight of the succession and smooth handover process. Mr Simon Cleveland attended all committee meetings.

The committee has overseen the end-to-end audit process and reviewed and approved the external auditor's engagement letter and the detailed audit plan to ensure appropriateness of scope. In approving the proposed audit fees, the committee paid particular attention to ensuring they were appropriate to enable an effective and high-quality audit.

The committee reviewed the findings from the audit process with the external auditor, which included a discussion of key audit and accounting matters, including significant judgements and provisions which included details of the external auditor's views on its interactions with management.

The committee reviewed and recommended to the Board that it sign the representation letter requested by the external auditor in respect of its audit of the financial statements. The views of the external auditor were sought at the committee's meetings, which included sessions without management present, to discuss its remit and any issues arising from the audit.

The company has complied with the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 for the year ended 31 December 2024. Also, the committee has considered and prepared for the adoption of the Minimum Standard as issued by the FRC and, in the year-to-date, has had no matters on which it is required to report.

### EXTERNAL AUDIT EFFECTIVENESS AND INDEPENDENCE

We place great importance on the quality, effectiveness and independence of the external audit process. In order to review the external audit process, including the performance of the external auditor, feedback is gathered from both committee members and management. This process was coordinated by internal audit. The committee noted that the external auditor had demonstrated challenge and professional scepticism in performing its role through the provision of regular reporting and drawing the committee's attention to key matters during committee meetings. We also reviewed the FRC Audit Quality Inspection report prepared on our external auditor and discussed this report with the audit partner. No material findings were identified from this inspection.

As part of its role to monitor and assess the independence and objectivity of the external auditor, the committee has considered the FRC's Revised Ethical Standard 2019 (the Standard) and paid particular attention to the Group's wider relationship with the external auditor through its provision of non-audit services to the Group, the rotation of the Senior Audit Partner, and the external auditor's tenure with the Group, as detailed below.

The external auditor provided the committee with a report confirming that, in line with the FRC's Standard and having regard to the threats and safeguards to independence, it had concluded that there were no matters that impaired or restricted its objectivity as auditors to the Group.

### NON-AUDIT SERVICES

The committee has responsibility for recommending to the Board the Group's policy on non-audit services supplied by the external auditor. The policy is specifically designed to ensure that the external auditor's independence and objectivity is maintained. It sets out a number of permissible non-audit services that the external auditor may carry out in line with the FRC's Standard. The committee, in particular, considers that it is desirable that the external auditors also perform the assurance services required by regulation in respect of CASS and Safeguarding as this provides efficiencies in the audit process and, in its judgement, the threats to the auditors' independence are insignificant. The committee's prior approval is only required where the fee for an individual non-audit service is expected to exceed £50,000 and it is on the list of pre-approved services.

## AUDIT COMMITTEE REPORT

Prior to undertaking any non-audit service, Deloitte also completes its own independence confirmation processes, which are approved by the engagement partner. To provide the committee with oversight in this area, it submits six-monthly reports on the non-audit services it has provided.

In line with the FRC's Standard, the policy specifies that the maximum non-audit fees that the external auditor can receive from the Group is 70% of the average of the audit fees incurred by the Group over the previous three years. Assurance services in relation to CASS and safeguarding are specifically excluded from the fee cap. The Group was charged £2,318,000 by Deloitte in relation to the financial year 2024 (FY23: £1,742,000) for audit and audit-related assurance services, and £238,000 (FY23: £540,000) for other assurance services, giving a total fee to Deloitte of £2,556,000 (FY23: £2,282,000), 39.5% was therefore for non-audit services. Further information on auditors' remuneration is set out in [note 7](#) to the financial statements.

The committee considered the information and views presented to it and has concluded that the external audit process was effective, that it is satisfied with the performance of the external auditor, and that there are policies and procedures in place adequate to protect the independence and objectivity of the external auditor. Accordingly, the committee has recommended to the Board that a resolution be put to shareholders at the upcoming AGM for the reappointment of the external auditor. In conformance with the required rules, provisions and good corporate governance in respect of audit tendering and rotation, the group will be required to tender for the external audit at the 2029 financial year end. The committee will consider in due course its plan for the tender.

## RISK MANAGEMENT AND INTERNAL CONTROLS

The Group's internal control framework is an essential part of ensuring the integrity of its financial reporting and other business operations. The committee oversees the effectiveness of, and ongoing improvements to, the Group's internal controls, as well as having responsibility for monitoring and reviewing the effectiveness of the Group's internal audit function, which provides assurance on those controls.

In conjunction with the Risk Committee, the committee provides assurance to the Board on the Group's system of internal controls. A key element of this is the review of the financial control systems that identify, assess, manage, and monitor financial risks, which are an important aspect of ensuring the integrity of the Group's financial statements as a whole. The committee receives reports from management on the effectiveness of those controls in addition to the independent assurance on the effectiveness of controls contained in the control environment from the external auditor.

At each meeting a report is tabled by the Head of Internal Audit and the committee reviews any major findings into control weaknesses and management's response. The committee also reviews the results of our annual ISAE3402 reporting for clients in RIM and the AAF for clients, which was run to September 2023.

The committee members actively follow up with management on the rectification of identified control weaknesses. In addition, the committee receives an assessment from the risk management function on the balance of key accounting judgements and fraud risk and controls to assist with the review of the Annual Report.

During the period, the committee has:

- Reviewed the Internal Audit reports for the period as well as the progress of actions against any prior year observations on controls
- Considered year-end reports on various aspects of the internal control environment of the business from internal audit, the Group Chief Risk Officer and the Chief Financial Officer. In addition, a year-end update was provided to the committee covering the Group financial control framework
- Reviewed and approved the ISAE3402 reports for Rathbones and AAF for IW&I on their testing of controls over the core operating systems supporting the Investment Management and Funds businesses
- Reviewed the external audits that were performed regarding controls applicable to client assets held by regulated entities in the Group.

The committee was satisfied that no material weaknesses were identified and that adequate steps were being taken to remedy control deficiencies identified.

In conjunction with the Group Risk Committee, we have satisfied ourselves that the Group's internal control framework is effective and adequately aligned with the Group's risk profile. We are satisfied that the internal controls in relation to the financial reporting process are appropriately designed and effective in identifying risks faced by the Group. Full details of the internal control framework are given within the risk management section on [pages 58 to 67](#).

## AUDIT COMMITTEE REPORT

### INTERNAL AUDIT EFFECTIVENESS

The committee considers the effectiveness of internal audit on an ongoing basis. Every five years, in line with the requirements of the Code this includes an External Quality Assessment, which is an assessment of an internal audit function's compliance with the International Professional Practices Framework (which includes Global Internal Audit Standards) and the Chartered IAA Internal Audit Financial Services Code of Practice.

The outcome of this review indicated that the internal audit function generally conforms – the highest available rating – with these professional standards and has applied the FS Code appropriately ensuring that the function continues to be effective. The team is well respected across the firm and has direct access to the executive team as well as 2nd line functions which helps avoid duplication of activities. A small number of enhancements to the team and its approach to audits had been recommended which had been discussed with the Head of Internal Audit and the Committee. An action plan to address these areas of enhancement has been developed and completion will be monitored by the Committee.

An EQA was performed in 2024 and the Committee commissioned the review, oversaw the selection of the third party assessor and received and discussed their report.

### INTERNAL AUDIT FUNCTION

The Group's internal audit function's role is to provide objective assurance and advice to both the Board and management on the Group's internal control and risk management framework. The committee provides oversight of the programme of work carried out by the function, as well as monitoring and reviewing its role and effectiveness, including its objectivity.

The role of the Group's internal audit function is defined by the Internal Audit Charter, which sets out its objectives, responsibilities, and scope of work. The charter was subject to review this year based on industry best practice and was approved by the committee in April 2024.

The function's detailed work programme is set out in a rolling 12-month Internal Audit Plan. This is reviewed based on updated risk assessments and approved by the committee every six months and the Committee also ensures that adequate resources are available to deliver the plan. The committee is satisfied that the Plan covers the Group's key risks, regulatory priorities and strategic ambitions and aligns with the assurance activity being carried out by the Group's second line function and the external auditor. Important topics covered by the Audit Plan this financial year include Consumer Duty implementation, Strategic Change delivery plan and integration programme for IW&I. Any Plan modifications are approved by the Committee.

During the period, regular reports were received on progress against the Plan and these reports form a crucial input to our assessment of the internal control environment. The committee uses this information to assess the function's effectiveness and to ensure that it is adequately resourced and fully equipped to fulfil its mandate and perform in accordance with the Internal Audit Charter and relevant professional standards.

The Head of Internal Audit is a permanent invitee to the committee's meetings and meets regularly with both the committee chair and its members without management present. Having considered the information provided to it throughout the period under review, the committee remains satisfied that the quality, experience, and expertise of the function is appropriate and that it is operating effectively. The committee continues to support the maintenance of the function's objectivity. It ensures the Head of Internal Audit has direct access to both the Chair of the Board and the Committee Chair, in each case without the involvement of management, and they receive reporting directly from the function.

The Committee Chair is responsible for setting objectives for the Head of Internal Audit, appraising her performance (with support from the Chief Executive Officer) and recommending her annual remuneration for approval by the Remuneration Committee.

## AUDIT COMMITTEE REPORT

### WHISTLEBLOWING CHAMPION

The Committee Chair is the whistleblowing champion for the Group, and the Group is committed to creating a culture of openness, integrity, and accountability. A formal policy is in place which encourages colleagues and contractors to raise concerns, in confidence, about possible wrongdoing. Awareness of the policy is achieved through regular engagement and training throughout the year. Changes to the policy require the approval of the Board. The committee has responsibility for regularly reviewing the adequacy of arrangements to ensure reports are investigated, appropriate action is taken where necessary, and that appropriate steps are in place to safeguard reporters against victimisation.

During the period, the committee received regular reporting on whistleblowing, including management information on concerns raised. The committee was satisfied that the strength of the arrangements is aligned with other financial services organisations. As part of the Group's commitment to ensure reasonable procedures are in place to prevent fraud, the committee also received a report on fraud risk assessments. This outlined the controls and measures in place to detect fraud and safeguard clients' assets. No material issues were identified.

### FOCUS FOR 2025

As well as considering the standing items of business, the committee will also focus on the following areas during 2025:

- measurement and delivery of synergy benefits
- maintenance of internal controls through the integration programme
- monitor the action plan to deliver potential enhancements identified by the EQA exercise
- readiness for enhanced controls reporting under the Corporate Governance Code.

### IAIN CUMMINGS

CHAIR OF THE AUDIT COMMITTEE

25 February 2025

## GROUP RISK COMMITTEE REPORT



**TERRI DUHON**  
CHAIR OF THE  
GROUP RISK COMMITTEE



**The committee undertakes a robust assessment of both the principal and emerging risks related to strategic and operational matters.**

⊕ Full terms of reference for the Committee are available on the company's website.

As chair of the Group Risk Committee, I am pleased to present the committee's report on the activities undertaken in the year under review.

The committee plays a key role in overseeing the integrity of the robustness of the Group's system of internal control and financial and risk management.

The Group's approach to risk management, how it evaluates and manages the principal risks and uncertainties the Group faces are set out on [pages 58 to 67](#).

The Board is responsible for the Group's risk management and strategy, and for determining an appropriate risk appetite. The committee ensures that risk management is properly considered in Board decisions and provides oversight of risk within the Group, including for IW&I following the combination in 2023. The committee advises the Board on changes to the Group's risk profile and risk appetite and monitors the effectiveness of the Group's risk management framework.

The committee plays a key role in overseeing the management of capital adequacy and liquidity through the ICAAP, ILAAP and ICARA which includes ensuring Rathbones has sufficient capital for its existing and future strategy. Continued enhancements to the Group's risk maturity have been reviewed by the committee, which has scrutinised the Group's risk profile in relation to solvency, liquidity, operational, conduct and reputational risks. In addition, we continue to progress against our regulatory agenda, with a particular focus on Consumer Duty this year as well as having oversight of the firm's first Consumer Duty Report.

Also, our attention has remained focused on business-as-usual matters such as conduct risk, investment performance risk, cyber risk and third-party risk. The committee receives updates on each of these areas, and I remain confident that we are well positioned to meet the challenges and uncertainties that each of these will pose.

The committee undertakes a robust assessment of both the principal and emerging risks facing the Group over the course of the year, and reviews reports from the risk and compliance function on the processes that support the management and mitigation of those risks. As part of the ongoing review process, a specific assessment of the principal risks and emerging risks and uncertainties facing the Group is also carried out by the committee, including those that would threaten its business model, future performance, solvency or liquidity.

The committee has continued to keep under review the Group's strategy, delivery of our digital programme and managing integration risks. Regular updates on mobilisation priorities have been received to ensure that the activities supporting the delivery and execution of the strategy are adequately managed and prioritised across other business-as-usual activities in order to support good client outcomes.

The committee reviews a report from the Chief Risk Officer at each meeting, which includes key themes impacting the risk profile and regulatory change risks that could impact the Group. It also covers the output of risk assurance activities and specific areas of financial and non-financial risk, including regulatory risk and client outcomes.

The committee works closely with the audit committee on risk and control matters, and both committee Chairs are members of the other committee to ensure a co-ordinated approach. The operation of effective key controls for assessing and managing the Group's key risks is delegated to the audit and risk committees.

The committee also focused on programmes to further align and integrate the Group risk management framework in anticipation of the combination with Investec Wealth & Investment (UK) (IW&I).

### COMMITTEE MEETINGS

Our current members are the independent Non-Executive Directors, who met formally on five occasions during the year and informally three times to review key regulatory reports. In addition to the members of the committee, standing invitations are extended to the Chair and other Board members, the Executive Directors, the Chief Risk Officer, the Chief Operating Officer, the managing directors and the Head of Internal Audit. All attend committee meetings as a matter of course and inform the committee's discussions. Other Group Executive Committee members and risk team members are invited to attend the committee meetings from time to time as required to present and advise on reports commissioned.

I frequently meet with the Chief Risk Officer in a combination of formal and informal sessions throughout the year. I also meet with senior management across all divisions of the Group, including the risk and compliance division, to discuss the business environment and to gather their views on emerging risks.

## GROUP RISK COMMITTEE REPORT

The committee has an agreed annual standing agenda to cover key risk items in the year, which are required to be addressed in accordance with the terms of reference. The committee always discusses the Chief Risk Officer's report, which covers the second line risk view, as well as reports from management which give the first line risk view. We also then hear about financial risks, and finally internal audit gives any thoughts at the end of the meeting to cover the third line risk view. Prior to each meeting, I agree the agenda with the Chief Risk Officer and the Company Secretary to identify key issues impacting on the firm that may require the committee's attention, which either become ad hoc agenda items or standing agenda items depending on the issue.

### KEY AREAS OF FOCUS DURING 2024 CONSUMER DUTY

To support the delivery of good client outcomes, regular updates on embedding activities related to Consumer Duty were reviewed. Progress of the embedding plan and delivery of key elements, including the review of monitoring frameworks, were monitored to ensure coverage of the regulations had been considered prior to completion of the annual assessment by 31 July 2024.

### OPERATIONAL RESILIENCE

In its role overseeing operational resilience, the committee scrutinised the completeness of the Operational Resilience Self-Assessment, including Important Business Service coverage and thresholds, as well as management plans to address outstanding actions, prior to recommending this for approval by the Board. This risk will continue to be a material area of focus for the committee as we move into 2025.

### INFORMATION SECURITY, DATA AND FRAUD RISK

To provide visibility of risk exposure and activities underway to address and mitigate risks, regular updates were provided on data risk as part of BAU activity, as well as integration planning.

Regular updates on enhancements made within the Group's financial crime framework and controls were received, including technology updates to support anti-money laundering (AML) screening.

The annual report from the Money Laundering Reporting Officer (MLRO) took into account the FCA's findings from its recent assessment of compliance with AML regulations and was subsequently approved by the Board.

### RISK MANAGEMENT OVERSIGHT

In 2024 the committee:

- Reviewed and challenged the risk appetite statements in support of risk-informed decision-making aligned with the firm's strategic aims. Received regular updates on the status of the Group's risk profile supported by reference to the approved risk appetite, reviews undertaken of risk and compliance events and the status of control effectiveness and remediation activities
- Reviewed and challenged reporting for evidence of the continued evolution of risk management capabilities in the first line and monitored the response of management to issues identified
- Continued to encourage the Group's Risk function to further focus on oversight through the increased transfer of risk management activities to the first line operational teams
- Received and challenged assessments of the Group's emerging risks and the principal risks and uncertainties the Group faces, as reflected on [pages 62 to 67](#)
- Reviewed and monitored progress of the second line assurance plan and oversaw the ongoing prioritisation of risk management activity across the Group
- Received reports from the compliance monitoring function on the effectiveness of measures designed to ensure compliance with the Group's regulatory risk and control framework

- Oversaw the activity of the compliance function which ensures adequate oversight of the regulatory obligations and compliance with them. The adequacy and effectiveness of the function was confirmed as part of the annual review
- Oversaw developments in the risk and compliance teams, including their integration across Rathbones and IW&I
- Received regular updates from the CRO on the resource capacity and capability in the risk function.

### RISK REVIEW

Our risk management framework underpins our culture to enable a responsive and forward-looking approach to the risks we face as a Group. There has been particular focus again this year on the firm's risk appetite framework, particularly given then programme of change that has been delivered during the year.

During this financial year we conducted our regular review of the key risks facing the Group as summarised in the principal and emerging risks, with changes reflected in our risk report on [pages 58 to 67](#).

The committee continued its focus on investment risk throughout the year, looking at investment performance, suitability and governance enhancements.

## GROUP RISK COMMITTEE REPORT

### ICAAP, ILAAP AND ICARA

As part of ensuring the Group has sufficient capital and liquidity for its growth strategy, the committee kept the ICAAP, ILAAP and ICARA under periodic review as well as arranging deep dives into each of these documents.

The ICAAP, ILAAP and ICARA were recommended to the Board for approval, following review and challenge to ensure they were proportionate to the nature, scale and complexity of the firm. The review covered the key assumptions and methodologies used to assess the material risks of harm to ensure the results continued to reflect the risk profile of the Group. The committee oversaw the scenarios used, such as regulatory compliance, technology and severe market movements to validate the results and also reviewed the annual regulatory disclosures.

### DIGITAL CHANGE PROGRAMME

As referenced in our report last year, the implementation of the Group's digital change programme was a significant area of focus for the Risk Committee during the year. The committee received and reviewed reports by management as well as the Chief Risk Officer on the key risks of this deployment across the Group. These risks will continue to be a material area of focus for the committee as we move into 2025.

### CULTURE AND RISK

The links between culture, risk and remuneration are fundamental. The Chief People Officer prepares a report on people risk themes on an annual basis, and the Chief Risk Officer provides a regular risk culture update from a second line perspective. In addition, the Risk Committee Chair and Chief Risk Officer have provided input to the Remuneration Committee to ensure behaviours and the management of risk during the year were considered in Remuneration Committee decisions.

### RISK APPETITE

There has been particular focus again this year on the firm's risk appetite framework, particularly given the programme of change and integration that has been delivered during the year. Also, the committee continued to focus on conduct risk, controls and processes, and risk of fraud.

A number of areas of operational and financial risks were stressed again this year as part of the annual ICAAP, ILAAP and ICARA. Following extensive debate and challenge, the committee and Board were satisfied that the Group's business model and allocated risk appetite remained appropriate. This is an important outcome given the number of change management programmes underway across the Group.

### COMMITTEE EFFECTIVENESS

An evaluation of the committee's effectiveness was undertaken during the year as part of the external Board effectiveness review. The review found that the committee operated well and ensured that the firm's risks were sufficiently analysed during the year.

In addition, the committee is satisfied that it has access to sufficient resource to enable it to carry out its duties and continue to perform effectively.

### FOCUS FOR 2025

In reviewing the committee's priorities for the coming year, consideration will be given to the following area:

- overseeing the next phase of Consumer Duty development
- overseeing the remaining integration risks
- monitoring the risk landscape as integration progresses, at this committee and the Board
- reviewing the risk appetite framework following the main phase of integration
- deep dives on a few key areas which could impact client outcomes e.g. investment risk.

### TERRI DUHON

CHAIR OF THE GROUP RISK COMMITTEE  
25 February 2025

# REMUNERATION COMMITTEE REPORT



**DHARMASH MISTRY**  
CHAIR OF THE REMUNERATION  
COMMITTEE



**Our remuneration framework is closely aligned to the value delivered to our stakeholders.**

⊕ Full terms of reference for the Committee are available on the company's website.

## REMUNERATION COMMITTEE CHAIR'S ANNUAL STATEMENT

2024 has been a busy year for the remuneration committee, which mainly focused on implementing the new directors' Remuneration Policy. At the AGM in May 2024, shareholders provided strong support for the policy, which was developed to ensure that remuneration structures and performance measures:

- have the success of the combination with IW&I at their core
- ensure strong alignment between executive remuneration outcomes and the successful implementation of our strategy and delivery of shareholder value
- continue to comply with regulations and industry best practice.

## 2024 PERFORMANCE AND REMUNERATION OUTCOMES

Our remuneration framework is closely aligned with the financial performance of the Group, which has performed strongly with FUMA increasing by 3.7%, reaching £109.2 billion, and profit before tax increasing by 72.9% to £99.6 million with an underlying operating margin of 25.4% at 31 December 2024. Following the Group's strong performance in the year, the Board is proposing a final dividend of 63p per share, resulting in a full-year dividend per share of 93p, an increase of 6.9%. The executive team have delivered a significant amount of activity aligned with our strategic priorities and details can be found on [page 120](#).

## ANNUAL BONUS OUTCOMES

The Remuneration Committee assessed the following factors when determining remuneration outcomes for the Executive Directors: how to maintain a fair balance between the interests of different stakeholders, including shareholders, employees and management; how to encourage and reward the behaviours that reflect our purpose and culture; and how to judge performance against objectives, including considering where the remuneration committee should apply discretion to adjust any formulaic outcomes.

As detailed in last year's report, variable remuneration is made up of two components:

- Annual bonus with a maximum opportunity of 135% of fixed pay
- A Performance Share Plan (PSP) with a maximum of 200% of fixed pay with a three-year performance period and two-year deferral.

Following the 2024 AGM, the first PSP grant will vest in 2027, subject to the assessment of performance conditions. The annual bonus was assessed against two financial measures, underlying profit before tax and total net organic growth in FUMA, as these are the key indicators of performance used by the firm and investors, as well as strategic measures.

These specific targets are reviewed annually to ensure the nature and weightings are appropriate to achieve alignment between the continued incentivisation of our executive directors, our strategy and the interests of our stakeholders. Also, the committee set these targets to encourage stretching levels of performance and to ensure alignment with the firm's annual budget.

The Board considered a number of factors when setting and approving the final budget for 2024. This resulted in the remuneration committee approving higher year-on-year targets for profit for the enlarged Group whilst balancing the impact of planned investments, which were critical to the execution of strategy. In addition, the strategic objectives that were set include delivery of the firm's critical projects as well as taking into account the firm's stakeholder measures and client experience.

In terms of delivery of our key strategic objectives, positive progress had been made during the year, which resulted in an outcome of 35% out of a maximum of 50% for this measure. We have set out in more detail the outcomes against targets for 2024. After consideration, the Remuneration Committee decided that these outcomes were appropriate and consistent for the year and no discretionary adjustment was required.

## REMUNERATION COMMITTEE REPORT

### RESTRICTED STOCK PLAN OUTCOMES

The second RSP award will vest in March 2025, and the committee assessed the performance underpin over the 2022–24 period.

In summary, over the three-year period:

- total dividends paid have increased
- return on Capital Employed (ROCE) was higher than our Weighted Average Cost of Capital (WACC)
- satisfactory operational performance has been maintained
- our risk and control environment was robust and no significant failings or events have occurred.

As such, the committee confirmed that the underpins had been met and therefore the RSP will vest in full.

### GROUP-WIDE EMPLOYEE REMUNERATION

The responsibility for determining the reward practices on a firm-wide basis lies with the Remuneration Committee. As in previous years, the committee continues to spend time in having oversight of overall remuneration for employees across the firm. The average salary increase for 2025 across the firm will be 2%. The Group is committed to paying all our people at or above the national living wage, which is in excess of the national minimum wage.

### FEES AND SALARIES

In setting Directors' remuneration, the committee takes into account the pay and employment conditions of all employees, the performance of the firm, and the views of shareholders and their representatives. Remuneration arrangements at other firms of similar size and complexity are also reviewed for guidance. The committee will continue to use a number of reference points to determine future pay structure, quantum and peer group positioning for executive directors and members of the Group Executive Committee.

The Committee reviewed the fee for the Chair and agreed an increase for the first time since being appointed to the role in April 2021. Full detail on this change in fee is on [page 122](#). In relation to fixed pay for Paul Stockton and Iain Hooley for 2025, the Committee agreed to no increase.

### CONCLUSION

I hope that you find the information in this letter and the Directors' Remuneration Report clear and useful. The remuneration landscape continues to be the subject of many political and regulatory policy changes and, as these evolve, the committee will ensure that our policy and practices remain compliant, balancing the need to remain performance-driven and competitive. I welcome any feedback you may have during the year and hope to receive your support for the approval of the remuneration report.

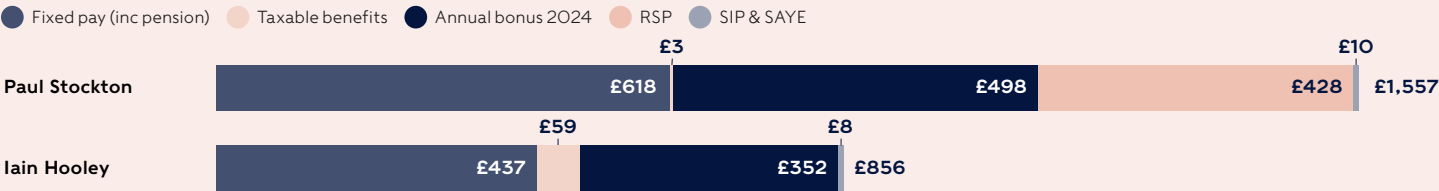
### DHARMASH MISTRY

CHAIR OF THE REMUNERATION  
COMMITTEE

25 February 2025

REMUNERATION AT A GLANCE

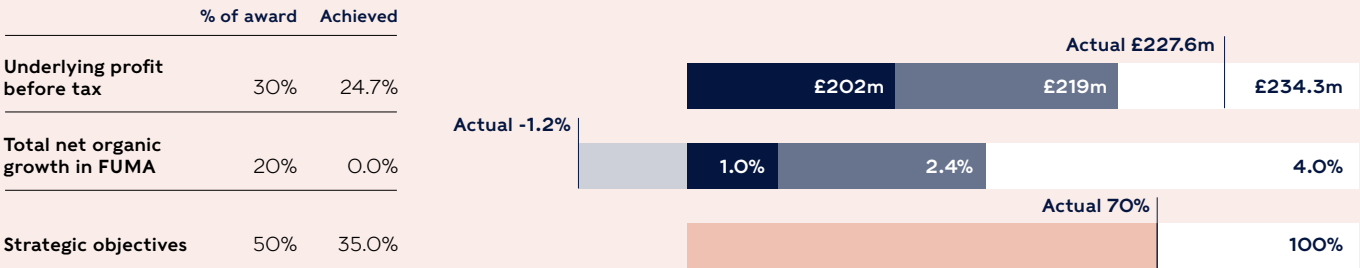
Single total figure of remuneration for Executive Directors £'000



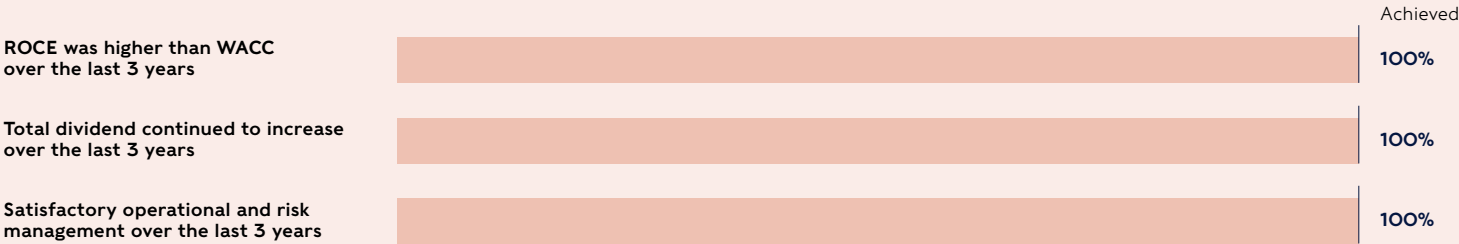
Variable pay outcomes

Threshold Target Max

ONE-YEAR MEASURES (ANNUAL BONUS)



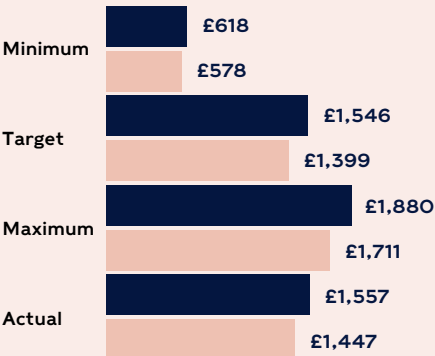
THREE-YEAR MEASURES (RESTRICTED STOCK PLAN)



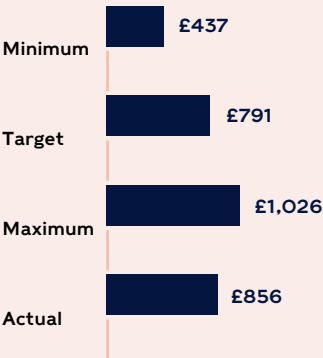
Remuneration outcomes

2024 2023

PAUL STOCKTON £'000

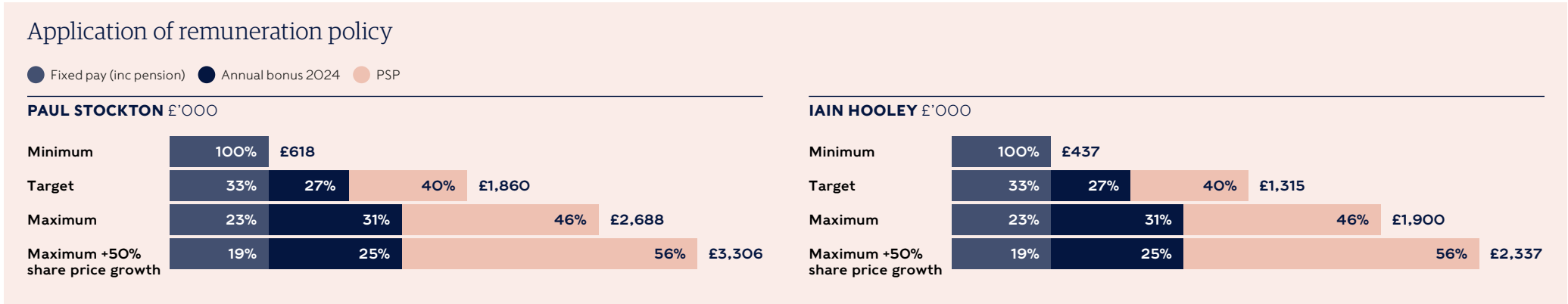
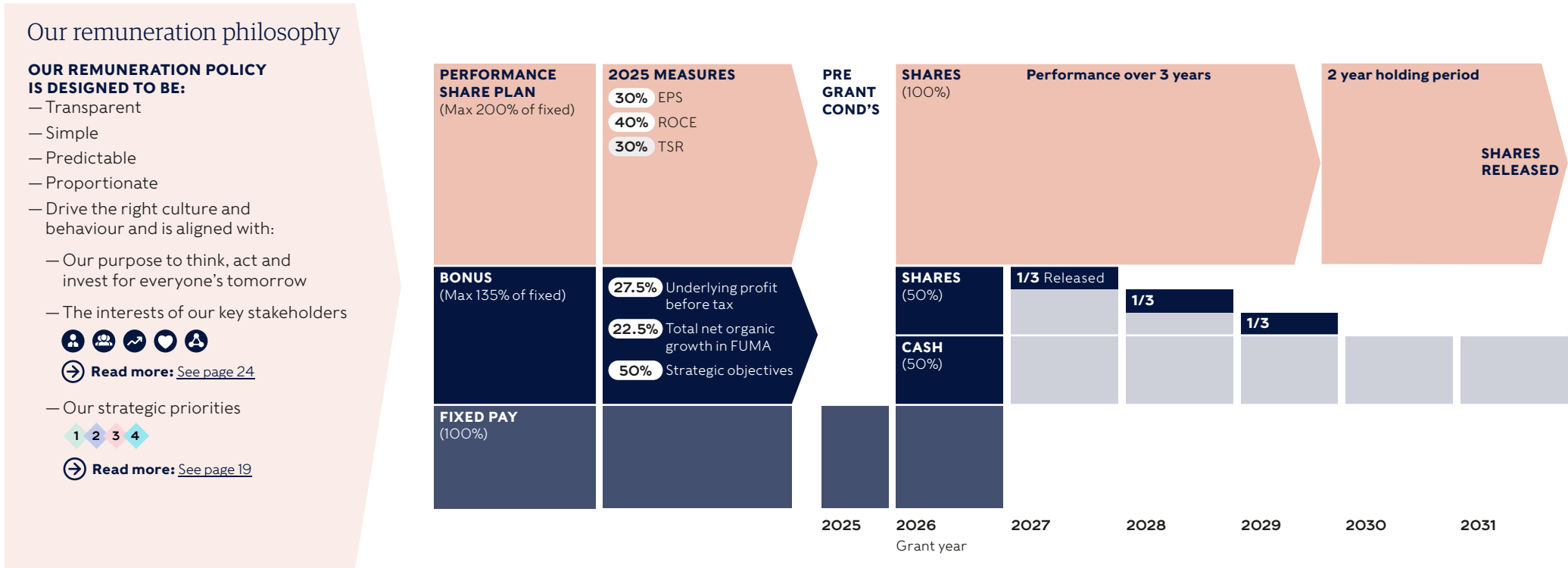


IAIN HOOLEY\* £'000



\* Iain Hooley was appointed as Group Chief Financial officer on 1 January 2024.

IMPLEMENTATION OF REMUNERATION POLICY IN 2025



# ANNUAL REPORT ON REMUNERATION

## REMUNERATION POLICY

The Remuneration Policy (Policy) was approved at the AGM on 9 May 2024 and can be found on our website. The policy has operated as intended in terms of company performance and quantum. No further changes have been made to the Remuneration Policy since it was approved in 2024. This part of the Directors' remuneration report explains how we have implemented our remuneration policy during the year. This annual report on remuneration is subject to an advisory vote at the 2025 AGM, and the financial information in this part of the remuneration report has been audited where indicated.

## ROLE OF REMUNERATION COMMITTEE

The role of the committee is to set the overarching principles of the Remuneration Policy and provide oversight on remuneration across the firm. Details of the committee's responsibilities and composition are noted above. At the invitation of the Committee Chair, the Group Chief Executive Officer, Group Chief Financial Officer and Chief People Officer attend some or all of each meeting. The Chief Risk Officer also advises the committee on matters relating to remuneration, and attends meetings as required. The Company Secretary acts as secretary and, with the Chair, agrees the agenda for each meeting. At the end of each meeting, there is an opportunity for private discussion between committee members without the presence of management. No committee member or attendee is present when matters relating to his or her own remuneration are discussed. The Chair of the Board consults our major shareholders on a regular basis on key issues, including remuneration.

A formal consultation exercise was undertaken during 2023 with our major shareholders and shareholder advisory bodies as part of the process of reviewing the Remuneration Policy. The pay and terms and conditions of employment of employees within the Group are taken into consideration when setting the Directors' Remuneration Policy and pay of the Executive Directors. The Remuneration Committee does not formally consult with employees when setting the policy, although the employee opinion survey conducted every year includes remuneration as one of the topics surveyed.

## UK CORPORATE GOVERNANCE CODE

In determining the Policy, the committee took into account the principles as set out in the Code, in addition, the committee ensured that the proposed policy was transparent, simple and easily understood, fair and linked Group performance and reward, and to drive the right behaviour, it is aligned to our purpose, values and Group strategy.

## SINGLE TOTAL FIGURE OF REMUNERATION FOR EACH EXECUTIVE DIRECTOR (AUDITED)

The table below sets out a single figure for the total remuneration received by each executive director for the year ended 31 December 2024 and the prior year:

	Fixed pay				Variable pay					
	Fixed pay £'000	Taxable benefits and allowances £'000	Pensions £'000	Subtotal £'000	Annual bonus £'000	RSP <sup>1</sup> £'000	SIP £'000	SAYE £'000	Subtotal £'000	Total £'000
R P Stockton										
2024	618	3	–	621	498	428 <sup>1</sup>	4	6	936	1,557
2023	578	3	–	581	470	387 <sup>2</sup>	4	5	866	1,447
I W Hooley										
2024	437	59	–	496	352	–	2	6	360	856

1. RSP – this award was made in 2022 and relates to the three-year performance period ending 2024. The award will vest in March 2025 and will be subject to a two-year holding period. The value of this award was based on the average share price during Q4 2024 of £17.08.

2. The value for 2023 has been restated from the number in last years report to reflect the actual share price at the date of vest (£17.72)

## ANNUAL REPORT ON REMUNERATION

## TAXABLE BENEFITS

Taxable benefits and allowances represent the provision of private medical insurance for executive directors and their dependants on terms consistent with the company's workforce. In addition, Iain Hooley receives travel expenses to cover the cost of working out of our London office.

## ANNUAL BONUS

Performance is assessed using a combination of measures that are detailed below:

	Weight %	% of fixed pay
Financial	50	67.5
Non-financial	50	67.5
Total	100	135

## FINANCIAL

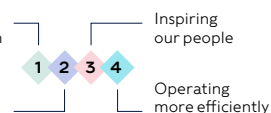
The one-year financial performance measures are two key performance indicators actively used by the business, which are closely aligned to strategy. The one-year financial measures and achievement levels are provided below:

	% of fixed pay	Threshold (25% of maximum)	On target (60% of maximum)	Maximum	Actual	Weighted payout (% of fixed pay)
Financial						
Underlying profit before tax (£m)	40.5	£202m	£219m	£234.3m	£227.6m	33.3%
Total net organic growth in funds under management and administration (%)	27	1	2.4	4	-1.2	-

The net organic growth in funds under management and administration covers both our Investment Management and Asset Management businesses.

## ANNUAL REPORT ON REMUNERATION

## Our strategic priorities

Enriching the client  
and advisor proposition  
and experienceSupporting and  
delivering growth

## Our stakeholders

Clients

Our people

Shareholders

Society and communities

Partners and regulators

## NON-FINANCIAL STRATEGIC

The non-financial strategic measures are designed to drive strategic goals. Details of the performance measures, assessment and outcomes are detailed below:

PERFORMANCE IN 2024	STRATEGIC DRIVER	STAKEHOLDER IMPACT	OUTCOME
<b>OBJECTIVE: PREPARE TO INTEGRATE IW&amp;I SUCCESSFULLY</b>			
<ul style="list-style-type: none"> <li>Exceeded synergy run rate level for 2024 (delivered over £25m vs target published pre deal of £15m) and also remain within the overall cost to achieve (CTA)</li> <li>Ensured the successful lease reassignment of 8 Finsbury Circus, London ahead of plan and eight other co-locations across the country</li> <li>On track to deliver client migration by the end of H1 2025</li> </ul>	1 2 3 4		Largely achieved
<b>OBJECTIVE: COMPLETE SAUNDERSON HOUSE INTEGRATION</b>			
<ul style="list-style-type: none"> <li>Completed client migration successfully with over £4bn of assets transferred</li> <li>Migration of operating systems completed on time and within budget</li> <li>Actions to deliver planned cost synergies complete</li> <li>Wind down of SHL structure substantially complete</li> </ul>	1 2 3 4		Largely achieved
<b>OBJECTIVE: DELIVER THE BENEFITS OF TECHNOLOGY</b>			
<ul style="list-style-type: none"> <li>Successfully launched the InvestCloud Client Lifecycle Management (CLM) system into the business</li> <li>Further CLM enhancements delivered throughout 2024, although ongoing support costs and resource requirements were higher than expected</li> <li>Successfully delivered upgrade of core investment systems into the cloud</li> <li>Launched best of breed planning, marketing and distribution systems from the combination</li> </ul>	1 2 3 4		Partially achieved
<b>OBJECTIVE: DELIVER ORGANIC GROWTH</b>			
<ul style="list-style-type: none"> <li>Achieved gross inflows of c.£10bn, significantly above our target for the year</li> <li>Established Client Office (marketing) and restructured distribution teams</li> <li>Higher than expected outflows from former IW&amp;I investment management teams</li> </ul>	1 2 3 4		Largely achieved
<b>OBJECTIVE: CLIENT AND PEOPLE ENGAGEMENT</b>			
<ul style="list-style-type: none"> <li>Achieved an improved client NPS and overall satisfaction score from the previous year</li> <li>Employment engagement scores in line with previous years with over 70% participation</li> <li>Regretted turnover of Investment Managers was less than 3%</li> <li>Delivery of the firm's DE&amp;I strategy and ambitions seen through the firm achieving the Women in Finance target and embedded key Inclusion Networks across the business</li> </ul>	1 2 3 4		Largely achieved

## ANNUAL REPORT ON REMUNERATION

## TOTAL 2024 ANNUAL BONUS AWARD

In addition to the above specific measures, the committee also considered direct client feedback, investment performance and other feedback from the Risk and Audit Committees. After taking this into account, the committee concluded that an overall score for this element of the annual bonus of 35% out of 50% was appropriate, which corresponds to 47.3% of fixed pay.

	Weight %	Award achieved
Financial	50	24.7%
Non-financial	50	35.0%
Total	100	59.7%

	Total award (£)	Delivered in cash (£)	Delivered in shares (£)
R P Stockton	498	249	249
I W Hooley	352	176	176

## RESTRICTED STOCK PLAN

The performance underpin for the 2022 RSP was assessed based on performance to 31 December 2024. The committee considered performance over the three years and determined that there was no reason to reduce the level of vesting. In particular the committee took into account the following factors:

- Dividends payable – dividends increased each year in line with our progressive dividend policy
- ROCE – ROCE materially exceeded WACC in each of the three years of the performance period
- Operational performance – satisfactory over the period, with no events causing the committee to believe a reduction in vesting is warranted
- Risk and Compliance – satisfactory over the period, with no events causing the committee to believe a reduction in vesting is warranted
- Internal control environment – satisfactory over the period, with no events causing the committee to believe a reduction in vesting is warranted.

As a result the following awards will vest:

	Number of shares granted	Proportion of award vesting	Number of shares vesting	Estimated value of vested shares <sup>1</sup>
Paul Stockton	25,036	100%	25,036	£427,498

1. Based on average share price over Q4 2024 of £17.08

## PENSIONS

No Directors receive a separate pension allowance and neither is in receipt of a defined benefit pension. All Executive Directors are eligible for death in service benefits on terms consistent with the workforce.

## SHARE INCENTIVE PLAN (SIP)

This benefit is the value of the matching and free share awards made in the year under the SIP. Executive directors, alongside all employees, may contribute up to £150 per month to buy partnership shares with contributions matched on a one-for-one basis by the company.

## SAVE AS YOU EARN (SAYE)

This benefit is the value of the discount on SAYE options granted during the year.

## PAYMENTS TO PAST DIRECTORS (AUDITED)

There were no payments for loss of office or payments to past directors during the year.

## ANNUAL REPORT ON REMUNERATION

## IMPLEMENTATION OF THE REMUNERATION POLICY IN 2025

## FIXED PAY

There are no fixed pay increases for Paul Stockton or Iain Hooley.

## ANNUAL BONUS

The annual bonus has a maximum value opportunity of 135% of fixed pay with measures and weightings as follows:

	Weight %
<b>Financial</b>	
— Underlying profit before tax	27.5%
— Total net organic growth in FUMA	22.5%
<b>Strategic measures aligned to key objectives</b>	50%
— IW&I integration	
— Growth enablement	
— Productivity	
— Client and colleague satisfaction	
— People and culture	
	<b>100%</b>

The targets under the financial metrics are deemed to be commercially sensitive and will be disclosed following the end of the performance period in next year's DRR.

## PERFORMANCE SHARE PLAN (PSP)

The 2025 PSP award will be granted in March 2025. The Remuneration Committee determined that it was appropriate to grant the Executive Directors an award at the maximum level of 200% of fixed pay. The Committee will review the level of vesting upon completion of the performance period.

The 2025 PSP targets are detailed in the table below, all measures have straight line vesting between threshold and maximum:

Measure	Weighting %	Threshold (25% of maximum vesting)	Maximum (100% vesting)
Underlying EPS (2027)	30	185.7p	243.9p
Relative TSR 2025–2027	30	Median	Upper Quartile
ROCE	40	13%	17%

1. Peer group: abrdn, AJ Bell, Ashmore, Aviva, Close Brothers, Integragin, Jupiter, Legal & General, Liontrust, M&G, Ninety One, Phoenix, Quilter, Schroders, St James's Place

## CHAIR FEE

The fee paid to the Chair was reviewed in the year for the first time since appointment in 2021. The following increase was applied:

	Fee effective 1 January 2025	Fee effective 1 January 2024
Chair fee	£220,000	£195,000

## SERVICE CONTRACTS AND LETTER OF APPOINTMENT

It is company policy that service contracts should not normally contain notice periods of more than 12 months. Details of the notice periods in the contracts of employment of Executive Directors serving during the year are shown below.

Executive director	Date of contract	Notice period
R P Stockton	1 May 2019	12 months
I W Hooley	1 January 2024	6 months

There are no provisions within the contracts to provide automatic payments in excess of payment in lieu of notice upon termination by the company, and no predetermined compensation package exists in the event of termination of employment. Payment in lieu of notice would include fixed pay and benefits. There are no provisions for the payment of liquidated damages or any statements in respect of the duty of mitigation. In the event of entering into a termination agreement, the Board will take steps to impose a legal obligation on the director to mitigate any loss incurred. There are no clauses in contracts amending employment terms and conditions on a change of control. Executive Directors' contracts of service, which include details of remuneration, are available for inspection at the company's registered office and will be available for inspection at the AGM.

Non-Executive Directors have a letter of appointment rather than a contract of employment and these are available for inspection at the AGM. As with all other Directors, they are required to stand for re-election annually in accordance with the UK Corporate Governance Code. The effectiveness of the Non-Executive Directors is subject to an annual assessment. Any term beyond six years is subject to particularly rigorous review and takes into account the need for progressive refreshing of the Board. The Executive Directors are responsible for determining the fees of the Non-Executive Directors.

Non-executive director	Date of appointment	Notice period	Length of service at 31 December 2024
C C R Bannister	6 April 2021	1 month	3 years 8 months
S F Gentleman	21 January 2015	1 month	9 years 11 months
I A Cummings	5 October 2021	1 month	3 years 3 months
T L Duhon	2 July 2018	1 month	6 years 5 months
D P Mistry	5 October 2021	1 month	3 years 3 months
H Baldock	21 September 2023	1 month	1 year 3 months
R Leas	21 September 2023	1 month	1 year 3 months

ANNUAL REPORT ON REMUNERATION

DIRECTORS’ INTERESTS IN SHARES (AUDITED)

The table below sets out details of the Directors’ shareholdings and outstanding share awards that are subject to vesting conditions, as at 31 December 2024:

	Beneficially owned shares			Subject to relevant holding period						
							SIP (not yet beneficially owned) <sup>1</sup>			
Executive director	Private shares	SIP	Total	EIP	RSP	Deferred bonus shares		PSP	SAYE	Total
R P Stockton	154,966	4,743	159,709	16,476	46,461	28,591	1,162	80,221	1,541	174,452
I W Hooley	5,056	68	5,124	–	–	40,276	69	56,700	1,541	98,586
Total	160,022	4,811	164,833	16,476	46,461	68,867	1,231	136,921	3,082	273,038

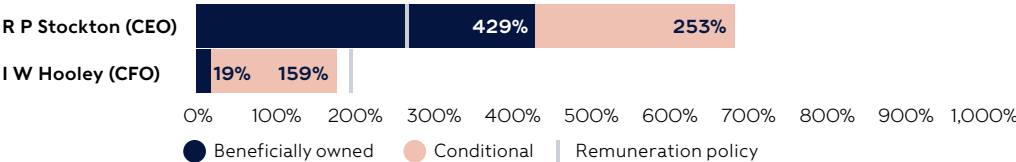
1. SIP matching and free shares held for less than three years may be forfeited in certain circumstances and so are not considered beneficially owned  
2. The deferred bonus shares for Iain Hooley relates to the bonus he received from Investec Bank for the period 1 April to 21 September 2023

SHAREHOLDING GUIDELINES

In order to align the interests of Executive Directors and shareholders, the Executive Directors are required to acquire and retain a holding in shares or rights to shares equivalent to the value of 250% of fixed pay for the CEO and 200% of fixed pay for the CFO within five years of the date of appointment. Shares that count towards these guidelines include shares that are owned outright, vested and not exercised EIP, SIP and RSP awards and unvested deferred bonus awards. Unvested PSP awards are not counted towards the shareholding guidelines given performance conditions apply. Awards count towards the shareholding requirement on a notional net of tax basis if relevant. Percentages are calculated using the 31 December 2024 share price of £16.60.

In addition, a post-cessation shareholding requirement applies. Executive Directors are required to hold 100% of the in employment requirement (or the Executive’s actual shareholding on cessation if lower) for two years following cessation. This requirement can be disapplied in certain exceptional personal circumstances (e.g. death or disability).

SHARED OWNERSHIP VERSUS POLICY



## ANNUAL REPORT ON REMUNERATION

## PERFORMANCE SHARE PLAN

Details of the share award held by the Executive Directors are set out in the table below:

Executive Directors/Grant date	At 1 January 2024			During 2024		At 31 December 2024			
	Face value of award at grant £	Number of securities originally granted	Number of unvested securities	Securities granted <sup>1</sup>	Vested but unexercised (subject to sales restriction period)	Unvested securities	Vested but unexercised (subject to two-year holding period)	End of performance period	End of holding period period) <sup>2</sup>
<b>R P Stockton</b>									
20/05/2024	1,236,000	–	–	80,221	–	80,221	–	20/05/2027	20/05/2029
<b>I W Hooley</b>									
20/05/2024	873,600	–	–	56,700	–	56,700	–	20/05/2027	20/05/2029

1. Awards equivalent to 200% of fixed pay were granted. As regulations prohibit the payment of dividend on such awards, the number of shares awarded has been determined by applying a share price over five days preceding the grant date, discounted to reflect the value of estimated future dividends foregone over the vesting period (2024: £15.41). The face value has been calculated using a share price of £17.76 which was the average price over five days preceding the grant

2. The award will vest on the third anniversary of the grant date, with associated values to be included in the single figure table, and a further two-year holding period will apply. The awards are subject to malus and clawback provisions

## RESTRICTED STOCK PLAN

Details of the restricted share award held by the Executive Directors are set out in the table below:

Executive Directors/Grant date	At 1 January 2024			During 2024		At 31 December 2024			
	Face value of award at grant £	Number of securities originally granted	Number of unvested securities	Securities granted <sup>1</sup>	Vested but unexercised (subject to sales restriction period)	Unvested securities	Vested but unexercised (subject to two-year holding period)	End of performance period	End of holding period period) <sup>2</sup>
<b>R P Stockton</b>									
14/05/2023	418,002	21,425	–	–	–	21,425	–	14/04/2026	14/04/2028
07/03/2022	402,579	25,036	–	–	–	25,036	–	07/03/2025	07/03/2027
14/05/2021	392,764	21,881	–	–	21,881	–	21,881	14/05/2024	14/05/2026

1. Awards equivalent to 65% of fixed pay were granted. As regulations prohibit the payment of dividend on such awards, the number of shares awarded has been determined by applying a share price over five days preceding the grant date, discounted to reflect the value of estimated future dividends foregone over the vesting period (2023: £17.18, 2022: £13.87, 2021: £15.87). For the 2023 award, the face value has been calculated using a share price of £19.51, which was the average price over five days preceding the grant (2022: £16.08 and 2021: £17.95)

2. The award will vest on the third anniversary of the grant date, with associated values to be included in the single figure table, and a further two-year holding period will apply. The awards are subject to malus and clawback provisions

## ANNUAL REPORT ON REMUNERATION

## DEFERRED BONUS PLAN

The deferred bonus awards held by executive directors are set out in the table below:

Executive Directors/Grant date	At 1 January 2024			During 2024		At 31 December 2024		
	Face value of award at grant £	Number of securities originally granted	Number of unvested securities	Securities granted	Number of securities vested	Unvested securities	Vested securities	Vesting dates for three equal tranches
<b>R P Stockton<sup>1</sup></b>								
15/03/2024	234,781	–	–	17,109	–	17,109	–	15/03/2025, 15/03/2026, 15/03/2027
14/04/2023	108,184	6,030	6,030	–	1,924	4,106	1,924	14/04/2024, 14/04/2025, 14/04/2026
07/03/2022	306,917	21,042	14,378	–	7,002	7,376	13,666	07/03/2023, 07/03/2024, 07/03/2025
<b>I W Hooley<sup>2</sup></b>								
21/06/2024	651,544	–	–	42,720	9,540	33,180	9,540	21/06/2024, 21/06/2025, 21/06/2026, 21/06/2027, 21/06/2028, 21/06/2029
21/06/2024	110,142	–	–	7,096	–	7,096	–	21/06/2025, 21/06/2026, 21/06/2027

1. The maximum annual bonus opportunity is 135% of fixed pay of which 50% is deferred into Rathbones shares and 50% is paid in cash. As regulations prohibit the payment of dividend on such awards, the number of shares awarded has been determined by applying a share price over five days preceding the grant date, discounted (based on a three-year historical yield) to reflect the value of estimated future dividends foregone over the vesting period. As the award vests over a three-year period in equal tranches of 1/3 per annum, for the 2023 award, the face value has been calculated using three share prices (year 1: £18.74, year 2: £17.96, year 3: £17.18), and for the 2022 award, the face value has been calculated using three share prices (year 1: £15.35, year 2: £14.61, year 3: £13.87). The award will vest over a three-year period in equal tranches of 1/3 per annum. The awards are subject to malus and clawback provisions.

2. The granted share awards is in respect of performance for the period from 1 April 2023 to 31 December 2023, this relates to his role prior to being appointed Rathbones CFO on 1 January 2024. As regulations prohibit the payment of dividend on such awards, the number of shares awarded has been determined by applying a share price over five days preceding the grant date, and discounted to reflect the value of estimated future dividends foregone over the vesting period. The face value of the awards has been calculated using five share prices (year 1: £16.32, year 2: £15.56, year 3: £14.80, year 4: £14.05 and year 5: £13.29). The award will vest over a five-year period in equal tranches of 1/5 per annum, and a three-year period in equal tranches of 1/3 per annum. The awards are subject to malus and clawback provisions.

## EXECUTIVE INCENTIVE PLAN

			At 1 January 2024		During 2024		At 31 December 2024		
			Face value of award at grant <sup>1</sup> £	Number of securities originally granted	Number of unvested securities	Vested but unexercised (subject to sales restriction period)	Unvested securities	Vested but unexercised (subject to sales restriction period)	Normal exercise date (end of sales restriction period) <sup>2</sup>
Executive Directors/Grant date	Type of security	Grant date							
R P Stockton									
	Conditional shares	06/04/2021	486,826	29,029	17,417	5,806	11,611	17,418	06/04/2026
	Conditional shares	23/03/2020	372,435	24,326	9,730	4,865	4,865	19,461	23/03/2025
	Conditional shares	22/03/2019	376,169	16,376	3,275	5,806	–	–	22/03/2024

1. Exercise price is nil

2. EIP awards vest in five equal tranches (1, 2, 3, 4 and 5 years from grant). All shares must be held until the fifth anniversary of the grant (the normal exercise date). There are no further performance conditions on these shares

## ANNUAL REPORT ON REMUNERATION

## SHARE INCENTIVE PLAN

Executive Directors/Grant date	At 1 January 2024	During 2024				At 31 December 2024
	Total number of SIP Shares <sup>1</sup>	Partnership shares acquired	Matching shares acquired	Dividend shares acquired	Free shares received	Total number of SIP shares <sup>1</sup>
R P Stockton	5,521	106	106	172	–	5,905
I W Hooley	–	68	68	1	–	137
<b>Total</b>	5,521	174	174	173	0	6,042

1. SIP matching and free shares held for less than three years may be forfeited in certain circumstances and so are not considered to be beneficially owned

## SAVE AS YOU EARN OUTSTANDING OPTIONS

Executive Directors	Grant date	Number of shares					Earliest exercise date	Option price £	Market price on grant £	Face value of award <sup>1</sup>	Value of award £ <sup>2</sup>
		At 1 January 2024	Granted in 2024	Exercised in 2024	Lapsed in 2024	At 31 December 2024					
R P Stockton	09/04/2024	–	1,541	–	–	1,541	01/06/2027	12.03	15.80	24,348	5,810
	28/04/2023	1,181	–	–	1,181	–	01/06/2026	15.24	19.54	–	–
I W Hooley	09/04/2024	–	1,541	–	–	1,541	01/06/2027	12.03	15.80	24,348	5,810
<b>Total</b>		<b>1,181</b>	<b>3,082</b>	<b>–</b>	<b>1,181</b>	<b>3,082</b>					

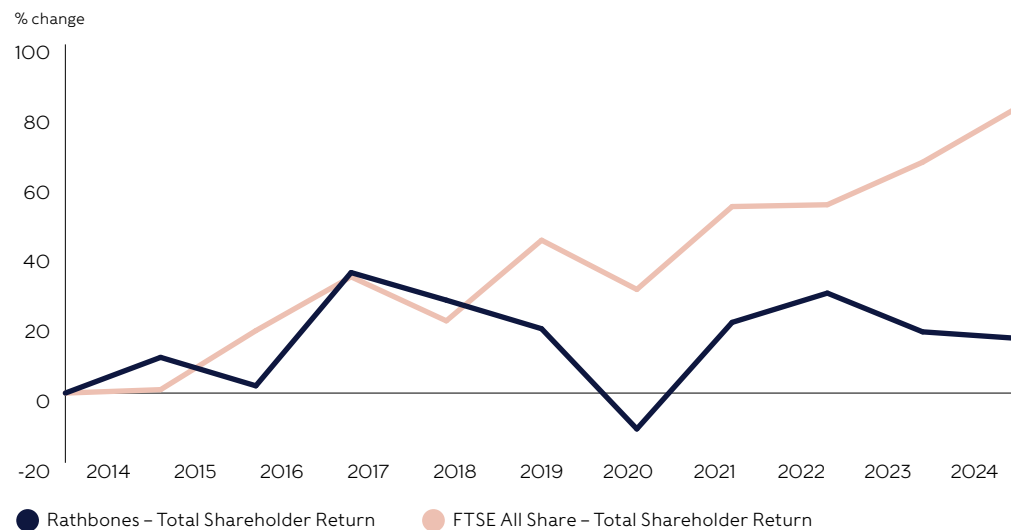
1. The face value of the award is based on the middle market share price on the grant date multiplied by the number of shares under option

2. The value of the award is based on the middle market share price on the grant date minus the option price

## ANNUAL REPORT ON REMUNERATION

## PERFORMANCE GRAPH

The chart below shows the company's total shareholder return (TSR) against the FTSE All Share Index for the 10 years to 31 December 2024. TSR is calculated assuming that dividends are reinvested. TSR compares our dividends and share price performance measures with our selected index, the FTSE All Share. This index has been chosen because it is a recognised market index of which Rathbones Group Plc is a member.



## CHIEF EXECUTIVE OFFICER SINGLE FIGURE

During the ten years to 31 December 2024, Philip Howell was Chief Executive until 9 May 2019 when he was succeeded by Paul Stockton.

Year	Chief Executive	Chief Executive single figure of total remuneration £'000	EIP award or short-term bonus as % of maximum opportunity	Long-term incentive vesting as % of maximum opportunity
2024	Paul Stockton	1,557	60	100 <sup>2</sup>
2023	Paul Stockton	1,447	60	100 <sup>2</sup>
2022	Paul Stockton	759	30	–
2021	Paul Stockton	1,155	85	–
2020	Paul Stockton	1,358	57	–
2019	Paul Stockton	1,125	47	–
2019	Paul Stockton <sup>1</sup>	467	52	–
2018	Philip Howell	1,389	59	–
2017	Philip Howell	1,104	64	–
2016	Philip Howell	1,398	66	67
2015	Philip Howell	1,608	78	100

1. Payment relates to holding the role for part of the year  
 2. RSP vested at 100%, this had an underpin only

## ANNUAL REPORT ON REMUNERATION

## ANNUAL PERCENTAGE CHANGE IN THE REMUNERATION OF THE DIRECTORS AND EMPLOYEES

The table below shows the percentage year-on-year change in salary, benefits and bonus in 2024 for the Directors compared with the average Rathbones employee.

	2024			2023			2022			2021			2020		
	Salary	Benefits	Annual bonus	Salary	Benefits	Annual bonus	Salary	Benefits	Annual bonus	Salary	Benefits	Annual bonus	Salary	Benefits	Annual bonus
Executive Directors															
R P Stockton <sup>1</sup>	3.0%	9.4%	12.5%	12.4%	5.4%	117.0%	0.0%	5.1%	-67.1%	0.0%	1.2%	-22.1%	0.0%	7.1%	27%
I W Hooley <sup>2</sup>	0.0%	0.0%	0.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Non-Executive Directors															
C C R Bannister	0.0%	n/a	n/a	0.0%	n/a	n/a	0.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
I A Cummings <sup>3</sup>	13.3%	n/a	n/a	7.4%	n/a	n/a	16.4%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
S F Gentleman <sup>4</sup>	-5.9%	n/a	n/a	4.5%	n/a	n/a	8.5%	n/a	n/a	0.0%	n/a	n/a	7.1%	n/a	n/a
T L Duhon <sup>3</sup>	13.3%	n/a	n/a	0.0%	n/a	n/a	0.0%	n/a	n/a	0.0%	n/a	n/a	7.1%	n/a	n/a
D P Mistry <sup>5</sup>	30.8%	n/a	n/a	8.3%	n/a	n/a	0.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
H Baldock <sup>6</sup>	-67.3%	n/a	n/a	0.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
R Leas <sup>7</sup>	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Average pay based on all Rathbones employees <sup>8</sup>	2.1%	45.1%	-0.6%	4.7%	3.6%	2.4%	3.6%	9.8%	-20.5%	1.9%	2.1%	-6.4%	3.6%	12.3%	11.9%

1. The annual bonus figure includes 2024 annual bonus award, and RSP which was granted in 2022 and relates to the three year performance period ending 2024. The award will vest in March 2025 and will be subject to a two-year holding period

2. Iain Hooley was appointed Group Chief Financial Officer on 1 January 2024

3. Iain Cummings and Terri Duhon received a fee increase during 2024

4. Sarah Gentleman was appointed Senior Independent Director during 2022 and stepped down as a chair of remuneration committee in September 2023

5. Dharmash Mistry was appointed as chair of the Remuneration Committee in September 2023 and received a fee increase during 2024

6. Henrietta Baldock's 2023 annualised salary included the amounts paid for serving as a Chair and Non-executive director at IW&I (stepped down on 21 September 2023), and also for her role as an Non-executive director of Rathbones Group Plc

7. Ruth Leas is excluded from the above table as she is not an employee of the Rathbones Group

8. For 2024, the above values for the employee group include IW&I employees

## ANNUAL REPORT ON REMUNERATION

## CHIEF EXECUTIVE AND EMPLOYEE PAY RATIO

Year	Method	25th percentile pay ratio	Median (50th percentile) pay ratio	75th percentile pay ratio
1 January to 31 December 2024	B	46:1	18:1	13:1
1 January to 31 December 2023	B	39:1	19:1	10:1
1 January to 31 December 2022	B	21:1	11:1	4:1
1 January to 31 December 2021	B	43:1	15:1	6:1
1 January to 31 December 2020	B	43:1	23:1	11:1
1 January to 31 December 2019	B	42:1	23:1	13:1

The Chief Executive pay ratio provides a comparison of total remuneration paid to the Chief Executive in the year ended 31 December 2024 with total remuneration paid to the three employees whose pay is at the 25th, 50th and 75th percentile of the Group's UK workforce (P25, P50 and P75 respectively). Where multiple employees are at these percentiles we have selected the most representative job role from across the Group.

The pay data for the Chief Executive is taken from the total single figure of remuneration on page 118 of this report for Paul Stockton for the year ended 31 December 2024. The three employees have been identified from our 2024 gender pay gap data under 'Option B' of the three methodologies provided under the regulations, as the equivalent figures to the single figure table for each of the Group's UK employees (Option A) are not available at the time of producing this report.

Total pay for P25, P50 and P75 has been based on actual earnings for the financial year. Variable remuneration has been calculated using the Group's forecast financial performance. Total pay and benefits for the three employees includes the following: base salary, employer pension contributions, taxable benefits, bonuses, share-based payment awards and profit share. The total pay and benefits for these individuals is as follows:

- P25 46:1 (£33,636)
- P50 18:1 (£83,899)
- P75 13:1 (£120,448)

The reduction in the pay ratio between 2020 and 2021 is primarily driven by the introduction of a remuneration policy for the CEO and senior management introduced in 2021. This has a lower maximum opportunity, and these changes only applied to the senior management and not the wider employees. The Group believes the median pay ratio for the year to be consistent with the Group's pay, reward and progression policies for its UK workforce.

The committee will review these ratios on an annual basis.

## CHAIR AND NON-EXECUTIVE DIRECTORS' FEES

Fees paid to the Non-Executive Directors were increased for the 2024 financial year. Any future increases will depend upon a rigorous assessment of the burden of responsibilities and market rates.

## CHAIR AND NON-EXECUTIVE DIRECTORS' FEES (AUDITED)

Year	2024 £'000	2023 £'000
<b>Chair</b>		
C C R Bannister	195	195
<b>Non-executive directors</b>		
I A Cummings <sup>1</sup>	85	75
T L Duhon <sup>1</sup>	85	75
S F Gentleman <sup>2</sup>	80	85
D P Mistry <sup>1</sup>	85	65
H Baldock <sup>3</sup>	65	56
R Leas <sup>4</sup>	n/a	n/a
<b>Total</b>	<b>595</b>	<b>551</b>

1. Acts as Committee Chair
2. Acts as Senior Independent Director
3. Henrietta Baldock was appointed on 21 September 2023 as a Non-Executive Director by Investec Bank plc under the terms of the Relationship Agreement. The total fee includes payment received for Non-Executive Director position held on the Board of Rathbones Group Plc
4. Ruth Leas was appointed on 21 September 2023 as a Non-Executive Director by Investec Bank plc under the terms of the Relationship Agreement. Ruth Leas does not receive a Non-Executive fee as she is an employee of Investec Bank Plc (a subsidiary of Investec plc)

ANNUAL REPORT ON REMUNERATION

NON-EXECUTIVE DIRECTORS' SHARE INTERESTS

The interest of the Directors in the ordinary shares of the company are set out below:

Year	2024	2023
<b>Chair</b>		
C C R Bannister	15,300	15,300
<b>Non-Executive Directors</b>		
I A Cummings	2,671	2,594
T L Duhon	500	500
S F Gentleman	1,128	1,128
D P Mistry	5,000	2,500
H Baldock	0	0
R Leas	0	0
<b>Total</b>	<b>24,599</b>	22,022

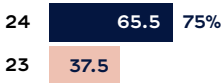
RELATIVE IMPORTANCE OF SPEND ON PAY

The chart below shows the relationship between total employee remuneration and profit after tax for 2024 and 2023. The reported profit after tax has been selected by the Directors as a useful indicator when assessing the relative importance of spend on pay.

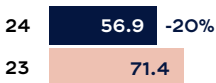
TOTAL STAFF COSTS £m



PROFIT AFTER TAX £m



DIVIDENDS PAID £m<sup>1</sup>



1. For 2024, the figure represents the 2023 final dividend and the 2024 interim dividend paid. The 2024 final dividend announced on 26 February 2025 is not reflected in this chart as this is subject to shareholder approval at our AGM on 8 May 2025. For 2023, the figure represents the 2022 final dividend, the 2023 half-year interim and second interim dividend paid.

STATEMENT OF SHAREHOLDER VOTING

The table below shows the voting outcomes on the Directors' Remuneration Policy at the 2024 AGM in May 2024 and Directors' Remuneration Report at the last AGM in May 2024.

	Annual Report on Remuneration (2024 AGM)	Remuneration Policy (2024 AGM)
Votes cast in favour	92.07%	93.78%
Votes cast against	7.93%	6.22%
Total votes cast	84.46%	84.46%
Votes withheld	63,366	63,367

ADVISERS TO THE COMMITTEE AND THEIR FEES

PwC were appointed by the Committee, as advisers to the Committee in August 2017 following a competitive tender process. They are members of the Remuneration Consultants Group and advise the committee on a range of matters, including remuneration package assessments, scheme design and reporting best practice. PwC also provide professional services in the ordinary course of business, including advisory work to the Group. The Committee is of the opinion that the advice received is objective and independent. PwC's fees are charged on a time cost basis and fees for services to the remuneration committee were £99,000 in 2024. The appointment of advisers is reviewed annually.

EVALUATING THE PERFORMANCE OF THE COMMITTEE

An evaluation of the Committee's effectiveness was undertaken as part of the Board's external evaluation process during the year. The Committee and senior management attendees were invited to respond to questions on the content, management, quality and focus of discussion during meetings. Responses indicated that the committee is performing well with no particular concerns.

APPROVAL

The Remuneration Committee report has been approved by the Board.  
Signed on behalf of the Board.

**DHARMASH MISTRY**  
CHAIR OF THE REMUNERATION COMMITTEE  
25 February 2025

# DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the year ended 31 December 2024.

The Directors' report includes the following sections of the Annual Report and Accounts which form part of the Directors' report:

	DTR Rule	Page
Strategic Report	DTR 4.1.5R	<u>2</u>
Corporate governance report including the Nomination, Audit, Risk and Remuneration Committee reports	DTR 7.2.1R	<u>92</u>
Statement of Directors' responsibilities	DTR 4.1.5R	<u>134</u>

## STATEMENT BY THE DIRECTORS UNDER SECTION 172 OF THE COMPANIES ACT 2006 (THE 'ACT') REGARDING PERFORMANCE OF THEIR STATUTORY DUTIES

The Directors consider that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and, in doing so, having regard to the stakeholders and matters set out in section 172(1)(a-f) of the Act. Details of how they have done this are set out in the strategic report on [pages 24 to 32](#).

## ANNUAL GENERAL MEETING (AGM)

The 2025 AGM will be held on Thursday 8 May 2025 at 30 Gresham Street, London, EC2V 7QN. Full details of all resolutions and notes are set out in the separate notice of AGM.

## GROUP RESULTS AND COMPANY DIVIDENDS

The Rathbones Group Plc group profit after tax for the year ended 31 December 2024 was £65.5m (2023: £37,503,923).

The Directors recommend the payment of a final dividend of 63p per share which, if approved by shareholders at the 2025 AGM, will be paid on 13 May 2025 to shareholders on the register on 11 April 2025.

	2024		2023	
	Pence	£m	Pence	£m
First interim dividend	30.0	31.3	29.0	17.5
Second interim dividend	–	–	34.0	20.5
Final dividend	63.0*	65.8*	24.0	25.1
Total	93.0	97.1	87.0	63.1

\* Subject to shareholder approval at the 2025 AGM on 8 May 2025

See [note 12](#) to the financial statements.

The company operates a generally progressive dividend policy subject to market conditions. The aim is to increase the dividend in line with the growth of the business over each economic cycle. This means that there may be periods where the dividend is maintained but not increased and periods where profits are retained rather than distributed to maintain retained reserves and regulatory capital at prudent levels through troughs and peaks in the cycle.

## SUBSTANTIAL SHAREHOLDINGS

The table below shows the notifiable holdings of major shareholders in the voting rights of the company in accordance with the Financial Conduct Authority's Disclosure Guidance and Transparency Rule 5.1.2, as at 31 December 2024 and 3 March 2025.

Shareholder	Number of voting rights	% of voting rights
Investec Bank Plc	27,056,463	29.42
Fidelity Management & Research	7,588,738	9.64
Rathbones Group Plc Employee Benefit Trust (EBT)	4,940,254	5.37
Lindsell Train Ltd	4,318,892	4.70
BlackRock	3,950,465	4.29
Vanguard Group	3,225,927	3.51
Heronbridge Investment Management	2,982,919	3.24

## SHARE CAPITAL

The company's share capital comprises of two classes of ordinary shares:

Classes of Ordinary Shares	As at 31 December 2024
<b>Ordinary shares of 5 pence each with voting rights:</b> On a show of hands each voting shareholder shall have one vote, and on a poll each voting shareholder shall have one vote for each ordinary share of which they are the holder. Ordinary shares rank pari passu in all respects with each other and rank in full for all dividends and other distributions thereafter declared, made, or paid in respect of the ordinary shares.	91,925,520 ordinary shares of 5 pence each with voting rights in issue (2023: 90,584,129).
<b>Convertible non-voting ordinary shares of 5 pence each:</b> The holders of the convertible non-voting ordinary shares are not entitled to receive notice of nor attend, speak or vote at any general meeting of Rathbones unless the business of the meeting includes the consideration of a resolution to vary the class rights attaching to the convertible non-voting ordinary shares. Convertible non-voting ordinary shares shall rank pari passu in all other respects with each other and shall rank pari passu for all dividends and other distributions thereafter declared, made, or paid. The convertible non-voting ordinary shares are non-transferable and are not admitted to trading or listing.	17,481,868 convertible non-voting ordinary shares of 5 pence each in issue (2023: 17,481,868).

## DIRECTORS' REPORT

The company does not hold any shares in treasury. Details of movements during the year are set out in [note 3Q](#) to the financial statements. Neither class carries the right to fixed income and all shares are fully paid.

### COMBINATION OF RATHBONES AND INVESTEC WEALTH & INVESTMENT UK

The all-share combination between the company and Investec Wealth & Investment UK (IW&I) completed on 21 September 2023. Under the terms of the Combination, Rathbones issued to Investec Bank Plc as Consideration:

- 27,056,463 ordinary voting shares of the Rathbones enlarged ordinary voting share capital
- 17,481,868 convertible non-voting ordinary shares.

As at 31 December 2024, Investec Group has an economic interest of 40.71% in Rathbones' enlarged share capital.

Subject to certain customary and other exceptions, Investec Group will be subject to a lock-up for the first two years following completion during which Investec Group will not be permitted to sell any consideration shares. In each of years three and four following completion, Investec Group will be entitled to sell one-third of the consideration shares which it owns. Any disposals of shares by Investec Group once released from lock-up will be subject to customary orderly market provisions. The lock-up arrangement will terminate on the fourth anniversary of completion.

A standstill restriction also applies to Investec Group under which it has been agreed, among other matters, not to acquire shares in, or make an unsolicited takeover offer for Rathbones for the period up to the fifth anniversary of completion.

### NEW ISSUES OF SHARE CAPITAL

Under section 551 of the Companies Act 2006, the Board currently has the authority to allot 36,065,314 shares (approximately one third of the issued share capital as at 31 March 2024). The existing authorities given to the company at the last AGM to allot shares will expire at the conclusion of the forthcoming 2025 AGM and details of the resolution renewing this authority is set out in the notice of AGM.

Awards under the company's employee share plans are satisfied from a combination of shares held in the employee benefit trust and newly issued shares. During the year, the company issued 323,491 shares to satisfy share awards and 1,017,900 shares were issued to the company's employee benefit trust to satisfy future awards.

### PURCHASE OF OWN SHARES

At the 2024 AGM, shareholders approved resolution 21 which granted the Board the authority to buy back up to a maximum number of 10,819,594 of the company's shares under certain stringent conditions. During the year, the company did not utilise this authority, but the Board considers it prudent to renew it. Therefore the company intends to seek shareholder approval for the continued authority to purchase its own shares at the forthcoming AGM in line with current investor sentiment and details of the resolution renewing the authority are included in the notice of AGM.

### EMPLOYEE SHARE TRUST

On 4 April 2017, Equiniti Trust (Jersey) Limited was appointed as trustee of the employee benefit trust. The trust is independent and holds shares for the benefit of employees and former employees of the Group. The trustee has agreed to satisfy awards under all the company's employee share plans. During the year, the trustee satisfied awards totalling 490,353 ordinary shares.

In addition, under the rules of the Rathbones Share Incentive Plan, shares are held in trust for participants by Equiniti Share Plan Trustees Limited (the 'Trustee'). At the participants' direction, the trustees can exercise the voting rights over ordinary shares in respect of participant share entitlements. If no such instruction is received by the Trustee, then no vote is registered. No person has any special rights of control over the company's share capital and all issued shares are fully paid.

### APPOINTMENT AND REMOVAL OF DIRECTORS

The appointment and replacement of directors is governed by the company's Articles of Association, the UK Corporate Governance Code, the Companies Act 2006 and related legislation and the Relationship Agreement with Investec Group. Under the terms of the Combination, two Investec Group representatives joined the Board of the company as Non-Executive Directors on completion (21 September 2023), reflecting Investec Group's position as a significant, strategic shareholder. Investec Group will be entitled to nominate two non-executive directors for as long as it holds at least 20% of the issued share capital of the company; and one Non-Executive Director for as long as it holds at least 10% but less than 20% of the issued share capital of the company.

### DIRECTORS

All those who served as Directors at any time during the year are listed on [pages 96 to 97](#). All Directors will be submitted for re-election at the 2025 AGM. The directors' interests in the share capital of the company as at 31 December 2024 are set out on [pages 123 and 130](#) of the Remuneration Committee Report.

### INSURANCE AND INDEMNIFICATION OF DIRECTORS

The company has put in place insurance to cover its Directors and officers against the costs of defending themselves in civil legal action taken against them in that capacity and any damages awarded. The company has granted indemnities, which are uncapped, to its Directors and the Company Secretary by way of a deed. Qualifying third-party indemnity provisions, as defined by section 234 of the Companies Act 2006, were therefore in place for the Directors of the Group's subsidiary companies throughout 2024 and remains in force at the date of this report.

## DIRECTORS' REPORT

### OUR PEOPLE AND DIVERSITY

Details of the company's employment practices, including engaging with our people and diversity, employment of disabled persons and employee involvement practices, can be found in the our colleagues section on [pages 73 and 74](#).

### RESPONSIBLE BUSINESS

Information about greenhouse gas emissions and our approach to operating as a responsible business are set out in the responsible business review on [page 69](#).

### FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The risk management objectives and policies of the Group are set out in [note 33](#) to the financial statements.

### AUDITOR

The Audit Committee makes a recommendation to the Board regarding the appointment, re-appointment and removal of the external auditor and oversees its relationship with the Group, including the implementation of the policy on audit and non-audit services. [Note 7](#) to the financial statements sets out details of the auditor's remuneration. Deloitte LLP was re-appointed as the external auditor at the 2024 AGM. Having reviewed the independence and effectiveness of Deloitte the audit committee has recommended to the Board that they are re-appointed and resolutions proposing their re-appointment and authorising the audit committee to set their remuneration will be proposed at the 2025 AGM.

The Directors in office at the date of signing this report confirm that, so far as they are aware, there is no relevant audit information of which the auditor is unaware and that each director has taken all reasonable steps that he or she ought to have taken to make him or herself aware of any relevant audit information and to establish that the auditor is aware of that information.

### GOING CONCERN

Details of the Group's business activities, results, cash flow and resources, together with the risks it faces and other factors likely to affect its future development, performance and position are set out in the chair's statement, chief executive's review, financial performance and segmental review. In addition, [note 1.5](#) to the financial statements provides further detail.

The Group companies are regulated by the Prudential Regulation Authority (PRA) and/or the Financial Conduct Authority (FCA) and perform annual capital adequacy and liquidity assessments, which include the modelling of certain extreme stress scenarios. The company publishes Pillar 3 disclosures annually on its website which provide detail about its regulatory capital resources and requirements. In October 2021, Rathbones Group PLC issued £40 million of 10-year subordinated loan notes to finance future growth. The Group has no other external borrowings.

The Directors believe that the company is well placed to manage its business risks successfully despite the continuing uncertain economic and geopolitical outlook. As the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### CHARITABLE DONATIONS

As at 31 December 2024, the Group had made total charitable donations of £699,793 representing 0.7% of Group pre-tax profits (2023: £589,172 representing 1.38% of Group pre-tax profits). This includes the matching of employee donations made through the tax efficient Give As You Earn (GAYE) payroll giving scheme. In 2024, Rathbones employees made payments totalling £331,059 (2023: £262,567) through this scheme, which is administered by the Charities Aid Foundation. The company matched employee donations\* of up to £200 per month made through GAYE and, in 2024, donated £215,150 (2023: £215,974) to causes chosen by employees through this method.

### POLITICAL DONATIONS

No political donations were made during the year (2023: nil).

### POST-BALANCE SHEET EVENTS

Details of post-balance sheet events are set out in [note 38](#) to the financial statements.

### OVERSEAS SUBSIDIARIES

Details of overseas subsidiaries are set out in [note 44](#) to the financial statements.

Approved and authorised for issue by the Board of Directors.

### ALI JOHNSON

GROUP COMPANY SECRETARY

25 February 2025

Registered office: 30 Gresham Street, London, EC2V 7QN

\* At this time IW&I colleague GAYE donations are not matched. This will be reviewed as we complete the alignment of benefits.

## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE REPORT AND ACCOUNTS

The Directors are responsible for preparing the Report and Accounts 2024, and the Group and parent company financial statements in accordance with applicable law and regulations.

Under company law the Directors are required to prepare Group and parent company financial statements for each financial year. They are also required to prepare Group financial statements in accordance with UK-adopted International Accounting Standards (International Financial Reporting Standards (IFRS)) and applicable law and have elected to prepare the parent company financial statements on the same basis.

Under company law, the 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 Group and parent company and of their profit or loss for that period. In preparing each of the Group and parent company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable, relevant and reliable
- state whether they have been prepared in accordance with UK-adopted International Accounting Standards (IFRS)
- assess the Group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

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

They are responsible for such internal controls as they determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a strategic report, directors' report, directors' remuneration report and corporate governance statement that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE REPORT AND ACCOUNTS

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole
- the strategic report and directors' report include a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

By order of the Board

**PAUL STOCKTON**  
GROUP CHIEF EXECUTIVE OFFICER  
25 February 2025

# FINANCIAL STATEMENTS

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# INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF RATHBONES GROUP PLC

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### 1. OPINION

In our opinion:

- the financial statements of Rathbones Group Plc (the ‘parent company’) and its subsidiaries (the ‘Group’) give a true and fair view of the state of the Group’s and of the parent company’s affairs as at 31 December 2024 and of the Group’s profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and parent company statements of changes in equity;
- the consolidated and parent company statement of financial position;
- the consolidated and parent company cash flow statement and;
- the related [notes 1 to 59](#).

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

### 2. BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor’s responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council’s (the ‘FRC’s’) Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group and parent company for the year are disclosed in [note 7](#) to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC’s Ethical Standard to the Group or the parent company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 3. SUMMARY OF OUR AUDIT APPROACH

#### KEY AUDIT MATTERS

The key audit matters that we identified in the current year were:

- Impairment of client relationship intangible assets and goodwill;
- Recognition of net investment management fee income; and
- Classification and disclosure of acquisition and integration costs.

Within this report, key audit matters are identified as follows:

- N Newly identified**
- ↑ Increased level of risk**
- Similar level of risk**
- ↓ Decreased level of risk**

#### MATERIALITY

The materiality that we used for the Group financial statements was £9.1 million which was determined on the basis of 5% of adjusted profit before tax.

#### SCOPING

Our Group audit covered a substantial portion of the Group. The scope of our audit and the nature, timing and extent of audit procedures performed were determined based on our risk assessment. This included audit of the entire financial statements of the two primary wealth management entities as well as the asset management entity. Additionally, we have performed specified audit procedures over operating income and cash.

#### SIGNIFICANT CHANGES IN OUR APPROACH

In the current year, we have made the following changes to our key audit matters:

- The key audit matter related to the defined benefit pension scheme assumptions is no longer applicable due to the 2024 pension buy-in agreement, minimising the judgement associated to the balance. This is further detailed in [note 2.2](#).
- While the acquisition accounting for Investec Wealth & Investment Limited (‘IW&I’) and subsidiary entities audit matter is no longer relevant, the key audit matter on the impairment of client relationship intangible assets and goodwill covers the significant balance from the acquisition.
- Due to the ongoing integration and migration of the Group, we identified a new key audit matter on the classification and disclosure of acquisition and integration costs as this area is potentially susceptible to fraud due to the level of judgement involved.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RATHBONES GROUP PLC

**4. CONCLUSIONS RELATING TO GOING CONCERN**

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.

Our evaluation of the directors' assessment of the Group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- Evaluating the director's assumptions applied in the going concern assessment in light of the current economic environment and testing the mechanical accuracy of the underlying forecast;
- Assessing management's sensitivity analysis and the key assumptions applied;
- Assessing management's stress testing for the amount by which the markets would need to fall to potentially impact the going concern basis and comparing this to historical falls in the markets to assess the likelihood of such an event occurring;
- Assessing the regulatory capital and liquidity position of the Group and evaluating management's reverse stress test;
- Checking consistency with the forecast assumptions applied in the going concern assessment across other forecasts within the Group; and
- Assessing the disclosures within the financial statements to ensure they are appropriate.

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 Group's and parent 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 relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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

**5. KEY AUDIT MATTERS**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**5.1 IMPAIRMENT OF CLIENT RELATIONSHIP INTANGIBLE ASSETS AND GOODWILL →****KEY AUDIT MATTER DESCRIPTION**

The Group holds client relationship intangible assets of £468.5 million (2023: £502.7 million) comprising client relationships acquired both through business combinations and through acquisition of individual investment managers and their client portfolios. Of this balance, the IW&I client relationship intangible contributes £317.7 million (2023: £344.0 million). The Group also holds £504.9 million of goodwill (2023: 507.8 million).

As detailed in the summary of principal accounting policies in [notes 1 and 2](#), client relationship intangible assets are reviewed bi-annually for indicators of impairment and, if an indicator of impairment exists, a comparison of the asset's carrying amounts with its recoverable amount is performed. Goodwill is tested for impairment at least annually, whether or not indicators of impairment exist.

Management has either prepared a value-in-use or fair value less costs to sell mode to use within their impairment assessments. For the value-in-use assessment, a discounted cash flow forecast is prepared where key assumptions including operating profit margin, net client flows and pre-tax discount rates are determined. For the fair value less costs to sell assessment, an indicative trading multiple from recent market acquisition is determined. Under both methods, there is judgement and complexity in the assumptions applied.

For goodwill, the impairment assessment is performed by comparing the carrying amount of each group of cash generating units ("CGU groups") to its recoverable amount from its value-in-use ("VIU"), calculated using a discounted cash flow method. In determining the VIU for the CGU groups, judgement is required to make assumptions in relation to an appropriate income growth rate, expenditure growth rate and the discount rate. The discount rate, annual revenue growth rate and terminal growth rate used are disclosed in [note 22](#).

We have identified this as a key audit matter given the inherent judgement and level of estimation in the assumptions that support the bi-annual measurement of recoverable amount.

This matter has been considered by the directors within the critical accounting judgements and key sources of estimation within [note 2](#).

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF RATHBONES GROUP PLC

HOW THE SCOPE OF OUR AUDIT RESPONDED TO THE KEY AUDIT MATTER

We obtained an understanding of relevant controls in relation to the impairment review process for client relationship intangible assets and goodwill.

For client relationship intangible assets, we assessed the key judgements used when determining whether there is any indication of impairment for each client portfolio. We assessed the reasonableness of the judgement and evaluated the accuracy of the inputs used. As the IW&I client relationship intangible asset is the largest of the Group (£317.7m), and given the inherent subjectivity in determining a reasonable deal multiplier and allocating fair value to intangible assets, our audit response focused on this area.

We assessed the relevant assumptions and judgements made in determining whether an impairment needed to be recognised through the calculation of the assets’ fair value. We also assessed whether they meet the requirement of IAS 36 “Impairment of Assets”.

To challenge management’s fair value impairment assessment we performed the following procedures:

- Assessed the completeness and accuracy of data inputs and key assumptions underpinning the fair value model;
- Engaged with internal valuation specialists to assess the appropriateness of the deal multiplier applied within the fair value model, by comparing to external market data;
- Tested the mechanical accuracy of management’s fair value model;
- Performed sensitivity analyses to assess the potential impact of reasonably possible changes in key assumptions on asset’s fair value; and
- Performed a stand back assessment comparing the calculated fair value, against the discounted cash flow model utilised for the purpose of valuing the client relationship intangibles assets at the point of acquisition, and evaluated any differences.

For goodwill, in order to challenge the appropriateness of the income and expenditure growth assumptions used in the VIU calculations, we assessed the assumptions used by comparing them against historical actual performance and checked for consistency with forecasts used elsewhere in the business. We engaged with our valuation specialist to determine whether the discount rate applied is appropriate by benchmarking to appropriate rates of interest.

We have also assessed the appropriateness of the disclosures within the financial statement to determine whether all required information has been disclosed for the impairment of client relationship intangible assets and goodwill.

KEY OBSERVATIONS

We concluded that management’s approach and impairment conclusion was appropriate and that the carrying value of the client relationship intangible assets and goodwill as of 31 December 2024 is not impaired.

5.2 RECOGNITION OF NET INVESTMENT MANAGEMENT FEE INCOME →

KEY AUDIT MATTER DESCRIPTION

As detailed in the summary of principal accounting policies in [notes 1 and 3](#), operating income comprises net investment management fee income of £654.5 million (2023: £414.8 million), net commission income of £91.8 million (2023: £53.6 million), net interest income of £63.9 million (2023: £51.7 million) and fees from advisory services and other income of £85.7 million (2023: £51.0 million).

Investment management (“IM”) fees from the IM segment account for approximately 64.2% (2023: 61.3%) of total operating income and are based on a percentage of an individual client’s Funds Under Management (“FUM”).

The Group’s history of acquisitions and long-standing client relationships has resulted in a complex fee structure and results in amendments to fee rate cards during the financial year. As remuneration schemes for investment managers often link to FUM and fee generation, there is an elevated risk of fraud. This risk pertains particularly to potential manipulation of fee amendments during the period and the onboarding of new clients.

Due to the time and resources utilised in the audit, we have determined this to be a key audit matter and identified recognition of net investment management fee income as an area with the potential for fraud.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RATHBONES GROUP PLC

## HOW THE SCOPE OF OUR AUDIT RESPONDED TO THE KEY AUDIT MATTER

We have tailored the audit approach to each of the wealth management entities (Rathbones Investment Management Ltd ('RIM') and Investec Wealth & Investment Limited), given their different control environments.

In both entities, we have performed the following procedures:

- Obtained an understanding of relevant manual and IT controls which management have established so that fee rates are appropriately applied.
- Agreed a sample of management fee rates through to client agreements and correspondence, with a focus on new and amended fee rates. Where manual fee rate amendments were made to system generated fees, we inspected evidence of appropriate authorisation and rationale.

For the Rathbones legacy business (RIM), we have performed the following additional procedures:

- Tested the manual and IT controls related to fee rates applied.
- Engaged with our data analytics specialists to perform a recalculation of the fees to gain comfort over the system generated fees.

In order to address the completeness and accuracy of FUM as a key input into management fees in RIM, we tested the controls over FUM (including associated IT controls) and agreed a sample of FUM holdings to third-party custodian reports.

For the IW&I business, we have performed the following additional procedures:

- Recalculated a sample of fee charges to gain comfort over the system generated fees.
- Agreed a sample of FUM holdings to third-party custodian reports to test the completeness and accuracy of FUM as a key input.

## KEY OBSERVATIONS

We concluded that the net investment management fee income is appropriately recognised for the year ended 31 December 2024.

5.3 CLASSIFICATION AND DISCLOSURE OF ACQUISITION AND INTEGRATION COSTS N

## KEY AUDIT MATTER DESCRIPTION

The Group recognised £83.4 million (2023: £44.3 million) of acquisition and integration costs. As a result of the Investec Wealth & Investment Limited acquisition in 2023, there has been significant increase in the acquisition and integration costs.

The classification of acquisition and integration costs relies on judgement, and increases the potential for management bias, especially considering that certain management remuneration schemes are linked to the integration's success and the realisation of synergies.

Furthermore, we note that throughout the annual report and within the Group's other public announcements, underlying profit and underlying earnings per share are key performance indicators for the Group and an area of increased focus by investors. They are adjusted for acquisition and integration costs, as disclosed in [note 9](#), and reported as key Alternative Performance Measures ("APMs") of the Group on [page 43](#) of the strategic report. Because this gives rise to an incentive to misclassify expense as acquisition and integration costs, we identified this area as a key audit matter.

## HOW THE SCOPE OF OUR AUDIT RESPONDED TO THE KEY AUDIT MATTER

We have obtained an understanding of the relevant controls in place in relation to the classification of acquisition and integration costs.

We assessed the appropriateness of the Group's policy in recognising acquisition and integration related costs. We also examined the year-on-year consistency of the policy.

We have challenged the Group's policy for the recognition and classification of the expenses, such as specific share-based payment schemes, and whether these were incurred as part of the acquisition and integration activities.

As the classification of expenses impacts certain management remuneration scheme, we evaluated the relevant remuneration schemes and the incentive criteria.

For a sample of expenses, we have assessed management's rationale for recognition and classification of these costs against management's policy.

We have assessed the appropriateness of disclosures included within the financial statement to determine whether all required information has been included for acquisition and integration costs.

## KEY OBSERVATIONS

We have concluded that the classification and disclosure of acquisition and integration expenses is appropriate for the year ended 31 December 2024.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RATHBONES GROUP PLC

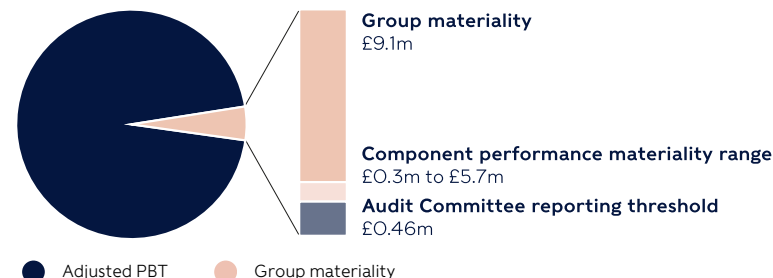
**6. OUR APPLICATION OF MATERIALITY****6.1 MATERIALITY**

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	GROUP FINANCIAL STATEMENTS	PARENT COMPANY FINANCIAL STATEMENTS
<b>MATERIALITY</b>	£9.1 million (2023: £5.0 million)	£11.3 million (2023: £11.3 million)
<b>BASIS FOR DETERMINING MATERIALITY</b>	5% of adjusted profit before tax (2023: 5% of adjusted profit before tax) Profit before tax has been adjusted to include the non-recurring acquisition and integration related costs incurred in the year.	For the purpose of our opinion on the parent company financial statements materiality has been set at 1% (2023: 1%) of net assets. The materiality determined for the standalone Company financial statements exceeds the Group materiality. This is due to the net asset balance The performance materiality applied to the parent company for the purposes of the group audit opinion is discussed in <a href="#">section 7.1</a> .
<b>RATIONALE FOR THE BENCHMARK APPLIED</b>	Adjusted profit before tax has been used as the basis for determining materiality as this is the key metric used by members of the parent company and other relevant stakeholders in assessing financial performance. In determining adjusted profit before tax, we have taken the statutory value and included the non-recurring acquisition and integration related costs incurred in the year as outlined in <a href="#">note 9</a> , on the basis that they are non-recurring and that this provides a consistent basis for determining materiality year on year.	The parent company primarily holds the investments in Group entities and, therefore net assets is considered to be the key focus for users of the financial statements.

Adjusted PBT  
£182.9m

**6.2 PERFORMANCE MATERIALITY**

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	GROUP FINANCIAL STATEMENTS	PARENT COMPANY FINANCIAL STATEMENTS
<b>PERFORMANCE MATERIALITY</b>	70% (2023: 70%) of Group materiality	70% (2023: 70%) of parent company materiality
<b>BASIS AND RATIONALE FOR DETERMINING PERFORMANCE MATERIALITY</b>	In determining performance materiality, we considered the following factors: <ul style="list-style-type: none"> <li>— Our risk assessment, including our assessment of the Group's overall control environment, and we consider it appropriate to rely on controls over certain business processes;</li> <li>— The performance of the Group and the parent company during 2024; and</li> <li>— Our past experience of the Group and parent company audit, which has indicated a low number of corrected and uncorrected misstatements identified in prior periods.</li> </ul>	

**6.3 ERROR REPORTING THRESHOLD**

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £455,000 (2023: £250,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RATHBONES GROUP PLC

**7. AN OVERVIEW OF THE SCOPE OF OUR AUDIT****7.1 IDENTIFICATION AND SCOPING OF COMPONENTS**

The Group prepares a single consolidation of its components. Deloitte LLP was appointed as auditors of Investec Wealth & Investment Limited in the current year, meaning all audit work of the entire Group is performed directly by Group audit team. We obtained an understanding of the environment, including Group-wide controls, implemented a risk-based approach by developing an appropriate audit plan for each significant account balance, and assessed the risks of material misstatement at the Group level.

Through our scoping assessment, we have identified four components which contribute significantly to the overall Group performance. This consists of the two main trading subsidiaries Rathbones Investment Management Limited and Investec Wealth & Investment Limited, the parent company Rathbones Group Plc, and Rathbones Asset Management Limited. Therefore, we have audited the entire financial information of these entities. For the parent company component, we applied a component performance materiality equal to £5.7 million; for the other components, we used individual component performance materiality levels determined on the basis of their individual financial statements, which ranged from £0.3 million to £5.7 million.

We further identified and performed specified audit procedures of the operating income balances within Rathbones Investment Management International Limited, Saunderson House Limited and Vision Independent Financial Planning Limited, as well as specified audit procedures on the cash balance within Investec Wealth & Investment (Channel Islands) Limited. We performed analytical procedures on other balances.

Our scoping and audit procedures has provided us significant coverage of the Group, the components that were scoped in for audits of entire financial information or specified audit procedures represented 95% of the Group's operating income; 92% of the Group's profit before tax, and 98% of the Group's net assets.

**REVENUE****PROFIT BEFORE TAX****NET ASSETS**

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RATHBONES GROUP PLC

### 7.2 OUR CONSIDERATION OF THE CONTROL ENVIRONMENT

Based on our understanding of the Group's control environment, we have assessed the relevant business and IT controls for investment management fee income in the Wealth Management segment.

The key IT systems relevant to the audit were the financial accounting system, the back-office databases and core IM business engines and the front office applications. The latter two are pivotal systems for the provision of the investment management service and directly feed into the investment management fee and commission income recognised in the IM segment. Therefore, they are particularly relevant for Rathbones Investment Management ('RIM') Limited and Investec Wealth & Investment Limited.

We adopted a fully substantive approach for IW&I, where changes in the control environment are planned and for which the component auditor changed to Deloitte during the year. For other components, we relied on controls and through the involvement of our IT specialists. We tested the controls over the above systems, as well as supplementary systems and processes within the Group. We also tested business controls over investment management fee income recognised in RIM. We have taken a controls reliance approach to the back-office database and front-office application systems and therefore to investment management income in RIM.

Consistent with the prior year, we have tested the controls over the financial accounting system but have not taken reliance due to the degree of manual intervention.

### 7.3 OUR CONSIDERATION OF CLIMATE-RELATED RISKS

In planning our audit, we have considered the potential impact of climate change on the Group's business and its financial statements.

The Group continues to develop its assessment of the potential impacts and opportunities of ESG, and climate change as explained in the strategic report on [pages 77 to 88](#).

As a part of our audit, we obtained management's climate-related risk assessment and held discussions with management to understand the process of identifying climate-related risks, the determination of mitigating actions and the impact on the Group's financial statements. We engaged our climate specialists to perform a review of the TCFD and CFD disclosures.

We read the climate risk disclosures included in the strategic report section of the annual report, and also evaluated the appropriateness of disclosures included in the financial statements within [note 33](#), to consider whether they are materially consistent with the financial statements and our knowledge obtained in the audit.

### 8. OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

### 9. RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 Group's and the parent 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 Group or the parent company or to cease operations, or have no realistic alternative but to do so.

### 10. AUDITOR'S 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 auditor's 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RATHBONES GROUP PLC

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### 11. EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

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.

#### 11.1 IDENTIFYING AND ASSESSING POTENTIAL RISKS RELATED TO IRREGULARITIES

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for the directors' remuneration, bonus levels and performance targets;
- the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error that was approved by the Board on 19 February 2025;
- results of our enquiries of management, internal audit, the directors and the Audit Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team and relevant internal specialists, including tax, valuations, IT, climate and industry specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: the impairment of client relationship intangible asset and goodwill, the recognition of net investment management fee income and classification and disclosure of acquisition and integration costs. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Prudential Regulation Authority and the Financial Conduct Authority's regulations; UK Companies Act; the Listing Rules; pensions legislation and the UK tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included the Group's regulatory solvency requirements.

#### 11.2 AUDIT RESPONSE TO RISKS IDENTIFIED

As a result of performing the above, we identified the impairment of client relationship intangible assets and goodwill, the recognition of net investment management fee income and classification and disclosure of acquisition and integration costs as key audit matters related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit Committee and in-house and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC, the Prudential Regulation Authority and the Financial Conduct Authority; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RATHBONES GROUP PLC

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

## 12. OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

## 13. CORPORATE GOVERNANCE STATEMENT

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on [page 133](#);
- the directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on [page 24](#);
- the directors' statement on fair, balanced and understandable set out on [page 134](#);
- the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on [page 63](#);
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on [pages 62-63](#); and
- the section describing the work of the Audit Committee set out on [pages 106-110](#).

## 14. OPINION ON OTHER MATTER PRESCRIBED BY THE CAPITAL REQUIREMENTS (COUNTRY-BY-COUNTRY REPORTING) REGULATIONS 2013

In our opinion the information given in [note 39](#) to the financial statements for the financial year ended 31 December 2024 has been properly prepared, in all material respects, in accordance with the Capital Requirements (Country-by Country Reporting) Regulations 2013.

15. MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION  
15.1 ADEQUACY OF EXPLANATIONS RECEIVED AND ACCOUNTING RECORDS

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

## 15.2 DIRECTORS' REMUNERATION

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of the directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

## 16. OTHER MATTERS WHICH WE ARE REQUIRED TO ADDRESS

## 16.1 AUDITOR TENURE

Following the recommendation of the Audit Committee, we were appointed by shareholders on 9 May 2019 to audit the financial statements for the year ending 31 December 2019 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 6 years, covering the years ending 31 December 2019 to 31 December 2024.

## 16.2 CONSISTENCY OF THE AUDIT REPORT WITH THE ADDITIONAL REPORT TO THE AUDIT COMMITTEE

Our audit opinion is consistent with the additional report to the Audit Committee we are required to provide in accordance with ISAs (UK).

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RATHBONES GROUP PLC

### 17. USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

### **SIMON CLEVELAND, FCA**

(SENIOR STATUTORY AUDITOR)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

25 February 2025

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £m	2023 £m
Interest and similar income		147.8	128.8
Interest expense and similar charges		(83.9)	(77.1)
<b>Net interest income</b>	<u>4</u>	<b>63.9</b>	51.7
Fee and commission income		835.1	538.6
Fee and commission expense		(34.3)	(29.7)
<b>Net fee and commission income</b>	<u>5</u>	<b>800.8</b>	508.9
Other operating income	<u>6</u>	31.2	10.5
<b>Operating income</b>		<b>895.9</b>	571.1
Charges in relation to client relationships and goodwill		(44.6)	(25.2)
Acquisition-related and integration costs	<u>9</u>	(83.4)	(44.3)
Other operating expenses		(668.3)	(444.0)
<b>Operating expenses</b>	<u>7</u>	<b>(796.3)</b>	(513.5)
<b>Profit before tax</b>		<b>99.6</b>	57.6
Taxation	<u>11</u>	(34.1)	(20.1)
<b>Profit after tax</b>		<b>65.5</b>	37.5
<b>Profit for the year attributable to equity holders of the company</b>		<b>65.5</b>	37.5
<b>Other comprehensive income:</b>			
Items that will not be reclassified to profit or loss			
Net remeasurement of defined benefit asset or liability	<u>29</u>	(10.6)	(5.8)
Deferred tax relating to net remeasurement of defined benefit asset or liability	<u>21</u>	2.7	1.5
<b>Other comprehensive income net of tax</b>		<b>(7.9)</b>	(4.3)
<b>Total comprehensive income for the year net of tax attributable to equity holders of the company</b>		<b>57.6</b>	33.2
Dividends paid and proposed for the year per ordinary share	<u>12</u>	93.0p	87.0p
Dividends paid and proposed for the year		96.9	62.9
<b>Earnings per share for the year attributable to equity holders of the company:</b>	<u>13</u>		
— basic		63.0p	52.6p
— diluted		60.4p	50.8p

The accompanying notes form an integral part of the consolidated financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Share capital £m	Share premium £m	Merger reserve £m	Own shares £m	Retained earnings £m	Total equity £m
At 1 January 2023		3.2	310.0	77.0	(52.6)	297.2	634.8
Profit for the year		–	–	–	–	37.5	37.5
Net remeasurement of defined benefit liability	<u>29</u>	–	–	–	–	(5.8)	(5.8)
Deferred tax relating to components of other comprehensive income	<u>21</u>	–	–	–	–	1.5	1.5
Other comprehensive income net of tax		–	–	–	–	(4.3)	(4.3)
Dividends paid	<u>12</u>	–	–	–	–	(71.4)	(71.4)
Issue of share capital	<u>30</u>	2.2	2.3	747.4	–	–	751.9
Share-based payments:							
— cost of share-based payment arrangements	<u>32</u>	–	–	–	–	24.0	24.0
— cost of vested employee remuneration and share plans	<u>32</u>	–	–	–	–	(6.0)	(6.0)
— cost of own shares vesting	<u>31</u>	–	–	–	13.0	(13.0)	–
— cost of own shares acquired	<u>31</u>	–	–	–	(16.0)	–	(16.0)
— tax on share-based payments		–	–	–	–	(0.3)	(0.3)
31 December 2023		5.4	312.3	824.4	(55.6)	263.7	1,350.2
Profit for the year		–	–	–	–	65.5	65.5
Net remeasurement of defined benefit asset	<u>29</u>	–	–	–	–	(10.6)	(10.6)
Deferred tax relating to components of other comprehensive income	<u>21</u>	–	–	–	–	2.7	2.7
Other comprehensive income net of tax		–	–	–	–	(7.9)	(7.9)
Dividends paid	<u>12</u>	–	–	–	–	(56.9)	(56.9)
Issue of share capital	<u>30</u>	0.1	5.5	–	–	–	5.6
Share-based payments:							
— cost of share-based payment arrangements	<u>32</u>	–	–	–	–	29.1	29.1
— cost of vested employee remuneration and share plans	<u>32</u>	–	–	–	–	(4.2)	(4.2)
— cost of own shares vesting	<u>31</u>	–	–	–	9.5	(9.5)	–
— cost of own shares acquired	<u>31</u>	–	–	–	(22.0)	–	(22.0)
— tax on share-based payments		–	–	–	–	–	–
<b>31 December 2024</b>		<b>5.5</b>	<b>317.8</b>	<b>824.4</b>	<b>(68.1)</b>	<b>279.8</b>	<b>1,359.4</b>

The accompanying notes form an integral part of the consolidated financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## AS AT 31 DECEMBER 2024

	Note	2024 £m	2023 £m
<b>Assets</b>			
Cash and balances with central banks	<u>14</u>	<b>1,166.0</b>	1,038.3
Settlement balances		<b>128.3</b>	165.7
Loans and advances to banks	<u>15</u>	<b>293.2</b>	266.9
Loans and advances to customers	<u>16</u>	<b>96.1</b>	115.6
Investment securities:			
— fair value through profit or loss	<u>17</u>	<b>—</b>	1.2
— amortised cost	<u>17</u>	<b>1,278.2</b>	1,294.6
Prepayments, accrued income and other assets	<u>18</u>	<b>242.8</b>	225.3
Property, plant and equipment	<u>19</u>	<b>53.2</b>	16.1
Right-of-use assets	<u>20</u>	<b>42.3</b>	64.5
Current tax asset (UK)		<b>6.8</b>	3.9
Intangible assets	<u>22</u>	<b>982.7</b>	1,025.3
Net defined benefit asset	<u>29</u>	<b>0.5</b>	7.0
<b>Total assets</b>		<b>4,290.1</b>	4,224.4
<b>Liabilities</b>			
Deposits by banks	<u>23</u>	<b>3.8</b>	12.4
Settlement balances		<b>133.6</b>	172.1
Due to customers	<u>24</u>	<b>2,352.1</b>	2,253.3
Accruals and other liabilities	<u>25</u>	<b>249.9</b>	209.6
Provisions	<u>26</u>	<b>28.1</b>	25.5
Lease liabilities	<u>27</u>	<b>44.8</b>	74.9
Current tax liabilities (overseas)		<b>0.5</b>	0.5
Net deferred tax liability	<u>21</u>	<b>78.0</b>	86.0
Subordinated loan notes	<u>28</u>	<b>39.9</b>	39.9
<b>Total liabilities</b>		<b>2,930.7</b>	2,874.2

	Note	2024 £m	2023 £m
<b>Equity</b>			
Share capital	<u>30</u>	<b>5.5</b>	5.4
Share premium	<u>30</u>	<b>317.8</b>	312.3
Merger reserve	<u>30</u>	<b>824.4</b>	824.4
Own shares	<u>31</u>	<b>(68.1)</b>	(55.6)
Retained earnings		<b>279.8</b>	263.7
<b>Total equity</b>		<b>1,359.4</b>	1,350.2
<b>Total liabilities and equity</b>		<b>4,290.1</b>	4,224.4

The financial statements were approved by the Board of Directors and authorised for issue on 25 February 2025 and were signed on its behalf by:

**PAUL STOCKTON**  
GROUP CHIEF EXECUTIVE OFFICER

**IAIN HOOLEY**  
GROUP CHIEF FINANCIAL OFFICER

Company registered number: 01000403

The accompanying notes form an integral part of the consolidated financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £m	2023 £m
<b>Cash flows from operating activities</b>			
Profit before tax		99.6	57.6
Change in fair value through profit or loss		–	(1.0)
Net interest income	4	(63.9)	(51.7)
Impairment losses on financial instruments	33	–	0.1
Net charge for provisions	26	14.9	9.4
Depreciation, amortisation and impairment		80.4	47.1
Loss on disposal of property, plant and equipment		0.1	–
Gain on modification of leases		(13.5)	–
Foreign exchange movements	17	(1.0)	3.4
Defined benefit pension scheme credits	29	(0.4)	(0.5)
Defined benefit pension contributions paid	29	(3.7)	(2.9)
Share-based payment charges		29.1	24.0
Interest paid		(79.8)	(67.7)
Interest received		147.6	111.9
		<b>209.4</b>	<b>129.7</b>
<b>Changes in operating assets and liabilities:</b>			
Net decrease in loans and advances to banks and customers		21.8	87.4
Net decrease in settlement balance debtors		37.4	133.3
Net increase in prepayments, accrued income and other assets		(12.1)	(36.2)
Net increase/(decrease) in amounts due to customers and deposits by banks		90.2	(251.5)
Net decrease in settlement balance creditors		(38.5)	(123.6)
Net increase in accruals, provisions and other liabilities		27.2	1.0

	Note	2024 £m	2023 £m
<b>Cash generated from/(used in) operations</b>		<b>335.4</b>	<b>(59.9)</b>
Tax paid		(41.8)	(29.5)
<b>Net cash inflow/(outflow) from operating activities</b>		<b>293.6</b>	<b>(89.4)</b>
<b>Cash flows from investing activities</b>			
Cash acquired on acquisition of subsidiaries	8	–	172.6
Purchase of property, plant, equipment and intangible assets		(56.6)	(10.7)
Purchase of investment securities	17	(2,028.0)	(2,059.9)
Proceeds from sale and redemption of investment securities	17	2,046.6	1,818.1
<b>Net cash used in investing activities</b>		<b>(38.0)</b>	<b>(79.9)</b>
<b>Cash flows from financing activities</b>			
Issue of ordinary shares	37	5.6	–
Repurchase of ordinary shares	37	(22.0)	(16.0)
Dividends paid	12	(56.9)	(71.4)
Payment of lease liabilities	27	(20.9)	(7.5)
Interest paid		(5.1)	(5.6)
<b>Net cash used in financing activities</b>		<b>(99.3)</b>	<b>(100.5)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>156.3</b>	<b>(269.8)</b>
Cash and cash equivalents at the beginning of the year		1,302.9	1,572.7
<b>Cash and cash equivalents at the end of the year</b>	37	<b>1,459.2</b>	<b>1,302.9</b>

The accompanying notes form an integral part of the consolidated financial statements.

# NOTES TO THE CONSOLIDATED STATEMENTS

## 1 PRINCIPAL ACCOUNTING POLICIES

Rathbones Group Plc ('the company') is a public company limited by shares incorporated and domiciled in England and Wales under the Companies Act 2006.

### 1.1 BASIS OF PREPARATION

The consolidated and company financial statements have been prepared in accordance with UK-adopted International Accounting Standards. The company financial statements are presented on [pages 211 to 232](#).

The financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value ([notes 1.9, 1.12, 1.16 and 1.18](#)). The principal accounting policies adopted are set out in this note and, unless otherwise stated, have been applied consistently to all periods presented in the consolidated financial statements.

### 1.2 BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the company (its subsidiaries), together 'the Group', made up to 31 December each year.

The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is obtained, and no longer consolidated from the date that control ceases; their results are included in the consolidated financial statements up to the date that control ceases. Inter-company transactions and balances between Group companies are eliminated on consolidation.

### 1.3 DEVELOPMENTS IN REPORTING STANDARDS AND INTERPRETATIONS

#### Standards and interpretations affecting the reported results or the financial position

The following amendments to standards have been adopted in the current period, but have not had a significant impact on the amounts reported in these financial statements:

- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16
- Classifications of liabilities as current or non-current (Amendments to IAS 1)
- Amendments to IAS 7 Statements of Cash Flows and IFRS 7 Financial Instruments: Disclosures Supplier Finance Arrangements
- International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12).

### Future new standards and interpretations

The following standards are effective for annual periods beginning on or after 1 January 2025 and earlier application is permitted; however, the Group has not early-adopted the amended standards in preparing these consolidated financial statements.

The following standard is expected to have a material impact on the Group's financial statements. This standard has not yet been endorsed in the UK.

Standards available for early adoption	Effective date
IFRS 18 Presentation and Disclosure in Financial Statements	01 January 2027

The following standards are not expected to have a material impact on the Group's financial statements.

Standards available for early adoption	Effective date
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Optional
Lack of Exchangeability – Amendments to IAS 21	01 January 2025
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	01 January 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	01 January 2026
Annual Improvements to IFRS Accounting Standards – Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	01 January 2026
IFRS 19 Subsidiaries without Public Accountability: Disclosures (not yet endorsed in the UK)	01 January 2027

### 1.4 BUSINESS COMBINATIONS

Business combinations are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets transferred, liabilities assumed and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant asset / liability recognition and measurement guidance in IFRS. Changes in the fair value of contingent consideration classified as equity are not recognised.

## NOTES TO THE CONSOLIDATED STATEMENTS

### 1 PRINCIPAL ACCOUNTING POLICIES CONTINUED

#### 1.5 GOING CONCERN

The directors have, at the time of approving the financial statements, a reasonable expectation that the company and the Group have adequate resources to continue in operational existence. In forming this view, the directors have considered the company's and the Group's prospects for a period of at least 12 months from the date of approval of the annual report. The directors' assessment included consideration of the Group's profit and capital forecasts; the impact of capital and liquidity stress tests; the impact of reverse stress testing and the management actions available to mitigate this impact. The assessment also ensured that the assumptions applied were consistent with those used in other forward-looking areas of the financial statements, such as impairment testing. The directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.6 FOREIGN CURRENCIES

The functional and presentational currency of the company and its subsidiaries is sterling.

Transactions in currencies other than the relevant Group entity's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Gains and losses arising on retranslation are included in profit or loss for the year.

#### 1.7 INCOME

##### Net interest income

Interest income or expense is recognised within net interest income using the effective interest method.

The effective interest method is the method of calculating the amortised cost of a financial asset or liability (or group of assets and liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the expected future cash payments or receipts through the expected life of the financial instrument, or when appropriate, a shorter period, to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

The application of the method has the effect of recognising income (or expense) receivable (or payable) on the instrument evenly in proportion to the amount outstanding over the period to maturity or repayment. In calculating effective interest, the Group estimates cash flows considering all contractual terms of the financial instrument but excluding the impact of future credit losses.

The interest charged on the Group's lease liabilities and subordinated loan notes is included within cash used in financing activities in the Group statement of cash flows. Interest charged on client funds is included within cash generated from operations.

##### Net fee and commission income

Portfolio or investment management fees, commissions receivable or payable and fees from advisory services are recognised on a continuous basis over the period that the related service is provided.

Commission charges for executing transactions on behalf of clients are recognised when the transaction is dealt at the trade date.

The Group has made an assessment as to whether the work performed to earn such fees constitutes the transfer of services and, therefore, fulfils any performance obligation(s). If so, then these fees are recognised when the relevant performance obligation has been satisfied; if not, then the fees are only recognised in the period in which the services are provided.

A breakdown of the timing of revenue recognition can be found in [note 3](#).

##### Dividend income

Dividend income from final dividends on equity securities is accounted for on the date the security becomes ex-dividend. Interim dividends are recognised when received.

##### Other income

In cases where cash held within client portfolios does not represent a banking deposit, the Group invests this cash in cash securities with approved financial institutions. The margin earned on these funds, being the difference between the rate of interest paid by the custodian bank and that paid to clients, represents the rate of return available to the Group through the pooling of client funds. This margin is included within other operating income in the financial statements.

#### 1.8 LEASES

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

The Group recognises a right-of-use asset and a lease liability at the inception date of the lease. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of dilapidation costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. As a result of new information, the Group revised its recognition of dilapidations during 2024. The estimate for recognition of dilapidation assets, which reflect costs to dismantle and remove structural changes made to leased premises, was revised from 100% of the total cost of dilapidations to 50%. The remaining 50% is charged to profit or loss over the useful life of the lease and recognised as a provision. In line with IAS 8, this change in accounting estimate was applied prospectively to new leases entered into from 1 January 2024. The impact of the change was a reduction to the dilapidation asset by £0.4 million, and an equal reduction in the related provision.

## NOTES TO THE CONSOLIDATED STATEMENTS

### 1 PRINCIPAL ACCOUNTING POLICIES CONTINUED

#### 1.8 LEASES CONTINUED

The right-of-use assets and dilapidations assets are subsequently depreciated on a straight-line basis over the shorter of the expected life of the asset and the lease term, adjusted for any remeasurements of the lease liability. At the end of each reporting period, the assets are assessed for indicators of impairment in accordance with IAS 36.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The Group uses an incremental borrowing rate of 5.6%, derived from its subordinated loan notes (note 28), as the discount rate for all leases entered into prior to the acquisition of IW&I on 21 September 2023. For all leases entered into or modified after this date, an incremental borrowing rate is determined on a lease-by-lease basis, with reference to the lease term and rental payments specific to each lease.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is subsequently measured by adjusting the carrying amount to reflect the interest charge, the lease payments made and any reassessment or lease modifications. The lease liability is remeasured if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Where the Group is an intermediate lessor in a sub-lease, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

Leases that qualify for the low-value asset exemption or short-term lease exemption do not fall within the scope of IFRS 16 and continue to be treated as off balance sheet.

#### 1.9 SHARE BASED PAYMENTS

The Group engages in equity-settled and cash-settled share-based payment transactions in respect of services received from its employees.

##### Equity-settled awards

For equity-settled share-based payments, the fair value of the award is measured by reference to the fair value of the shares or share options granted on the grant date. The cost of the employee services received in respect of the shares or share options granted is recognised in profit or loss over the vesting period, with a corresponding credit to equity.

The fair value of the awards or options granted is determined using a binomial pricing model, which takes into account the current share price, the risk-free interest rate, the expected volatility of the company's share price over the life of the option or award, any applicable exercise price and other relevant factors. Only those vesting conditions that include terms related to market conditions are taken into account in estimating fair value. Non-market vesting conditions are taken into account by adjusting the number of shares or share options included in the measurement of the cost of employee services so that, ultimately, the amount recognised in profit or loss reflects the number of vested shares or share options, with a corresponding adjustment to equity. Where vesting conditions are related to market conditions, the charges for the services received are recognised regardless of whether or not the market-related vesting condition is met, provided that any non-market vesting conditions are also met. Shares purchased and issued are recorded directly in equity.

##### Cash-settled awards

For cash-settled share-based payments, a liability is recognised for the services received, and the related employer's taxes, at the balance sheet date, measured at the fair value of the liability. At each subsequent balance sheet date and at the date on which the liability is settled, the fair value of the liability is remeasured with any changes in fair value recognised in profit or loss.

### 1.10 TAXATION

#### Current Tax

Current tax is the expected tax payable or receivable on net taxable income for the year. Current tax is calculated using tax rates enacted or substantively enacted by the balance sheet date, together with any adjustment to tax payable or receivable in respect of previous years.

#### Deferred tax

Deferred tax is accounted for under the balance sheet liability method in respect of temporary differences using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the liability is settled or when the asset is realised.

## NOTES TO THE CONSOLIDATED STATEMENTS

**1 PRINCIPAL ACCOUNTING POLICIES** CONTINUED**1.10 TAXATION** CONTINUED

Deferred tax liabilities are recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences may be utilised, except where the temporary difference arises:

- from the initial recognition of goodwill
- from the initial recognition of other assets and liabilities in a transaction, which affects neither the tax profit nor the accounting profit, other than in a business combination; or
- in relation to investments in subsidiaries and associates, where the Group is able to control the reversal of the temporary difference and it is the Group's intention not to reverse the temporary difference in the foreseeable future.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised:

- in other comprehensive income if they relate to items recognised in other comprehensive income
- directly in retained earnings if they relate to items recognised directly in retained earnings.

**1.11 CASH AND CASH EQUIVALENTS**

Cash comprises cash in hand and demand deposits.

Demand deposits include balances with central banks which are realisable on demand.

Cash equivalents includes loans and advances to banks with a maturity of less than three months from the date of acquisition.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts (overnight cash book overdraft balances – [Note 23](#)), which are included in the Group's cash management.

**1.12 FINANCIAL ASSETS****Initial recognition and measurement**

Financial assets, excluding trade debtors, are initially recognised when the Group becomes party to the contractual provisions of the asset. Trade debtors are recognised when cash is advanced to the borrowers.

Financial assets are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition (except those assets classified at fair value through profit or loss). Trade debtors without a significant financing component are initially measured at the transaction price.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

For settlement balances, trade date accounting is applied to all regular way purchases and sales of assets.

**Classification and subsequent measurement**

Financial assets are classified and measured in the following categories:

- amortised cost

Financial assets are measured at amortised cost if their contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding and they are held within a business model whose objective is to hold assets to collect contractual cash flows.

Assets are measured at amortised cost using the effective interest rate method ([note 1.7](#)), less any 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.

- at fair value through other comprehensive income (FVOCI)

Debt instruments are measured at FVOCI if their contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding and they are held within a business model whose objective is both to hold assets to collect contractual cash flows and to sell the assets.

For debt instruments, interest income is calculated using the effective interest method. For equity instruments, dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. All other gains and losses on assets at FVOCI are recognised in OCI.

- at fair value through profit or loss (FVTPL)

All equity instruments are measured at FVTPL unless the instrument is not held for trading, the Group irrevocably elects to measure the instrument at FVOCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

## NOTES TO THE CONSOLIDATED STATEMENTS

**1 PRINCIPAL ACCOUNTING POLICIES** CONTINUED**1.12 FINANCIAL ASSETS** CONTINUED**Business model assessment**

The Group assesses the objective of the business model in which a financial asset is held at a portfolio level. The information considered includes:

- the objectives for the portfolio and how those tie in to the current and future strategy of the Group
- how the performance of the portfolio is evaluated and reported to the Group's management
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed
- how Group employees are compensated, e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

**Payments of principal and interest criterion**

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers:

- the contractual terms of the instrument, checking consistency with basic lending criteria
- the impact of the time value of money
- features that would change the amount or timing of contractual cash flows
- other factors, such as prepayment or extension features.

**Derecognition**

Financial assets are derecognised when the contractual rights to receive cash flows have expired or the Group has transferred substantially all the risks and rewards of ownership.

**Impairment of financial assets**

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost and FVOCI and loan commitments held off balance sheet.

A financial asset will attract a loss allowance equal to either:

- 12-month ECLs (losses resulting from possible defaults within the next 12 months); or
- lifetime ECLs (losses resulting from possible defaults over the remaining life of the financial asset).

The latter applies if there has been a significant deterioration in the credit quality of the asset; albeit lifetime ECLs will always be recognised for trade receivables, contract assets or lease receivables without a significant financing component.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for treasury book and investment management loan book exposures (see [note 33](#)) for which credit risk has not increased significantly since initial recognition, which are measured at 12-month ECLs.

Loss allowances for trust and financial planning debtors are always measured at an amount equal to lifetime ECLs.

When assessing whether the credit risk of a financial asset has increased significantly between the reporting date and initial recognition, quantitative and qualitative indicators are used. More detail can be found at [note 33](#).

**Measurement of ECLs****Treasury book and investment management loan book**

The Group has developed a model for calculating ECLs on its treasury book and investment management loan book (which includes loan commitments held off balance sheet). The Group has developed three different economic scenarios: a base case, an upside and a downside.

The base case is assigned a 60% probability of occurring with the upside and downside each assigned a 20% probability of occurring.

The economic scenarios are based on the projections of GDP, inflation, unemployment rates, house price indices, financial markets and interest rates as set out in the banking system stress testing scenario published annually by the PRA.

Management adjust the projections for the economic variables in arriving at the upside and downside scenarios.

## NOTES TO THE CONSOLIDATED STATEMENTS

**1 PRINCIPAL ACCOUNTING POLICIES CONTINUED****1.12 FINANCIAL ASSETS CONTINUED**

Under each resultant scenario, an ECL is forecast for each exposure in the treasury book and investment management loan book. The ECL is calculated based on management's estimate of the probability of default, the loss given default and the exposure at default of each exposure taking into account industry credit loss data, the Group's own credit loss experience, the expected repayment profiles of the exposures and the level of collateral held. Industry credit loss information is drawn from data on credit defaults for different categories of exposure published by the Council of Mortgage Lenders and Standard & Poor's.

The model adopts a staging allocation methodology, primarily based on changes in the internal and/or external credit rating of exposures to identify significant increases in credit risk since inception of the exposure.

The Group has not rebutted the presumption that if an exposure is more than 30 days past due, the associated credit risk has significantly increased.

More detail on the Group's staging criteria is provided in [note 33](#).

ECLs are discounted back to the balance sheet date at the effective interest rate of the asset.

**Trust and financial planning debtors**

The Group's trust and financial planning debtors are generally short term and do not contain significant financing components. Therefore, the Group has applied a practical expedient by using a provision matrix to calculate lifetime ECLs based on actual credit loss experience over the past four years.

**Credit-impaired financial assets**

At each reporting date, the Group assesses whether financial assets carried at amortised cost and FVOCI 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. The Group's definition of default is given in [note 33](#).

**Presentation of impairment**

The carrying amount of financial assets measured at amortised cost is reduced by a loss allowance. The carrying value of assets measured at FVOCI, is not adjusted by loss allowance but instead the loss allowance is recorded in equity.

Impairment losses related to the Group's treasury book and investment management loan book are presented in 'interest expense and similar charges' and those related to all other financial assets (including trust and financial planning debtors) are presented under 'other operating expenses'. No losses are presented separately on the statement of the comprehensive income and there have been no reclassifications of amounts previously recognised under IAS 39.

**1.13 PROPERTY, PLANT AND EQUIPMENT**

All property, plant and equipment is stated at historical cost, which includes directly attributable acquisition costs, less accumulated depreciation and impairment losses. Depreciation is charged so as to write off the cost of assets to their estimated residual value over their estimated useful lives, using the straight-line method, on the following bases:

- leasehold improvements: 10 years or over the lease term
- plant, equipment and computer hardware: over 3 to 10 years.

The assets' residual lives are reviewed, and adjusted if appropriate, at each balance sheet date. Gains and losses on disposals are determined by comparing proceeds with the carrying amount and these are included in profit or loss.

**1.14 INTANGIBLE ASSETS****Goodwill**

Goodwill arises through business combinations and represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of a business at the date of acquisition.

Goodwill is recognised as an asset and measured at cost less accumulated impairment losses. It is allocated to Groups of cash-generating units, which represent the lowest level at which goodwill is monitored for internal management purposes. Cash-generating units are identified as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets, and are no larger than the Group's operating segments, as set out in [note 3](#).

On disposal of a subsidiary, the attributed amount of goodwill that has not been subject to impairment is included in the determination of the profit or loss on disposal.

**Client relationships**

Client relationships acquired as part of a business combination are initially recognised at fair value ([note 1.4](#)). Determining whether a transaction that involves the purchase of client relationships is treated as a business combination or a separate purchase of intangible assets requires judgement. The factors that the Group takes into consideration in making this judgement are set out in [note 2.1](#).

Individually purchased client relationships are initially recognised at cost. Where a transaction to acquire client relationship intangible assets includes an element of variable deferred consideration, an estimate is made of the value of consideration that will ultimately be paid. The client relationship intangible asset recognised on the balance sheet is adjusted for any subsequent change in the value of deferred consideration. [Note 2.1](#) sets out the approach taken by the Group where judgement is required to determine whether payments made for the introduction of client relationships should be capitalised as intangible assets or charged to profit or loss.

## NOTES TO THE CONSOLIDATED STATEMENTS

### 1 PRINCIPAL ACCOUNTING POLICIES CONTINUED

#### 1.14 INTANGIBLE ASSETS CONTINUED

Client relationship intangible assets are subsequently carried at the amount initially recognised less accumulated amortisation, which is calculated using the straight-line method over their estimated useful lives (normally 10 to 15 years, but not more than 15 years).

#### Computer software and software development costs

Costs incurred to acquire and bring to use computer software licences are capitalised and amortised through profit or loss over their expected useful lives (3 to 4 years).

Costs that are directly associated with the production of identifiable and unique software products controlled by the Group are recognised as intangible assets when the Group is expected to benefit from future use of the software and the costs are reliably measurable. Other costs of producing software are charged to profit or loss as incurred. Computer software development costs recognised as assets are amortised using the straight-line method over their useful lives (not exceeding 4 years).

Where services provided by a software-as-a-service arrangement do not result in the recognition of an intangible asset, non-distinct configuration and customisation costs are expensed when access to the software is provided. The cost is spread over the contractual term.

#### 1.15 IMPAIRMENT OF GOODWILL AND INTANGIBLE ASSETS

At each balance sheet date, the Group reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount is the higher of fair value less costs to sell and value in use. See [note 2.1](#) for further detail.

Goodwill is tested for impairment at least annually. For the purposes of impairment testing, goodwill is allocated to groups of cash-generating units. The carrying amount of each group of cash-generating units is compared to its value in use, calculated using a discounted cash flow method. If the recoverable amount of the group of cash-generating units is less than the carrying amount of the group of units, the impairment loss is allocated first to reduce the carrying amount of the goodwill allocated to that group of units and then to the other assets of the group of units pro rata on the basis of the carrying amount of each asset in the group of units.

Client relationship intangible assets are reviewed bi-annually for indicators of impairment.

Intangible assets acquired through business combinations are tested for impairment by reviewing the key inputs supporting the initial valuation of the asset at acquisition against the Group's current forecasts of those inputs, including revenue margins and net client flows. Intangible assets acquired through newly recruited investment managers under contractual agreements are tested for impairment by reviewing lost client relationships in the period. In determining whether a client relationship is lost, the Group considers factors such as the level of funds withdrawn and the existence of other retained family relationships. When client relationships are lost, the full amount of unamortised cost is recognised immediately in profit or loss and the intangible asset is derecognised. See [note 2.1](#) for further detail.

If the recoverable amount of any asset other than goodwill or client relationships is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

Any impairment loss is recognised immediately in profit or loss.

#### 1.16 FINANCIAL LIABILITIES

##### Initial recognition and measurement

Financial liabilities are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue.

##### Classification and subsequent measurement

Financial liabilities are classified as measured at amortised cost or at fair value through profit or loss.

The Group has not designated any liabilities as fair value through profit or loss and holds no liabilities as held for trading. Financial liabilities are measured at amortised cost using the effective interest method ([note 1.7](#)). Amortised cost is calculated by taking into account any issue costs and any discounts or premiums on settlement. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

For settlement balances, trade date accounting is applied to all regular way purchases and sales of assets.

##### Derecognition

The Group derecognises financial liabilities when its contractual obligations are discharged, cancelled or expired, or when the financial liability is substantially modified.

## NOTES TO THE CONSOLIDATED STATEMENTS

### 1 PRINCIPAL ACCOUNTING POLICIES CONTINUED

#### 1.17 PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of economic benefits, that can be reliably estimated, will occur. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation, discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Contingent liabilities are possible obligations that depend on the outcome of uncertain future events or those present obligations where the outflows of resources are uncertain or cannot be measured reliably. Contingent liabilities are not recognised in the financial statements but are disclosed unless the likelihood of crystallisation is judged to be remote.

#### 1.18 RETIREMENT BENEFIT OBLIGATIONS ON RETIREMENT BENEFIT SCHEMES

The Group's net liability/asset in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior years; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price), including the value of any bulk annuity policies, is deducted. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the plan.

The cost of providing benefits under defined benefit plans is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date. Net remeasurements of the defined benefit liability/asset are recognised in full in the period in which they occur in other comprehensive income.

Past service costs or gains are recognised in profit or loss immediately in the period of a plan amendment. Interest income on defined benefit assets and interest expense on the defined benefit obligations are also recognised in profit or loss in the period.

The amount recognised in the balance sheet for death-in-service benefits represents the present value of the estimated obligation, reduced by the extent to which any future liabilities will be met by insurance policies.

The company determines the net interest on the net defined benefit liability/asset for the year by applying the discount rate used to measure the defined benefit obligation at the beginning of the year to the net defined benefit liability/asset.

Contributions to defined contribution retirement benefit schemes are charged to profit or loss as an expense as they fall due.

#### 1.19 SEGMENTAL REPORTING

The Group determines and presents operating segments based on the information that is provided internally to the Group Executive Committee, which is the Group's chief operating decision-maker. Operating segments are organised around the services provided to clients.

Transactions between operating segments are reported within the income or expenses for those segments; intra-segment income and expenditure is eliminated at Group level. Indirect costs are allocated between segments in proportion to the principal cost driver for each category of indirect costs that is generated by each segment.

#### 1.20 FIDUCIARY ACTIVITIES

The Group commonly acts as trustee and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. Such assets and income arising thereon are excluded from these financial statements, as they are not assets of the Group. Largely as a result of cash and settlement processing, the Group holds money on behalf of some clients in accordance with the Client Money Rules of the Financial Conduct Authority, the Jersey Financial Services Commission, the Guernsey Financial Services Commission and the Solicitors' Accounts Rules issued by the Solicitors Regulation Authority, as applicable. Such monies and the corresponding amounts due to clients are not shown on the balance sheet as the Group is not beneficially entitled to them.

#### 1.21 MERGER RESERVE

The merger reserve is used where more than 90% of the share capital in a subsidiary is acquired, and the consideration includes the issue of new shares by the Company, thereby attracting merger relief under Section 612 of the Companies Act 2006.

#### 1.22 FAIR VALUE MEASUREMENT

The fair values of quoted financial instruments in active markets are based on current bid prices. Such instruments would be included in level 1 of the fair value hierarchy. If an active market for a financial asset does not exist, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants. These instruments would be classified under level 3 in the fair value hierarchy.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

## NOTES TO THE CONSOLIDATED STATEMENTS

**2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The Group makes judgements and estimates that affect the application of the Group's accounting policies and reported amounts of assets, liabilities, income and expenses within the next financial year. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following key accounting policies involve critical judgements made in applying the accounting policies and involve material estimation uncertainty.

**2.1 CLIENT RELATIONSHIP INTANGIBLES (NOTE 22)****Critical judgements****Client Relationship intangibles purchased through corporate transactions**

When the Group purchases client relationships through transactions with other businesses, a judgement is made as to whether the transaction should be accounted for as a business combination or as a separate purchase of intangible assets. In making this judgement, the Group assesses the assets, liabilities, operations and processes that were the subject of the transaction against the definition of a business combination in IFRS 3. In particular, consideration is given to whether ownership of a corporate entity has been acquired, among other factors.

**Payments to newly recruited investment managers**

The Group assesses whether payments made to newly recruited investment managers under contractual agreements represent payments for the acquisition of client relationship intangible assets or remuneration for ongoing services provided to the Group. If these payments are incremental costs of acquiring investment management contracts and are deemed to be recoverable (i.e. through future revenues earned from the FUMA that relate to the investment management contract), they are capitalised as client relationship intangible assets ([note 22](#)). Otherwise, the payments are judged to be in relation to the provision of ongoing services and are expensed as remuneration costs in the period that they are transferred. Upfront payments made to investment managers upon joining are expensed as incurred, as they are not judged to be incremental costs for acquiring client relationships. At 31 December 2024, these intangible assets totalled £39.2 million (2023: £34.2 million).

**Estimation uncertainty****Amortisation of client relationship intangible assets**

The Group makes estimates as to the expected duration of client relationships to determine the period over which the related intangible assets are amortised. The amortisation period is estimated with reference to historical data on the longevity of client relationships. During the year, client relationship intangible assets were amortised over a period of between 10 and 15 years. As a result of the IW&I combination in 2023, the sensitivities over the amortisation charge no longer meets the criteria of being at significant risk of material adjustment for the enlarged Group within the next financial year. Consequently, this is no longer considered to be an area of estimation uncertainty, but this shall continue to be monitored.

**Impairment review of client relationship intangible assets**

At the end of each reporting period, the Group reviews the carrying amount of its client relationship intangible assets acquired through business combinations to determine whether there is any indication of impairment. At 31 December 2024, these intangible assets totalled £429.3 million (2023: £468.6 million). Significant judgment is required in determining whether certain events or circumstances constitute indicators of impairment, and in calculating the recoverable amount of the intangible assets when required.

If an indication of impairment exists, the recoverable amount of the asset is estimated, being the higher of fair value less costs to sell and value-in-use. Where value-in-use is used to calculate the recoverable amount, discounted cash flow forecasts associated with the acquired client relationships are produced, reflecting key assumptions for operating profit margin, net client flows and pre-tax discount rates. Future cash flows are based on the latest financial budgets approved by the Board, or historic data, where relevant. Discount rates are aligned with the Group cost of capital. Where fair value is estimated to calculate the recoverable amount of an asset, indicative trading multiples from recent market acquisitions of comparable businesses in the same industry are used. Changes in these inputs may impact the amount of any impairment loss recognised in operating expenses.

At 31 December 2024, no indicators of impairment relating to the Group's client relationship intangible assets were identified.

The largest individual client relationship intangible asset relates to the acquisition of IW&I in 2023, with a carrying amount of £317.7 million at 31 December 2024 and this asset was determined as the asset with the greatest potential for material impairment. During the year, this was assessed for indicators of impairment using a fair value less cost to sell model. Our estimate of the fair value less costs to sell, based on the comparable business FUM multiples, would have to fall by approximately 30% in order to trigger a possible impairment of the client relationship intangible asset.

**2.2 RETIREMENT BENEFIT OBLIGATIONS (NOTE 29)****Estimation uncertainty**

The principal assumptions underlying the reported surplus of £0.5 million (2023: £7.0 million surplus) are set out in [note 29](#).

During the year, the Trustees of the Group's defined benefit pension schemes entered into an agreement with Canada Life to fully insure the future benefits of members of both schemes in a 'buy-in' arrangement. An asset for the bulk annuity policy was subsequently recognised at a fair value equivalent to the liabilities in the scheme. The liabilities continue to be revalued in line with IAS 19, and the bulk annuity policy asset is revalued accordingly by an equal and offsetting amount. Given that the risks relating to retirement benefits are fully insured, we no longer consider this to be an area of estimation uncertainty, although we note that the final premium payable to Canada Life is subject to confirmation once a period of data cleanse is conducted, albeit with no significant adjustments expected.

## NOTES TO THE CONSOLIDATED STATEMENTS

**2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**  
CONTINUED**2.3 BUSINESS COMBINATIONS (NOTE 8)****2.3.1 Investec Wealth & Investment****Critical judgements**

In 2023, the Group acquired the entire share capital of Investec Wealth & Investment Limited (IW&I). The Group accounted for the transaction as a business combination, as set out in [note 8](#).

**Consideration receivable**

A reduction in the value of IW&I goodwill by £5.1 million has been recognised during the year. This is attributable to the recognition of consideration receivable by the Group from the seller, Investec Bank plc, under the terms of the acquisition. This reassessment of the fair value of net assets acquired relates to new information received during the IFRS 3 measurement period about facts and circumstances that existed at the date of acquisition. Any variance to the asset of £5.1 million recognised at 31 December 2024 will be a post-acquisition adjustment; a reasonable possible change to this asset is an increase to cash by £0.9 million.

**2.3.2 Saunderson House****Estimation uncertainty**

In 2021, the Group acquired the entire share capital of Saunderson House Limited which was recognised as a business combination. The consideration included equity-settled deferred awards payable under the Saunderson House Transaction Incentive Plan 2021, which was contingent on the recipients remaining employees of the Group for a specific period, and was consequently accounted for as remuneration for ongoing services from employment. The amounts payable were expensed over the deferral period.

The amount payable under the Saunderson House Transaction Incentive Plan 2021 was subject to the achievement of certain operational and performance targets, which were measured at 31 December 2024 ('the measurement date'). A profit or loss charge was recognised in equity for the consideration payable. Under the terms of the award, payment was calculated as 0.1% of the Saunderson House funds under management (FUM) at the measurement date, excluding assets that had not migrated to a Rathbones proposition by this date. In addition to the FUM-based award were integration and discretionary awards.

These awards vested at 31 December 2024 (see [note 8](#) for further detail), therefore this matter is no longer considered an area of estimation uncertainty.

**3 SEGMENTAL INFORMATION**

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision-maker, which takes the form of the Group Executive Committee, in order to allocate resources to the segment and to assess its performance.

For management purposes, the Group is organised into two operating segments: Wealth Management and Asset Management. Centrally incurred shared services are allocated to these operating segments on the basis of the cost drivers that generate the expenditure; principally, these are, the headcount of income generating teams within the segment, the value of funds under management and administration of the segment, the segment's total revenue, and the segment's share of total expenditure. The allocation of these costs is shown in a separate column in the table below, alongside the information presented for internal reporting. Wealth Management Segmental Assets relate to assets held within the Investment Management (which includes Financial Planning advice), Banking and Trust Business Segments. Asset Management Segmental Assets are assets held solely within the Asset Management Business Segment. Unallocated Segmental Assets relate to the Net Defined Benefit Asset held on the balance sheet.

## NOTES TO THE CONSOLIDATED STATEMENTS

**3 SEGMENTAL INFORMATION CONTINUED**

IW&I was identified as a separate operating segment of the Group in 2023, the results of the segment were presented in aggregate with the Group's Wealth Management segment, on the basis that the long-term characteristics of both are expected to align following the initial integration period of the businesses. Due to the process of integrating IW&I into the wider business during the current year, IW&I is no longer considered a separate operating segment of the Group and is now considered to be a part of the Wealth Management operating segment.

31 December 2024	Note	Wealth Management £m	Asset Management £m	Shared Services £m	Total £m
Net investment management fee income		575.1	79.4	–	654.5
Net commission income		91.8	–	–	91.8
Net interest income		62.3	1.6	–	63.9
Fees from advisory services		54.5	–	–	54.5
Other income		30.5	0.7	–	31.2
<b>Operating income</b>		<b>814.2</b>	<b>81.7</b>	<b>–</b>	<b>895.9</b>
Staff costs – fixed		(233.9)	(7.9)	(54.6)	(296.4)
Staff costs – variable		(129.5)	(20.5)	(18.2)	(168.2)
<b>Total staff costs</b>		<b>(363.4)</b>	<b>(28.4)</b>	<b>(72.8)</b>	<b>(464.6)</b>
Other direct expenses		(108.3)	(15.4)	(80.0)	(203.7)
Allocation of shared services		(140.3)	(12.5)	152.8	–
<b>Underlying operating expenses</b>		<b>(612.0)</b>	<b>(56.3)</b>	<b>–</b>	<b>(668.3)</b>
<b>Underlying profit before tax</b>		<b>202.2</b>	<b>25.4</b>	<b>–</b>	<b>227.6</b>
Charges in relation to client relationships and goodwill	22	(44.6)	–	–	(44.6)
Acquisition-related and integration costs	9	(83.4)	–	–	(83.4)
<b>Segment profit before tax</b>		<b>74.2</b>	<b>25.4</b>	<b>–</b>	<b>99.6</b>
<b>Profit before tax attributable to equity holders of the company</b>					<b>99.6</b>
Taxation	11				(34.1)
<b>Profit for the year attributable to equity holders of the company</b>					<b>65.5</b>
		Wealth Management £m	Asset Management £m	Unallocated Assets £m	Total £m
<b>Segment total assets</b>		<b>4,218.8</b>	<b>70.8</b>	<b>0.5</b>	<b>4,290.1</b>

## NOTES TO THE CONSOLIDATED STATEMENTS

## 3 SEGMENTAL INFORMATION CONTINUED

31 December 2023	Note	Wealth Management £m	Asset Management £m	Shared Services £m	Total £m
Net investment management fee income		350.1	64.7	–	414.8
Net commission income		53.6	–	–	53.6
Net interest income		49.9	1.8	–	51.7
Fees from advisory services		40.5	–	–	40.5
Other income		9.8	0.7	–	10.5
<b>Operating income</b>		<b>503.9</b>	<b>67.2</b>	<b>–</b>	<b>571.1</b>
Staff costs – fixed		(147.2)	(7.1)	(51.8)	(206.1)
Staff costs – variable		(78.2)	(13.4)	(15.9)	(107.5)
<b>Total staff costs</b>		<b>(225.4)</b>	<b>(20.5)</b>	<b>(67.7)</b>	<b>(313.6)</b>
Other direct expenses		(53.7)	(12.2)	(64.5)	(130.4)
Allocation of shared services		(119.4)	(12.8)	132.2	–
<b>Underlying operating expenses</b>		<b>(398.5)</b>	<b>(45.5)</b>	<b>–</b>	<b>(444.0)</b>
<b>Underlying profit before tax</b>		<b>105.4</b>	<b>21.7</b>	<b>–</b>	<b>127.1</b>
Charges in relation to client relationships and goodwill	<u>22</u>	(25.2)	–	–	(25.2)
Acquisition-related and integration costs	<u>9</u>	(11.0)	–	(33.3)	(44.3)
<b>Segment profit before tax</b>		<b>69.2</b>	<b>21.7</b>	<b>(33.3)</b>	<b>57.6</b>
<b>Profit before tax attributable to equity holders of the company</b>					<b>57.6</b>
Taxation	<u>11</u>				(20.1)
<b>Profit for the year attributable to equity holders of the company</b>					<b>37.5</b>
		Wealth Management £m	Asset Management £m	Unallocated Assets £m	Total £m
<b>Segment total assets</b>		<b>4,099.6</b>	<b>117.8</b>	<b>7.0</b>	<b>4,224.4</b>

## NOTES TO THE CONSOLIDATED STATEMENTS

**3 SEGMENTAL INFORMATION CONTINUED**

The following table reconciles underlying operating expenses to operating expenses:

	Note	2024 £m	2023 £m
Underlying operating expenses		<b>668.3</b>	444.0
Charges in relation to client relationships and goodwill	22	<b>44.6</b>	25.2
Acquisition-related costs	9	<b>83.4</b>	44.3
<b>Operating expenses</b>		<b>796.3</b>	513.5

**GEOGRAPHIC ANALYSIS**

The following table presents operating income analysed by the geographical location of the Group entity providing the service:

	2024 £m	2023 £m
United Kingdom	<b>874.4</b>	553.4
Channel Islands	<b>21.5</b>	17.7
<b>Operating income</b>	<b>895.9</b>	571.1

The following is an analysis of the carrying amount of non-current assets analysed by the geographical location of the assets:

	2024 £m	2023 £m
United Kingdom	<b>1,075.2</b>	1,103.0
Channel Islands	<b>3.0</b>	2.9
<b>Non-current assets</b>	<b>1,078.2</b>	1,105.9

**TIMING OF REVENUE RECOGNITION**

The following table presents operating income analysed by the timing of revenue recognition of the operating segment providing the service:

	2024		2023	
	Wealth Management £m	Asset Management £m	Wealth Management £m	Asset Management £m
Products and services transferred at a point in time	<b>96.9</b>	–	44.4	–
Products and services transferred over time	<b>717.3</b>	<b>81.7</b>	459.5	67.2
	<b>814.2</b>	<b>81.7</b>	503.9	67.2

**MAJOR CLIENTS**

The Group is not reliant on any one client or group of connected clients for generation of revenues.

## NOTES TO THE CONSOLIDATED STATEMENTS

## 4 NET INTEREST INCOME

	Note	2024 £m	2023 £m
<b>Interest income</b>			
Cash and balances with central banks		56.3	56.3
Amortised cost investment securities		73.0	56.1
Loans and advances to banks		12.2	7.9
Loans and advances to customers		6.3	8.5
		147.8	128.8
<b>Interest expense</b>			
Due to customers		(78.8)	(71.6)
Lease liabilities		(2.8)	(3.2)
Subordinated loan notes	28	(2.3)	(2.3)
		(83.9)	(77.1)
<b>Net interest income</b>		63.9	51.7

All net interest income is calculated using the effective interest method ([note 1.7](#)).

## 5 NET FEE AND COMMISSION INCOME

		2024 £m	2023 £m
<b>Fee and commission income</b>			
Wealth Management		752.4	469.0
Asset Management		82.7	69.6
		835.1	538.6
<b>Fee and commission expense</b>			
Wealth Management		(32.5)	(26.2)
Asset Management		(1.8)	(3.5)
		(34.3)	(29.7)
<b>Net fee and commission income</b>		800.8	508.9

## 6 OTHER OPERATING INCOME

	2024 £m	2023 £m
Gains on financial assets measured at fair value	–	1.1
Net client money interest income	28.0	7.7
Other operating income	3.2	1.7
	31.2	10.5

Other operating income of £31.2 million (2023: £10.5 million) comprised gains from fair value through profit or loss equity securities of £nil (2023: £1.1 million), net interest income from client money deposits £28.0 million (2023: £7.7 million) of which £26.5 million relates to IW&I (2023: £6.4 million) and other operating income of £3.2 million (2023: £1.7 million).

## NOTES TO THE CONSOLIDATED STATEMENTS

## 7 OPERATING EXPENSES

	Note	2024 £m	2023 £m
Staff costs	<u>10</u>	<b>464.6</b>	313.6
Depreciation and impairment charges of property, plant and equipment	<u>19</u>	<b>7.2</b>	5.2
Depreciation and impairment charges of right-of-use assets	<u>20</u>	<b>14.6</b>	6.5
Amortisation of internally generated intangible assets	<u>22</u>	<b>2.2</b>	1.8
Amortisation and impairment of purchased software	<u>22</u>	<b>3.9</b>	3.8
Auditor's remuneration (see below)		<b>2.6</b>	3.0
Impairment charges on loans and advances to customers	<u>33</u>	<b>–</b>	0.1
Administration and other expenses		<b>173.2</b>	110.0
<b>Other operating expenses</b>		<b>668.3</b>	444.0
Charges in relation to client relationships and goodwill	<u>22</u>	<b>44.6</b>	25.2
Acquisition-related and integration costs	<u>9</u>	<b>83.4</b>	44.3
<b>Total operating expenses</b>		<b>796.3</b>	513.5

The property, plant and equipment depreciation and impairment charge differs to the amount in [note 19](#) due to £2.6 million of net accelerated depreciation and impairment charges on fixtures and fittings (2023: £1.7 million), which have been treated as acquisition-related costs ([note 9](#)).

The right-of-use asset depreciation and impairment charge differs to the amount in [Note 20](#) due to £4.1 million of net accelerated depreciation and impairment charges (2023: £1.1 million), which have been treated as acquisition-related costs ([note 9](#)).

The internally generated intangible assets amortisation charge differs to the amount in [Note 22](#) predominantly due to £1.3 million of net accelerated amortisation charges on purchased software (2023: £nil), which have been treated as acquisition-related costs ([note 9](#)).

A more detailed analysis of auditor's remuneration is provided below:

	2024 £m	2023 £m
Fees payable to the company's auditor for the audit of the company's annual financial statements	<b>0.1</b>	0.7
Fees payable to the company's auditor and their associates for other services to the Group:		
— audit of the company's subsidiaries pursuant to legislation	<b>1.6</b>	1.0
— audit-related assurance services	<b>0.6</b>	1.2
— other services	<b>0.3</b>	0.1
	<b>2.6</b>	3.0

Audit-related assurance services includes costs relating to audits of the Group's client money and independent reporting to third parties on internal controls under ISAE 3402.

## NOTES TO THE CONSOLIDATED STATEMENTS

**8 BUSINESS COMBINATIONS  
INVESTEC WEALTH & INVESTMENT**

On 21 September 2023, the Group completed its acquisition of 100% of the ordinary share capital of Investec Wealth & Investment Limited (IW&I) from Investec Bank plc. Full details of the acquisition are set out in [note 8](#) of the 2023 annual report and accounts.

Total consideration transferred to Investec Bank plc of £751.9 million comprised a share issue of 27,056,463 ordinary shares and 17,481,868 convertible non-voting ordinary shares. Based on Rathbones' issued share capital at completion, the total shares transferred to Investec Bank plc amounted to an economic interest in Rathbones Group Plc of 41.25% but, in accordance with the terms of the acquisition, 29.9% of the total voting rights in Rathbones Group Plc.

As set out in [note 22](#), the value of acquired goodwill has been adjusted during the year for new information relating to facts and circumstances that existed at the acquisition date.

**Deferred Incentive awards**

Deferred awards and contingent payments were granted to certain IW&I employees under the Rathbones Integration Incentive Scheme. These payments require the recipients of the awards to remain in employment with the Group for the duration of the respective deferral periods, and therefore these amounts have not been included in the accounting for the acquisition under IFRS 3 Business Combinations. The cost for these equity-settled awards is being charged to profit or loss in line with IFRS 2 and spread over each respective vesting period. Details of the share awards are as follows:

	Gross amount £m	Grant date	Grant date fair value £m	Final vesting date
Rathbones Integration Incentive Scheme	39.0	6 October 2023	31.2	22 September 2027

The Rathbone Integration Incentive Scheme award of £39.0 million is payable in shares, and will vest in three equal tranches annually on the second, third and fourth anniversaries of the acquisition completion date, subject to conditions relating to the client migration process. Vesting of the final one-third of the shares on the fourth anniversary of the date of grant will be subject to engagement in the client migration process. The gross amount of £39.0 million represents management's best estimate of the extent to which these conditions will be met. The fair value at the date of grant was determined with reference to the share price at the date of grant less the value of expected dividends receivable over the period up to vesting, as no dividends will be receivable during the vesting period. There are no market-related performance conditions attached to these awards.

A Business Enablement award of £6.9 million was also granted during the prior year and is payable predominantly in cash to different groups of employees in key business enablement functions. Recipients of the award who are classified by the company as material risk-takers receive 50% of their total variable pay in the form of shares of Rathbones Group plc. Approximately 30% of the total award vested on 31 March 2024, and the remainder will vest on 31 March 2025, subject to the recipients remaining employed until this date and other conditions being met. The Group treats the cash element of the award as an employee benefit under IAS 19, with a corresponding liability recognised for the services received at the balance sheet date, and the share element of the awards as equity-settled share-based payments under IFRS 2.

In May and June 2024, two additional awards were granted to certain employees of Rathbones Group Plc, conditional upon the delivery of the integration plan for Rathbones clients. The integration awards are payable in cash in 2025 and 2027 and have been recognised in line with IAS 19.

The charge in the income statement for the above elements is as follows;

Note	2024 £m	2023 £m
Incentivisation awards	15.9	4.8

These costs are being reported as staff costs within integration-related costs (see [note 9](#)).

**SAUNDERSON HOUSE**

On 20 October 2021, the Group acquired 100% of the ordinary share capital of the Saunderson House Group.

**Other Deferred Payments**

In addition to a total cash consideration of £98.9 million paid in prior years, the sale and purchase agreement detailed other deferred and contingent payments to be made to the vendors for the sale of the shares of the Saunderson House Group. These payments were contingent on the recipients remaining in employment with the Group for the duration of the respective deferral periods. Consequently, the awards were treated as remuneration for post-combination services and the cost was charged to the income statement over the respective vesting periods. Details of each of these elements are as follows:

	Gross amount £m	Grant date	Grant date fair value £m	Vesting date
Initial share consideration	5.2	20 October 2021	5.5	20 October 2024
Management incentive scheme	5.7	20 December 2021	4.9	31 December 2024

## NOTES TO THE CONSOLIDATED STATEMENTS

**8 BUSINESS COMBINATIONS CONTINUED**

All of these payments were accounted for as equity-settled share-based payments under IFRS 2.

- Initial share consideration of £5.2 million was issued on the date of acquisition and vested on the third anniversary of the acquisition date, which fell during the year. As the share issuance was in pursuance of the arrangement to acquire the shares of the Saunderson House Group, the premium of £5.2 million on the issuance of these shares was recognised within the merger reserve.
- The incentive plan for the Saunderson House senior management team was subject to certain operational and financial performance targets at the measurement date of 31 December 2024. The award was calculated as 0.1% of qualifying funds under management at the measurement date (see [note 2](#)). Additionally, £1.0 million of integration awards vested at this date. £0.5 million of discretionary awards were granted to employees as part of the scheme in previous years.

These costs are being reported as staff costs within acquisition-related costs (see [note 9](#)).

**9 ACQUISITION-RELATED AND INTEGRATION COSTS**

During 2024 £83.4 million of acquisition-related and integration costs were incurred (2023: £44.3 million).

	2024 £m	2023 £m
Acquisition of Speirs & Jeffrey	–	1.0
Acquisition of Investec Wealth & Investment	75.5	36.5
Acquisition of Saunderson House	7.9	6.8
<b>Acquisition-related and Integration costs</b>	<b>83.4</b>	<b>44.3</b>

Total acquisition-related staff costs of £21.4 million (2023: £11.0 million) incurred during the year relate to equity-settled share-based payments ([note 10](#)).

**COSTS RELATING TO THE ACQUISITION OF INVESTEC WEALTH & INVESTMENT (IW&I)**

The Group has incurred the following costs in relation to the acquisition of IW&I, summarised by the following classification within the income statement:

	Note	2024 £m	2023 £m
<b>Acquisition costs:</b>			
Acquisition-related legal and advisory costs		–	21.3
<b>Integration costs:</b>			
Integration related staff costs	10	48.3	6.2
Other Integration Costs		27.2	9.0
<b>Acquisition-related and Integration costs</b>		<b>75.5</b>	<b>36.5</b>

Acquisition-related legal and advisory costs of £nil (2023: £21.3 million) and integration costs of £nil (2023: £9.0 million) have not been allocated to a specific operating segment ([note 3](#)).

Integration-related staff costs of £48.3 million (2023: £6.2 million) predominately relate to restructuring costs of £20.1 million, the majority of which have not yet been settled and have been recognised within accruals and other liabilities ([note 25](#)), and deferred incentive awards of £20.4 million.

Other integration costs of £27.2 million (2023: £9.0 million) mainly relate to technology and consultancy costs.

**COSTS RELATING TO THE ACQUISITION OF SPEIRS & JEFFREY**

The Group has incurred the following costs in relation to the 2018 acquisition of Speirs & Jeffrey, summarised by the following classification within the income statement:

	Note	2024 £m	2023 £m
<b>Acquisition costs:</b>			
Staff costs	10	–	1.0
<b>Acquisition-related and Integration costs</b>		<b>–</b>	<b>1.0</b>

## NOTES TO THE CONSOLIDATED STATEMENTS

**9 ACQUISITION-RELATED AND INTEGRATION COSTS** CONTINUED**COSTS RELATING TO THE ACQUISITION OF SAUNDERSON HOUSE**

The Group has incurred the following costs in relation to the acquisition of Saunderson House Group, summarised by the following classification within the income statement:

	Note	2024 £m	2023 £m
<b>Acquisition costs:</b>			
Staff costs	10	3.3	3.9
<b>Integration costs:</b>			
Other Integration Costs		4.6	2.9
<b>Acquisition-related and Integration costs</b>		<b>7.9</b>	<b>6.8</b>

Integration costs of £nil (2023: £2.9 million) have not been allocated to a specific operating segment (note 3).

Staff costs of £3.3 million (2023: £3.9 million) relate to deferred remuneration.

**10 STAFF COSTS**

	Note	2024 £m	2023 £m
Wages and salaries		366.8	244.3
Social security costs		49.5	32.2
Acquisition-related equity-settled share-based payments	9	12.8	7.5
Acquisition-related cash-settled staff costs		8.6	3.5
Other equity-settled share-based payments		16.4	16.5
Pension costs:	29		
— Defined benefit schemes		(0.4)	(0.5)
— Defined contribution schemes		32.3	21.1
		31.9	20.6
<b>Total staff costs</b>		<b>486.0</b>	<b>324.6</b>
Acquisition-related staff costs		(21.4)	(11.0)
<b>Underlying staff costs</b>	3	<b>464.6</b>	<b>313.6</b>

The monthly average number of employees on a full-time equivalent basis during the year was as follows:

	2024	2023
Wealth Management	2,231	1,686
Asset Management	58	52
Shared services	1,233	760
	<b>3,522</b>	<b>2,498</b>

The actual number of Group employees at 31 December 2024 was 3,545 (2023: 3,532).

**11 INCOME TAX EXPENSE**

	Note	2024 £m	2023 £m
Current tax:			
— charge for the year		41.1	22.8
— adjustments in respect of prior years		(2.2)	1.1
Deferred tax:	21		
— credit for the year		(6.4)	(1.9)
— adjustments in respect of prior years		1.6	(1.9)
		<b>34.1</b>	<b>20.1</b>

The tax charge is calculated based on the estimated amount payable as at the balance sheet date. Any subsequent differences between these estimates and the actual amounts paid are recorded as adjustments in respect of prior years.

The tax charge on profit for the year is higher (2023: higher) than the standard rate of corporation tax in the UK of 25.0% (2023: 23.5%). 23.5% is a composite tax rate, since the UK corporation tax rate was 19.0% until 31 March 2023 and 25.0% for the remainder of the financial year.

## NOTES TO THE CONSOLIDATED STATEMENTS

**11 INCOME TAX EXPENSE** CONTINUED

The differences are explained below:

	Note	2024 £m	2023 £m
Tax on profit from ordinary activities at the standard rate of 25% (2023: 23.5%)		<b>24.9</b>	13.6
Effects of:			
— disallowable expenses		<b>7.1</b>	8.0
— share-based payments		<b>2.9</b>	(0.2)
— tax on overseas earnings		<b>(0.8)</b>	(0.7)
— adjustments in respect of prior year		<b>(0.6)</b>	(0.8)
— deferred payments to previous owners of acquired companies	9	–	0.3
— change in corporation tax rate on deferred tax		–	(0.1)
— Tax impact on intra-group dividends		<b>0.6</b>	–
		<b>34.1</b>	20.1

£nil of current tax on share-based payments was charged to equity during the year (2023: £0.4 million).

On 11 July 2023, the government of the United Kingdom, where the parent company is incorporated, enacted the Pillar II income taxes legislation effective from 1 January 2024. Under the legislation, the parent company will be required to pay, in the United Kingdom, top-up tax on profits of its subsidiaries located in territories outside the United Kingdom that are taxed at an effective tax rate of less than 15%. We have undertaken a review of the regime and determined that the Group will not be in scope for Pillar II income tax reporting until the year ended 31 December 2026, we will continue to monitor.

**12 DIVIDENDS**

	2024 £m	2023 £m
Amounts recognised as distributions to equity holders in the year:		
— final dividend for the year ended 31 December 2023 of 24.Op (2022: 56.Op) per share	<b>25.2</b>	33.4
— interim dividend for the year ended 31 December 2024 of 30.Op (2023: 29.Op) per share	<b>31.7</b>	17.5
— second interim dividend for the year ended 31 December 2023 of 34.Op per share	–	20.5
Dividends paid in the year of 54.Op (2023: 119.Op) per share	<b>56.9</b>	71.4
Proposed final dividend for the year ended 31 December 2024 of 63.Op (2023: 24.Op) per share	<b>65.2</b>	24.9

An interim dividend of 30.Op per share was paid on 1 October 2024 to shareholders on the register at the close of business on 6 September 2024 (2023: 29.Op).

A second interim dividend was not paid in 2024 (2023: 34.Op).

A final dividend declared of 63.Op per share (2023: 24.Op) is payable on 13 May 2025 to shareholders on the register at the close of business on 11 April 2025. The final dividend is subject to approval by shareholders at the Annual General Meeting on 8 May 2025 and has not been included as a liability in these financial statements.

## NOTES TO THE CONSOLIDATED STATEMENTS

**13 EARNINGS PER SHARE**

Earnings used to calculate earnings per share on the bases reported in these financial statements were:

	Note	2024			2023		
		Pre-tax £m	Taxation £m	Post-tax £m	Pre-tax £m	Taxation £m	Post-tax £m
Underlying profit attributable to shareholders		<b>227.6</b>	<b>(59.9)</b>	<b>167.7</b>	127.1	(30.3)	96.8
Charges in relation to client relationships and goodwill	<u>22</u>	<b>(44.6)</b>	<b>10.2</b>	<b>(34.4)</b>	(25.2)	5.9	(19.3)
Acquisition-related costs	<u>9</u>	<b>(83.4)</b>	<b>15.6</b>	<b>(67.8)</b>	(44.3)	4.3	(40.0)
<b>Profit attributable to shareholders</b>		<b>99.6</b>	<b>(34.1)</b>	<b>65.5</b>	57.6	(20.1)	37.5

Basic earnings per share has been calculated by dividing profit attributable to shareholders by the weighted average number of shares in issue throughout the year, excluding own shares, of 103,729,536 (2023: 71,269,129). This includes 17,481,868 convertible non-voting shares issued as consideration for the IW&I transaction. In total, 44,538,331 shares were issued as a result of the IW&I transaction on 21 September 2023.

Diluted earnings per share is the basic earnings per share, adjusted for the effect of contingently issuable shares and outstanding employee share options.

	2024	2023
Weighted average number of ordinary shares in issue during the year – basic	<b>103,729,536</b>	71,269,129
Dilutive effect of share options and awards	<b>4,481,773</b>	2,605,448
<b>Weighted average number of diluted ordinary shares outstanding</b>	<b>108,211,309</b>	73,874,577

	2024	2023
Earnings per share for the year attributable to equity holders of the company:		
— basic	<b>63.0p</b>	52.6p
— diluted	<b>60.4p</b>	50.8p
Underlying earnings per share for the year attributable to equity holders of the company:		
— basic	<b>161.6p</b>	135.8p
— diluted	<b>154.9p</b>	131.0p

Underlying earnings per share is calculated in the same way as earnings per share, but by reference to underlying profit attributable to shareholders.

## NOTES TO THE CONSOLIDATED STATEMENTS

## 14 CASH AND BALANCES WITH CENTRAL BANKS

	2024 £m	2023 £m
Balances with central banks	1,166.0	1,038.3
Less impairment loss allowance	–	–
	1,166.0	1,038.3

The fair value of balances with central banks is not materially different from their carrying amount.

	2024 £m	2023 £m
Repayable:		
— on demand	1,166.0	1,036.0
— within 1 year but over 3 months	–	2.3
Less impairment loss allowance	–	–
	1,166.0	1,038.3
Amounts include balances:		
— with variable interest rates	1,166.0	1,036.0
— which are non-interest-bearing	–	2.3
Less impairment loss allowance	–	–
	1,166.0	1,038.3

The Group's exposure to credit risk arising from cash and balances with central banks is described in [note 33](#).

## 15 LOANS AND ADVANCES TO BANKS

	2024 £m	2023 £m
Current accounts	247.5	252.4
Fixed term deposits/notice accounts	45.7	14.5
Less impairment loss allowance	–	–
	293.2	266.9

	2024 £m	2023 £m
Repayable:		
on demand	247.5	245.4
within 3 months or less excluding on demand	45.7	21.5
Less impairment loss allowance	–	–
	293.2	266.9
Amounts include loans and advances:		
with variable interest rates	257.9	256.8
with fixed interest rates	18.7	9.9
which are non-interest-bearing	16.6	0.2
Less impairment loss allowance	–	–
	293.2	266.9

The fair value of loans and advances is not materially different to their carrying amount. Fair value has been calculated as the discounted amount of estimated future cash flows expected to be received using current market rates.

Loans and advances to banks included in cash and cash equivalents at 31 December 2024 were £293.2 million ([note 37](#)) (2023: £266.9 million).

The Group's exposure to credit risk arising from loans and advances to banks is described in [note 33](#).

## NOTES TO THE CONSOLIDATED STATEMENTS

## 16 LOANS AND ADVANCES TO CUSTOMERS

	2024 £m	2023 £m
Overdrafts	15.9	9.7
Investment management loan book	76.0	101.7
Trust and financial planning debtors	2.5	2.9
Other debtors	1.9	1.6
Less impairment loss allowance	(0.2)	(0.3)
	96.1	115.6

The fair value of loans and advances to customers is not materially different to their carrying amount. Fair value has been calculated as the discounted amount of estimated future cash flows expected to be received using current market rates. Debtors arising from the trust and financial planning businesses are non-interest-bearing or subject to a fixed interest rate.

	2024 £m	2023 £m
Repayable:		
— on demand	18.5	11.5
— within 3 months or less excluding on demand	10.2	3.4
— within 1 year but over 3 months	31.8	3.2
— within 5 years but over 1 year	35.8	97.8
Less impairment loss allowance	(0.2)	(0.3)
	96.1	115.6
Amounts include loans and advances:		
— with variable interest rates	93.0	111.3
— which are non-interest-bearing	3.2	4.3
— with fixed interest rates	0.1	0.3
Less impairment loss allowance	(0.2)	(0.3)
	96.1	115.6

The Group's exposure to credit risk arising from loans and advances to customers is described in [note 33](#).

17 INVESTMENT SECURITIES  
FAIR VALUE THROUGH PROFIT OR LOSS

	2024 £m	2023 £m
Equity securities:		
— unlisted	—	1.2
	—	1.2

Equity securities comprised shares in Euroclear. During the year, the Group disposed of its remaining shares in Euroclear. These securities did not bear interest.

At 31 December 2023, the Group held 517 shares in Euroclear Holdings SA, which were valued at £1.2 million by reference to the price secured from the sale of 1,292 of the Group's shareholding during 2023. During the year, the Group sold its total remaining shares in Euroclear at the same price used to value its shareholding at 31 December 2023.

## AMORTISED COST

	2024 £m	2023 £m
Debt securities:		
— unlisted	1,278.3	1,294.6
Less impairment loss allowance	(0.1)	—
	1,278.2	1,294.6

Debt securities comprise certificates of deposit that are all due to mature within one year (2023: all), and treasury bills that are due to mature within one year (2023: all).

The fair value of debt securities is disclosed in [note 33](#).

## NOTES TO THE CONSOLIDATED STATEMENTS

**17 INVESTMENT SECURITIES** CONTINUED

The change in the Group's holdings of investment securities in the year is summarised below.

	Fair value through profit or loss £m	Amortised cost £m	Total £m
At 1 January 2023	11.2	1,045.2	1,056.4
Additions	–	2,059.9	2,059.9
Disposals (sales and redemptions)	(11.0)	(1,807.1)	(1,818.1)
Foreign exchange movements	(3.2)	(3.4)	(6.6)
Gain from changes in fair value	4.2	–	4.2
Increase in impairment loss allowance	–	–	–
<b>At 1 January 2024</b>	<b>1.2</b>	<b>1,294.6</b>	<b>1,295.8</b>
Additions	–	2,028.0	2,028.0
Disposals (sales and redemptions)	(1.2)	(2,045.4)	(2,046.6)
Foreign exchange movements	–	1.0	1.0
Gain from changes in fair value	–	–	–
Increase in impairment loss allowance	–	–	–
<b>31 December 2024</b>	<b>–</b>	<b>1,278.2</b>	<b>1,278.2</b>

Included within fair value through profit or loss are disposals of £1.2 million (2023: £11.0 million) of financial instruments that are not classified as cash and cash equivalents.

**18 PREPAYMENTS, ACCRUED INCOME AND OTHER ASSETS**

	2024 £m	2023 £m
Work in progress	4.4	14.4
Prepayments and other assets	17.3	6.5
Other Assets	63.1	57.4
Accrued income	158.0	147.0
	<b>242.8</b>	225.3

Other assets include temporary client receivables, which are subject to daily movements as a result of outstanding client transactions.

Work in progress reflects time and materials charged at year end but not invoiced to clients.

Accrued income reflects investment management fees, which are charged on a quarterly basis.

**19 PROPERTY, PLANT AND EQUIPMENT**

Note	Short term leasehold improvements £m	Plant and equipment £m	Total £m
<b>Cost</b>			
At 1 January 2023	24.3	29.1	53.4
Additions	0.3	4.8	5.1
Acquisitions through business combinations	2.4	2.6	5.0
Disposals	–	(0.2)	(0.2)
Other Movements	0.8	(0.8)	–
<b>At 1 January 2024</b>	<b>27.8</b>	<b>35.5</b>	<b>63.3</b>
Additions	43.8	3.1	46.9
Disposals	8 (0.6)	(3.9)	(4.5)
<b>At 31 December 2024</b>	<b>71.0</b>	<b>34.7</b>	<b>105.7</b>
<b>Depreciation</b>			
At 1 January 2023	15.8	24.9	40.7
Charge for the year	3.5	3.2	6.7
Disposals	–	(0.2)	(0.2)
<b>At 1 January 2024</b>	<b>19.3</b>	<b>27.9</b>	<b>47.2</b>
Charge for the year	6.5	3.2	9.7
Disposals	(0.6)	(3.8)	(4.4)
<b>At 31 December 2024</b>	<b>25.2</b>	<b>27.3</b>	<b>52.5</b>
<b>Carrying amount at 31 December 2024</b>	<b>45.8</b>	<b>7.4</b>	<b>53.2</b>
Carrying amount at 31 December 2023	8.5	7.6	16.1
Carrying amount at 1 January 2023	8.5	4.2	12.7

During the prior year, where there was an expectation of the Group vacating its properties prior to their respective lease termination dates, the useful lives of any property, plant and equipment were revised, and the assets were reviewed for impairment. The Group subsequently recognised impairment and accelerated depreciation charges in the year of £2.6 million (2023: £1.7 million), which have been recognised within acquisition-related costs ([note 9](#)).

During the year, the Group capitalised £40.8 million in relation to the fitting-out of the premises at 30 Gresham Street. These assets are being depreciated over 10 years, in line with the Group's policy and the expected period of utilisation of these assets.

## NOTES TO THE CONSOLIDATED STATEMENTS

## 20 RIGHT-OF-USE ASSETS

	Note	Property £m	Motor vehicles and equipment £m	Total £m
<b>Cost</b>				
At 1 January 2023		58.1	0.3	58.4
Additions		2.1	–	2.1
Acquisitions through business combinations	8	32.9	–	32.9
Disposals		(0.2)	–	(0.2)
Other movements		(2.8)	–	(2.8)
<b>At 1 January 2024</b>		<b>90.1</b>	<b>0.3</b>	<b>90.4</b>
Additions		22.1	–	22.1
Disposals		(42.8)	–	(42.8)
Other movements		(0.8)	–	(0.8)
<b>At 31 December 2024</b>		<b>68.6</b>	<b>0.3</b>	<b>68.9</b>
<b>Depreciation and impairment</b>				
At 1 January 2023		19.2	0.1	19.3
Charge for the year		7.4	0.1	7.5
Disposals		(0.9)	–	(0.9)
Other movements		–	–	–
<b>At 1 January 2024</b>		<b>25.7</b>	<b>0.2</b>	<b>25.9</b>
Charge for the year		18.8	–	18.8
Disposals		(18.1)	–	(18.1)
Other movements		–	–	–
<b>At 31 December 2024</b>		<b>26.4</b>	<b>0.2</b>	<b>26.6</b>
<b>Carrying amount at 31 December 2024</b>		<b>42.2</b>	<b>0.1</b>	<b>42.3</b>
Carrying amount at 31 December 2023		64.4	0.1	64.5
Carrying amount at 1 January 2023		38.9	0.2	39.1

Following the acquisition of IW&I, the Group's enlarged property portfolio was reviewed for leases that would require early termination. During the prior year, where there was an expectation of the Group vacating its properties prior to their respective lease termination dates, the useful lives of the right-of-use assets were revised, and the assets were reviewed for impairment. During the year, the Group recognised impairment and accelerated depreciation charges of £4.1 million (2023: £2.9 million), which have been recognised within acquisition-related costs (note 9).

On 6 March 2024, the lease at 8 Finsbury Circus was assigned to a new tenant. As the original terms and conditions of the lease did not include an option to terminate the lease or reduce the lease term, this was treated as a lease modification. At the effective date of the modification, the lease liability was remeasured based on the remaining rental payments, the revised lease term and a revised incremental borrowing rate. The right-of-use asset was also revalued to reflect its reduced useful economic life. This resulted in a net gain to profit or loss of £12.9 million, which has been recognised within acquisition-related costs.

During the prior year, the IFRS 3 property lease accounting recognised as part of the acquisition of IW&I resulted in a £1.6 million increase to the value of the IW&I right-of-use assets, attributable to property dilapidations. Due to new information received during the IFRS 3 measurement period relating to facts and circumstances that existed at the date of acquisition, this treatment was revised during the current year. This led to a reduction in right-of-use assets of £1.5 million, with a corresponding increase recognised to goodwill.

## NOTES TO THE CONSOLIDATED STATEMENTS

**21 NET DEFERRED TAX ASSET/(LIABILITY)**

The UK Government legislated in the Finance Act 2021 to increase the UK corporation tax rate to 25.0% from 19.0% on 1 April 2023. This has been reflected in the current and prior year deferred tax calculations. Deferred income taxes are calculated on all temporary differences under the liability method using the rate expected to apply when the relevant timing differences are forecast to unwind.

The Group has applied the temporary exception, introduced in May 2023, from the accounting requirements for deferred taxes in IAS 12, so that the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar II income taxes.

The movement on the deferred tax account is as follows:

	Deferred capital allowances £m	Pensions £m	Share-based payments £m	Staff-related costs £m	Fair value through profit or loss £m	Intangible assets £m	Total £m
As at 1 January 2024	7.5	(1.8)	8.7	13.4	(0.3)	(113.5)	(86.0)
Recognised in profit or loss in respect of:							
current year	(5.9)	(1.0)	(1.0)	5.3	0.3	8.7	6.4
prior year	(1.8)	-	-	-	-	0.2	(1.6)
change in rate	-	-	-	-	-	-	-
<b>Total</b>	<b>(7.7)</b>	<b>(1.0)</b>	<b>(1.0)</b>	<b>5.3</b>	<b>0.3</b>	<b>8.9</b>	<b>4.8</b>
Recognised in other comprehensive income in respect of:							
current year	-	2.7	-	-	-	-	2.7
prior year	-	-	-	-	-	-	-
change in rate	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>2.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.7</b>
Recognised in equity in respect of:							
current year	-	-	(0.5)	0.4	-	-	(0.1)
prior year	-	-	-	-	-	0.6	0.6
change in rate	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>(0.5)</b>	<b>0.4</b>	<b>-</b>	<b>0.6</b>	<b>0.5</b>
Business combinations	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
As at 31 December 2024	(0.2)	(0.1)	7.2	19.1	-	(104.0)	(78.0)
Deferred tax assets	-	-	7.2	19.1	-	-	26.3
Deferred tax liabilities	(0.2)	(0.1)	-	-	-	(104.0)	(104.3)
As at 31 December 2024	(0.2)	(0.1)	7.2	19.1	-	(104.0)	(78.0)

## NOTES TO THE CONSOLIDATED STATEMENTS

## 21 NET DEFERRED TAX ASSET/(LIABILITY) CONTINUED

	Deferred capital allowances £m	Pensions £m	Share-based payments £m	Staff-related costs £m	Fair value through profit or loss £m	Intangible assets £m	Total £m
As at 1 January 2023	4.0	(2.4)	12.1	9.2	(0.9)	(29.5)	(7.5)
Recognised in profit or loss in respect of:							
current year	1.3	(0.8)	(2.5)	(0.5)	0.6	3.8	1.9
prior year	0.8	-	-	1.3	-	(0.2)	1.9
change in rate	0.1	(0.1)	-	-	-	-	-
Total	2.2	(0.9)	(2.5)	0.8	0.6	3.6	3.8
Recognised in other comprehensive income in respect of:							
current year	-	1.4	-	-	-	-	1.4
prior year	-	-	-	-	-	-	-
change in rate	-	0.1	-	-	-	-	0.1
Total	-	1.5	-	-	-	-	1.5
Recognised in equity in respect of:							
current year	-	-	(0.9)	0.1	-	-	(0.8)
prior year	-	-	-	-	-	-	-
change in rate	-	-	-	-	-	-	-
Total	-	-	(0.9)	0.1	-	-	(0.8)
Business combinations	1.3	-	-	3.3	-	(87.6)	(83.0)
Total	1.3	-	-	3.3	-	(87.6)	(83.0)
As at 31 December 2023	7.5	(1.8)	8.7	13.4	(0.3)	(113.5)	(86.0)
Deferred tax assets	7.5	-	8.7	13.4	-	-	29.6
Deferred tax liabilities	-	(1.8)	-	-	(0.3)	(113.5)	(115.6)
As at 31 December 2023	7.5	(1.8)	8.7	13.4	(0.3)	(113.5)	(86.0)

## NOTES TO THE CONSOLIDATED STATEMENTS

**22 INTANGIBLE ASSETS**

Goodwill of £340.1 million was initially recognised in 2023 as a result of the acquisition of IW&I (see [note 8](#)), representing the future economic benefit expected from an acquired workforce, expected future growth and future client relationships, as well as operational and revenue synergies.

Goodwill was revalued in the period to £337.3 million, due to management receiving information during the 12 month measurement period post-acquisition about facts and circumstances that existed at the acquisition date. A reduction of £5.1 million was attributable to the recognition of consideration receivable owed to the Group by the seller (see [note 2](#)). This was partially offset by a £0.7 million increase in goodwill attributable to a re-measurement of the acquired client relationship intangible assets and the related deferred tax liability, and a £1.5 million increase attributable to a re-measurement of acquired property lease assets (see [note 20](#)).

Client relationships of £350.3 million were initially recognised as part of the acquisition of IW&I (see [note 8](#)). An average useful life of 14 years was assigned to these relationships, based on observed historic attrition rates. During the year, these intangible assets were re-measured in line with IFRS 3 and adjusted downwards by £1.2 million to reflect new information about facts and circumstances in existence at the acquisition date. The related deferred tax liability was also reduced accordingly by £0.5 million.

	2024 £m	2023 £m
Goodwill	504.9	507.8
Other intangible assets	477.8	517.5
	982.7	1,025.3

**GOODWILL**

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating units (CGUs) that are expected to benefit from that business combination.

The carrying amount of goodwill has been allocated as follows:

	Note	Wealth Management £m	IW&I £m	Asset Management £m	Total £m
<b>Cost</b>					
At 1 January 2023		167.7	–	1.9	169.6
Acquired through business combinations	<a href="#">8</a>	82.1	258.0	–	340.1
<b>At 1 January 2024</b>		<b>249.8</b>	<b>258.0</b>	<b>1.9</b>	<b>509.7</b>
Other movements		–	(2.9)	–	(2.9)
Reclassification		255.1	(255.1)	–	–
<b>At 31 December 2024</b>		<b>504.9</b>	<b>–</b>	<b>1.9</b>	<b>506.8</b>
<b>Impairment</b>					
At 1 January 2023		–	–	1.9	1.9
Charge for the year		–	–	–	–
<b>At 1 January 2024</b>		<b>–</b>	<b>–</b>	<b>1.9</b>	<b>1.9</b>
Charge for the year		–	–	–	–
<b>At 31 December 2024</b>		<b>–</b>	<b>–</b>	<b>1.9</b>	<b>1.9</b>
<b>Carrying amount at 31 December 2024</b>		<b>504.9</b>	<b>–</b>	<b>–</b>	<b>504.9</b>
Carrying amount at 31 December 2023		249.8	258.0	–	507.8
Carrying amount at 1 January 2023		167.7	–	–	167.7

Due to a change in the Group's reporting structure and operating segments in the year (see [note 3](#)), the Group now monitors total goodwill at the Wealth Management reporting segment level, whereas previously IW&I goodwill was monitored separately. This has resulted in a reclassification of the total acquired IW&I goodwill to the Wealth Management column in the table above as the CGU groups are considered to have merged.

## NOTES TO THE CONSOLIDATED STATEMENTS

**22 INTANGIBLE ASSETS CONTINUED**  
**IMPAIRMENT**

The recoverable amounts of the CGUs to which goodwill is allocated are assessed using value-in-use calculations. The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the Board, which cover the three year period from the end of the current financial year. This is extrapolated for five years based on recent historic annual revenue and cost growth for each CGU (see table below), adjusted for significant historic fluctuations in industry growth rates where relevant, as well as the Group's expectation of future growth.

A five-year extrapolation period is chosen as this aligns with the period covered by the Group's Internal Capital Adequacy Assessment Process (ICAAP) modelling. A terminal growth rate is applied to year five cash flows, which takes into account the net growth forecasts over the extrapolation period and the long-term economic growth rate. The Group estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to each CGU.

The pre-tax rate used to discount the forecast cash flows for each CGU is shown in the table below; these are based on a risk-adjusted weighted average cost of capital. The Group judges that these discount rates appropriately reflect the markets in which each CGU operates.

There was no impairment to the goodwill allocated to the Wealth Management CGU during the period. The Group has considered any reasonably foreseeable changes to the assumptions used in the value-in-use calculation and the level of risk associated with those cash flows. Based on this assessment, no such change would result in an impairment of goodwill.

	Wealth Management	
At 31 December	2024	2023
Discount rate	16.1%	14.6%
Average annual revenue growth rate	4.5%	4.1%
Average annual profit margin	28.6%	21.0%
Terminal growth rate	1.5%	1.5%

The terminal growth rate of 1.5% is aligned with current expectations of long-term UK economic growth. The increase in the average annual revenue growth rate since the prior year primarily reflects forecast growth in funds under management. The increase in the expected operating profit margin is primarily due to higher funds under management and the realisation of synergies as a result of the integration of IW&I into the Group's Wealth Management operating segment.

**OTHER INTANGIBLE ASSETS**

	Note	Client relationships £m	Software development costs £m	Purchased software £m	Total £m
<b>Cost</b>					
At 1 January 2023		300.9	13.5	54.9	369.3
Internally developed in the year		–	1.0	–	1.0
Acquired through business combinations	8	350.3	1.7	2.0	354.0
Purchased in the year		2.6	–	2.2	4.8
Disposals		(2.8)	–	–	(2.8)
<b>At 1 January 2024</b>		<b>651.0</b>	<b>16.2</b>	<b>59.1</b>	<b>726.3</b>
Internally developed in the year		–	1.0	–	1.0
Other movements		(1.2)	–	–	(1.2)
Purchased in the year		11.6	–	0.8	12.4
Disposals		(2.4)	–	(5.5)	(7.9)
<b>At 31 December 2024</b>		<b>659.0</b>	<b>17.2</b>	<b>54.4</b>	<b>730.6</b>
<b>Amortisation and impairment</b>					
At 1 January 2023		125.9	10.0	44.9	180.8
Amortisation charge		25.2	1.8	3.8	30.8
Disposals		(2.8)	–	–	(2.8)
<b>At 1 January 2024</b>		<b>148.3</b>	<b>11.8</b>	<b>48.7</b>	<b>208.8</b>
Amortisation charge		44.6	2.2	5.1	51.9
Disposals		(2.4)	–	(5.5)	(7.9)
<b>At 31 December 2024</b>		<b>190.5</b>	<b>14.0</b>	<b>48.3</b>	<b>252.8</b>
<b>Carrying amount at 31 December 2024</b>		<b>468.5</b>	<b>3.2</b>	<b>6.1</b>	<b>477.8</b>
Carrying amount at 31 December 2023		502.7	4.4	10.4	517.5
Carrying amount at 1 January 2023		175.0	3.5	10.0	188.5

Purchases of client relationships of £11.6 million (2023: £2.6 million) in the year relate to payments made to investment managers and third parties on the acquisition of client relationships.

The total amount charged to profit or loss in the year in relation to client relationship intangible assets was £44.6 million (2023: £25.2 million).

Purchased software with a cost of £37.6 million (2023: £36.4 million) has been fully amortised but remains in use.

## NOTES TO THE CONSOLIDATED STATEMENTS

**23 DEPOSITS BY BANKS**

On 31 December 2024, deposits by banks comprise a temporary overnight cash book balance of £3.8 million (2023: £12.4 million). This balance is covered by physical cash balances shown in Loans and advances to banks ([note 15](#)). The Group does not utilise overdrafts for the purpose of the Group's working capital.

The fair value of deposits by banks was not materially different to their carrying value. Fair value has been calculated as the discounted amount of estimated future cash flows expected to be paid using current market rates.

**24 DUE TO CUSTOMERS**

	2024 £m	2023 £m
Repayable:		
— on demand	1,810.5	1,652.3
— within 3 months or less excluding on demand	492.3	501.8
— within 1 year or less but over 3 months	49.3	99.2
	2,352.1	2,253.3
Amounts include balances:		
— with variable interest rates	1,793.8	1,618.6
— with fixed interest rates	523.1	589.6
— which are non-interest-bearing	35.2	45.1
	2,352.1	2,253.3

The fair value of amounts due to customers was not materially different from their carrying value. The estimated fair value of deposits with no stated maturity, which include non-interest-bearing deposits, is the amount at which deposits could be transferred to a third party at the measurement date. The estimated fair value of fixed-interest-bearing deposits is based on discounted cash flows using interest rates for new debts with similar remaining maturity.

**25 ACCRUALS AND OTHER LIABILITIES**

	Note	2024 £m	2023 £m
Amounts due to associates	36	6.2	8.3
Trade creditors		6.2	8.2
Other creditors		22.1	24.4
Accruals		215.4	168.7
		249.9	209.6

**26 PROVISIONS**

	Note	Deferred, variable costs to acquire client relationship intangible assets £m	Deferred consideration in business combinations £m	Legal & professional and compensation £m	Property- related £m	Onerous Contract £m	Total £m
<b>At 1 January 2023</b>		4.4	–	2.7	5.8	–	12.9
Charged to profit or loss		–	–	9.1	0.2	1.2	10.5
Unused amount credited to profit or loss		–	(0.1)	(1.1)	–	–	(1.2)
Net charge to profit or loss		–	(0.1)	8.0	0.2	1.2	9.3
Acquisitions through business combinations	8	–	3.4	1.9	5.4	–	10.7
Other movements		2.6	–	–	–	–	2.6
Utilised/paid during the year		(2.3)	–	(7.7)	–	–	(10.0)
<b>At 1 January 2024</b>		4.7	3.3	4.9	11.4	1.2	25.5
Charged to profit or loss		–	–	6.4	13.1	3.1	22.6
Unused amount credited to profit or loss		–	–	(2.6)	(4.9)	(0.2)	(7.7)
Net charge to profit or loss		–	–	3.8	8.2	2.9	14.9
Other movements		11.6	–	–	–	–	11.6
Utilised/paid during the year		(7.9)	(0.7)	(2.6)	(11.2)	(1.5)	(23.9)
<b>At 31 December 2024</b>		8.4	2.6	6.1	8.4	2.6	28.1
Payable within 1 year		0.1	2.6	5.7	3.0	1.8	13.2
Payable after 1 year		8.3	–	0.4	5.4	0.8	14.9
		8.4	2.6	6.1	8.4	2.6	28.1

## NOTES TO THE CONSOLIDATED STATEMENTS

### 26 PROVISIONS CONTINUED

#### DEFERRED, VARIABLE COSTS TO ACQUIRE CLIENT RELATIONSHIP INTANGIBLE ASSETS

Other movements in provisions relate to deferred payments to investment managers and third parties on the acquisition of client relationships, which have been previously capitalised.

#### DEFERRED CONSIDERATION IN BUSINESS COMBINATIONS

Deferred Consideration in Business Combinations relates to IW&I's deferred consideration provision on their acquisition of Murray Asset Management. The Share Centre deferred consideration provision was settled in March 2024, on transfer of the assets to Rathbones Asset Management Limited.

#### LEGAL & PROFESSIONAL AND COMPENSATION

During the ordinary course of business the Group may, from time to time, be subject to complaints, as well as threatened with actual legal proceedings (which may include lawsuits brought on behalf of clients or other third parties) both in the UK and overseas. Any such material matters are periodically reassessed, with the assistance of external professional advisers where appropriate, to determine the likelihood of the Group incurring a liability. In those instances where it is concluded that it is more likely than not that a payment will be made, a provision is established, representing the Group's best estimate of the amount required to settle the obligation at the relevant balance sheet date. The Group's best estimate is based on legal advice and management's expectation of the most likely outcome, the estimation of which may be supported by external professional advisers. The timing of settlement of provisions for client compensation or litigation is dependent, in part, on the duration of negotiations with third parties.

#### PROPERTY-RELATED

Property-related provisions of £8.4 million relate to dilapidation obligations expected to arise on leasehold premises held by the Group (2023: £11.4 million). During the year, the Group's policy for calculating dilapidation provisions was revised (see [note 1.8](#)).

During the year, the Group assigned its lease at 8 Finsbury Circus to a new tenant. As a result, the Group recognised a property-related provision of £11.2 million at the date the property was vacated, which was paid during the year. The Group also released its dilapidation obligations relating to the property of £3.1 million. The net cost has been recognised within acquisition-related costs.

#### ONEROUS CONTRACT

In 2023, the Group terminated a support agreement with a third party service provider. The onerous element of the contract represented a cost of £1.2 million to the Group, which was recognised as a provision at the prior year end. The provision was settled in full during the year.

The onerous contract provision of £2.7 million (2023: £nil) relates to the estimated cost to exit contracts that are no longer required as a result of the combination of IW&I with Rathbones, where the term of the contract exceeds the period over which IW&I, or the wider Rathbones Group, is expected to derive benefit from that contract.

#### Amounts payable after one year

Property-related provisions of £5.4 million are expected to be settled within 10 years of the balance sheet date, which corresponds to the longest lease for which a dilapidations provision is being held. Remaining provisions payable after one year are expected to be settled within 9 years of the balance sheet date.

## NOTES TO THE CONSOLIDATED STATEMENTS

## 27 LEASE LIABILITIES

	2024 £m	2023 £m
Maturity analysis		
Less than one year	10.0	11.9
One to five years	25.8	29.4
More than five years	9.0	33.6
<b>Lease liabilities at 31 December</b>	<b>44.8</b>	74.9
Current	10.0	11.9
Non-current	34.8	63.0
	<b>44.8</b>	74.9

The total cash outflow for Group leases during the year was £23.8 million (2023: £10.7 million).

## 28 SUBORDINATED LOAN NOTES

	2024 £m	2023 £m
Subordinated loan notes		
— face value	40.0	40.0
— carrying value	39.9	39.9

Rathbones Group Plc holds £39.9 million of 10-year Tier 2 notes with a call option in October 2026 and annually thereafter. The Issuer requires the Group's subsidiaries to comply with all laws and governmental rules or regulations to which they are subject. Interest is payable at a fixed rate of 5.6% per annum until the first call option date in 2026, and at a fixed rate of 4.9% over Compounded Daily SONIA thereafter. An interest expense of £2.3 million (2023: £2.3 million) was recognised in the year.

29 LONG-TERM EMPLOYEE BENEFITS  
DEFINED CONTRIBUTION PENSION SCHEME

The Group operates a defined contribution group personal pension scheme and contributes to various other personal pension arrangements for certain directors and employees. The total contributions made to these schemes during the year were £32.3 million (2023: £21.0 million). The Group also operates a defined contribution scheme for overseas employees, for which the total contributions were £0.1 million (2023: £0.1 million).

## DEFINED BENEFIT PENSION SCHEMES

The Group operates two defined benefit pension schemes that operate within the UK legal and regulatory framework: the Rathbone 1987 Scheme and the Laurence Keen Retirement Benefit Scheme. The schemes' investments are managed on a discretionary basis, in accordance with the statements of investment principles agreed by the trustees. Scheme assets are held separately from those of the Group.

The trustees of the schemes are required to act in the best interest of the schemes' beneficiaries. The appointment of trustees is determined by the schemes' trust documentation and legislation. The Group has a policy that one third of all trustees should be nominated by members of the schemes.

The Laurence Keen Scheme was closed to new entrants and future accrual with effect from 30 September 1999. Past service benefits continue to be calculated by reference to final pensionable salaries. From 1 October 1999, all the active members of the Laurence Keen Scheme were included under the Rathbone 1987 Scheme for accrual of retirement benefits for further service. The Rathbone 1987 Scheme was closed to new entrants with effect from 31 March 2002 and to future accrual from 30 June 2017.

The schemes are valued by independent actuaries at least every three years using the projected unit credit method, which looks at the value of benefits accruing over the years following the valuation date based on projected salary to the date of termination of services, discounted to a present value using a rate that reflects the characteristics of the liability. The valuations are updated at each balance sheet date in between full valuations. The latest full actuarial valuations were carried out as at 31 December 2022.

## NOTES TO THE CONSOLIDATED STATEMENTS

**29 LONG-TERM EMPLOYEE BENEFITS** CONTINUED

In June 2023, the High Court handed down a judgement that casts doubt on the validity of previous pension scheme amendments made by schemes which were previously contracted out. This was in the Court Case of Virgin Media Limited Vs NTL Pension Trustees II Limited, where it was determined that a Deed of Amendment was not valid because the accompanying written actuarial confirmation under Section 37 of the Pensions Act 1995 was not present. An appeal to the ruling in July 2024 upheld the original ruling. There remains a risk that the benefits of schemes affected by the ruling turn out to be incorrect. The Rathbone 1987 Scheme was never contracted out and so is not impacted by this ruling, however there could be a potential impact on the Laurence Keen Scheme if any amendments are found to be invalid. The impact is not currently known. Based on the information currently available, which has been assessed by the Actuary, we have not identified this as material to the Group. We will continue to monitor.

The assumptions used by the actuaries, to estimate the schemes' liabilities, are the best estimates chosen from a range of possible actuarial assumptions. Due to the timescale covered by the liability, these assumptions may not necessarily be borne out in practice.

The principal actuarial assumptions used, which reflect the different membership profiles of the schemes, were:

	Laurence Keen Scheme		Rathbone 1987 Scheme	
	2024 % (unless stated)	2023 % (unless stated)	2024 % (unless stated)	2023 % (unless stated)
Rate of increase of salaries	n/a	n/a	n/a	n/a
Rate of increase of pensions in payment	3.7	3.7	3.0	2.9
Rate of increase of deferred pensions	3.2	3.1	3.2	3.1
Discount rate	5.4	4.4	5.4	4.4
Inflation*	3.2	3.1	3.2	3.1
Percentage of members transferring out of the schemes per annum	–	2.0	–	2.0
Average age of members at date of transferring out (years)	n/a	52.5	n/a	52.5

• Inflation assumptions are based on the Retail Prices Index

Over the year, the financial assumptions have been amended to reflect changes in market conditions. Specifically:

1. the discount rate has increased by 0.1% to reflect an increase in the yields available on AA-rated Corporate Bonds;
2. the assumed rate of future inflation has increased by 0.1% and reflects expectations of long-term inflation as implied by changes in the Bank of England inflation yield curve;
3. the assumed rates of future increases to pensions in payment, where linked to inflation, have increased by 0.1% for the Rathbone 1987 Scheme and remain unchanged for the Laurence Keen Scheme

Over the year the mortality assumptions have been updated. The standard mortality tables known as Series 4 tables (2023: Series 3) are used, with the 'Light' version of the tables used to reflect an expectation that members of the schemes will experience longer than average life expectancies. The CMI model used to project future improvements in mortality has been updated from the 2022 version to the 2023 version.

2% of members not yet in receipt of their pension are assumed to transfer out of the scheme each year (2023: 2%).

The proportion of members assumed to be married at retirement age is 80% (2023: 80%).

The assumed duration of the liabilities for the Laurence Keen Scheme is 12 years (2023: 12 years) and the assumed duration for the Rathbone 1987 Scheme is 15 years (2023: 16 years).

The normal retirement age for members of the Laurence Keen Scheme is 65 (60 for certain former directors). The normal retirement age for members of the Rathbone 1987 Scheme is 60 for service prior to 1 July 2009 and 65 thereafter, following the introduction of pension benefits based on Career-Average Revalued Earnings (CARE) from that date.

The assumed life expectancies on retirement were:

		2024		2023	
		Males	Females	Males	Females
Retiring today:	aged 60	27.4	29.2	27.6	29.5
	aged 65	22.7	24.2	22.8	24.5
Retiring in 20 years:	aged 60	29.2	31.0	29.4	31.2
	aged 65	24.2	25.9	24.3	26.1

## NOTES TO THE CONSOLIDATED STATEMENTS

**29 LONG-TERM EMPLOYEE BENEFITS** CONTINUED

The amount included in the balance sheet arising from the Group's assets in respect of the schemes is as follows:

	2024			2023		
	Laurence Keen Scheme £m	Rathbone 1987 Scheme £m	Total £m	Laurence Keen Scheme £m	Rathbone 1987 Scheme £m	Total £m
Present value of defined benefit obligations	(6.2)	(81.7)	(87.9)	(7.3)	(93.8)	(101.1)
Fair value of scheme assets	6.5	81.9	88.4	8.2	99.9	108.1
<b>Net defined benefit asset</b>	<b>0.3</b>	<b>0.2</b>	<b>0.5</b>	0.9	6.1	7.0

The amounts recognised in profit or loss, within operating expenses, are as follows:

	2024			2023		
	Laurence Keen Scheme £m	Rathbone 1987 Scheme £m	Total £m	Laurence Keen Scheme £m	Rathbone 1987 Scheme £m	Total £m
Interest expense	–	(0.4)	(0.4)	(0.1)	(0.4)	(0.5)
	–	(0.4)	(0.4)	(0.1)	(0.4)	(0.5)

Remeasurements of the net defined benefit asset have been reported in other comprehensive income. The actual return on scheme assets was a fall in value of £1.2 million (2023: £0.4 million rise) for the Laurence Keen Scheme and a fall in value of £18.7 million (2023: £3.6 million rise) for the Rathbone 1987 Scheme.

Movements in the present value of defined benefit obligations were as follows:

	2024			2023		
	Laurence Keen Scheme £m	Rathbone 1987 Scheme £m	Total £m	Laurence Keen Scheme £m	Rathbone 1987 Scheme £m	Total £m
At 1 January	7.3	93.8	101.1	7.2	87.5	94.7
Interest cost	0.4	4.1	4.5	0.3	4.1	4.4
Actuarial experience gains/(losses)	–	(0.1)	(0.1)	0.1	3.4	3.5
Actuarial gains/(losses) arising from:						
— demographic assumptions	(0.1)	(0.4)	(0.5)	(0.1)	(1.5)	(1.6)
— financial assumptions	(0.8)	(12.8)	(13.6)	0.2	2.8	3.0
Past service cost	–	–	–	–	–	–
Benefits paid	(0.6)	(2.9)	(3.5)	(0.4)	(2.5)	(2.9)
<b>At 31 December</b>	<b>6.2</b>	<b>81.7</b>	<b>87.9</b>	7.3	93.8	101.1

## NOTES TO THE CONSOLIDATED STATEMENTS

**29 LONG-TERM EMPLOYEE BENEFITS** CONTINUED

Movements in the fair value of scheme assets were as follows:

	2024			2023		
	Laurence Keen Scheme £m	Rathbone 1987 Scheme £m	Total £m	Laurence Keen Scheme £m	Rathbone 1987 Scheme £m	Total £m
At 1 January	8.2	99.9	108.1	8.1	96.0	104.1
Remeasurement of net defined benefit asset/(liability)						
— interest income	0.4	4.4	4.8	0.4	4.5	4.9
— return on scheme assets (excluding amounts included in interest income)	(1.5)	(23.2)	(24.7)	–	(0.8)	(0.8)
Contributions from the sponsoring companies	–	3.7	3.7	0.1	2.8	2.9
Benefits paid	(0.6)	(2.9)	(3.5)	(0.4)	(2.6)	(3.0)
<b>At 31 December</b>	<b>6.5</b>	<b>81.9</b>	<b>88.4</b>	<b>8.2</b>	<b>99.9</b>	<b>108.1</b>

On 9 April 2024 both Schemes invested in a bulk annuity policy to match their liabilities as part of a ‘buy-in’ process. The Schemes’ assets are now therefore almost entirely invested in bulk policies, with some residual funds in the Schemes’ bank accounts or cash deposits. In accordance with IAS 19, the fair value of the bulk annuity policies has been calculated to be equal to the value of the liabilities the policies cover.

Following the purchase of the bulk annuities which match the Schemes’ liabilities, the risks relating to interest rates, inflation and mortality have been transferred to the insurer. The residual risks to the Group arising from both schemes are in respect of the following:

- counterparty default risk — risk of insurer default is considered low, with a number of protections in place against this.
- risk that there are changes to the premium — final premium payable to the insurer is subject to confirmation following a period of data cleanse, no significant adjustments expected.

The analysis of the scheme assets, measured at bid prices, at the balance sheet date was as follows:

	2024	2023	2024	2023
	Fair value £m	Fair value £m	Current allocation %	Current allocation %
Laurence Keen Scheme				
Equity instruments	–	–	–	–
Debt instruments:				
— United Kingdom corporate bonds	–	0.4	–	5
Liability-driven investments	–	7.8	–	93
Cash	0.4	0.1	5	2
Annuities	6.1	–	95	–
<b>At 31 December</b>	<b>6.5</b>	<b>8.3</b>	<b>100</b>	<b>100</b>

## NOTES TO THE CONSOLIDATED STATEMENTS

## 29 LONG-TERM EMPLOYEE BENEFITS CONTINUED

	2024	2023	2024	2023
	Fair value £m	Fair value £m	Current allocation %	Current allocation %
Rathbone 1987 Scheme				
Liability-driven investments	–	98.4	–	99
Cash	0.2	1.5	–	1
Other	81.7	–	100	–
<b>At 31 December</b>	<b>81.9</b>	<b>99.9</b>	<b>100</b>	<b>100</b>

The key assumptions affecting the results of the valuation are the discount rate, future inflation, mortality. In order to demonstrate the sensitivity of the results to these assumptions, the actuary has recalculated the defined benefit obligations for each scheme by varying each of these assumptions in isolation whilst leaving the other assumptions unchanged. Changes to these assumptions of a different, but similar, magnitude would result in a broadly proportional change in these figures. Where the changes to these assumptions are more significant the impact will be more significant, but potentially not proportional. These events within the sensitivity analysis are unlikely to occur in isolation. For example, in order to demonstrate the sensitivity of the results to the discount rate, the actuary has recalculated the defined benefit obligations for each scheme using a discount rate that is 0.5% higher than that used for calculating the disclosed figures. A similar approach has been taken to demonstrate the sensitivity of the results to the other key assumptions. A summary of the sensitivities in respect of the total of the two schemes' defined benefit obligations is set out below.

	Combined impact on schemes' liabilities	
	(Decrease)/ increase £m	(Decrease)/ increase %
0.5% increase in:		
— discount rate	(6.3)	(7.2)
0.5% increase in:		
— rate of inflation	3.6	4.1
1-year increase to:		
— longevity at 60	3.5	4.0

The total contributions made by the Group to the 1987 Scheme during the year were £3.7 million (2023: £2.8 million).

There have been no contributions (2023: £0.2 million) made by the Group to the Laurence Keen Scheme during the year.

Per IAS 19, companies are required to limit the value of any defined benefit asset to the lower of the surplus in the plan and the defined benefit asset ceiling, where the asset ceiling is the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The company expects to access any surplus assets remaining in the plan once all members have left after gradual settlement of the liabilities. Therefore, the net asset is deemed to be recoverable and the effect of the asset ceiling is £nil.

## NOTES TO THE CONSOLIDATED STATEMENTS

**30 SHARE CAPITAL, SHARE PREMIUM AND MERGER RESERVE**

The following movements in share capital occurred during the year:

	Share Capital – Voting shares	Convertible Share Capital – Non-voting shares	Exercise/ issue price Pence	Share capital £m	Share premium £m	Merger reserve £m	Total £m
At 1 January 2023	63,394,837	–	–	3.2	310.0	77.0	390.2
Shares issued:							–
— to Share Incentive Plan	132,829	–	1,574.0 - 2,160.0	–	2.3	–	2.3
— to Save As You Earn scheme	–	–	–	–	–	–	–
— to Employee Benefit Trust	–	–	–	–	–	–	–
— to Business Combinations	27,056,463	17,481,868	1,635.9 - 1,722.0	2.2	–	747.4	749.6
<b>At 1 January 2024</b>	<b>90,584,129</b>	<b>17,481,868</b>	<b>–</b>	<b>5.4</b>	<b>312.3</b>	<b>824.4</b>	<b>1,142.1</b>
Shares issued:							–
— to Share Incentive Plan	317,313	–	1,556.0 - 1,884.0	–	5.4	–	5.4
— to Save As You Earn scheme	6,178	–	1,365.0 - 1,394.0	–	0.1	–	0.1
— to Employee Benefit Trust	1,017,900	–	5.00	0.1	–	–	0.1
<b>At 31 December 2024</b>	<b>91,925,520</b>	<b>17,481,868</b>	<b>–</b>	<b>5.5</b>	<b>317.8</b>	<b>824.4</b>	<b>1,147.7</b>

The total number of issued and fully paid up ordinary shares at 31 December 2024 was 109,407,388 (2023: 108,065,997) with a par value of 5p per share.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the company. The ordinary shareholders are entitled to any residual assets on the winding up of the company.

The convertible non-voting shares rank pari passu with the ordinary shares, except that they do not carry voting rights. Both the ordinary shares and convertible non-voting shares qualify as common equity Tier 1 capital.

On 21 September 2023, the company issued to Investec Bank plc 27,056,463 of ordinary shares at £17.22 per share, and 17,481,868 of convertible non-voting ordinary shares at £16.36 per share. Share issue costs of £2.2 million were offset against the merger reserve. See [notes 8 and 9](#) for further detail.

## NOTES TO THE CONSOLIDATED STATEMENTS

**31 OWN SHARES**

The following movements in own shares occurred during the year:

	Number of Shares	£m
At 1 January 2023	4,887,294	52.6
Additions in the year	931,153	16.0
Released on vesting	(1,374,930)	(13.0)
<b>At 1 January 2024</b>	<b>4,443,517</b>	<b>55.6</b>
Additions in the year	<b>2,286,618</b>	<b>22.0</b>
Released on vesting	<b>(781,922)</b>	<b>(9.5)</b>
<b>At 31 December 2024</b>	<b>5,948,213</b>	<b>68.1</b>

Own shares represent the cost of the company's own shares, either purchased in the market or issued by the company, that are held by the company or in an Employee Benefit Trust ('EBT') to satisfy future awards under the Group's share-based payment schemes ([note 32](#)). A total of 4,950,545 shares were held in the EBT at 31 December 2024 (2023: 3,275,598), and 997,668 of shares were held by the trustees of the Share Incentive Plan but were not unconditionally gifted to employees (2023: 894,966).

During the year, the Saunderson House initial share consideration award vested (see [note 8](#)). This resulted in a disposal of 272,952 of own shares that were held in nominee.

**32 SHARE BASED PAYMENTS**

The Group recognised total charges of £29.1 million in relation to share-based payment transactions in 2024 (2023: £24.0 million) (see [note 10](#)). This includes acquisition-related share-based payments (see note below), and excludes social security costs of £1.9 million (2023: £1.7 million).

The impact on retained earnings of employee remuneration and share plans vesting in the year, where shares were not released from the Group employee benefit trust, was a debit of £4.2 million (2023: debit of £6.0 million).

**SHARE INCENTIVE PLAN**

The Group operates a Share Incentive Plan (SIP), which is available to all employees. Employees can contribute up to £150 per month to acquire partnership shares in Rathbones Group Plc, which are purchased or allotted in monthly accumulation periods. The Group currently matches employee contributions on a one-for-one basis to acquire matching shares.

From time to time the Group also provides free shares to eligible employees on a discretionary basis. The maximum allocation per employee is £3,600 per annum.

For UK employees, SIP dividends are reinvested and used to purchase dividend shares, whilst for Jersey employees dividends are paid in cash.

Fair value assumptions required by IFRS 2 are used to calculate the relevant fair values for this award. The assumptions have been set with reference to market conditions at the grant date. The fair value of free shares has been calculated as the value of an option with a zero exercise price and exercise date 15 months from the date of grant. Once free share awards are allocated, they accrue dividends, which become payable once the awards vest. The dividend yield has been calculated based on the share price at grant and 12 months' historical dividends at each grant date.

As at 31 December 2024, the trustees of the SIP held 1,842,374 (2023: 1,773,475) ordinary shares of 5p each in Rathbones Group Plc with a total market value of £30.6 million (2023: £30.9 million).

The Group recognised a charge of £2.1 million in relation to this scheme in 2024 (2023: £2.5 million).

**SAVINGS-RELATED SHARE OPTION OR SAVE AS YOU EARN (SAYE) PLAN**

Under the SAYE plan, employees can contribute up to £500 per month to acquire shares at the end of a three- or five-year savings period.

Options with an aggregate estimated fair value of £4.1 million, determined using a binomial valuation model including expected dividends, were granted on 9 April 2024 to directors and staff under the SAYE plan. The inputs into the binomial model for options granted during 2024, as at the date of issue, were as follows:

	2024	2023
Share price (pence)	<b>1,503</b>	1,954
Exercise price (pence)	<b>1,203</b>	1,524
Expected volatility	<b>28.0%</b>	28.0%
Risk-free rate	<b>4.1%</b>	3.8%
Expected dividend yield	<b>5.7%</b>	4.3%

The number of share options outstanding for the SAYE plan at the end of the year, the period in which they were granted and the dates on which they may be exercised are given below.

## NOTES TO THE CONSOLIDATED STATEMENTS

## 32 SHARE BASED PAYMENTS CONTINUED

Year of grant	Exercise price Pence	Exercise price period	2024	2023
			Number of share options	Number of share options
2018	1,977.0	2021 and 2023	–	60
2019	1,813.0	2022 and 2024	661	4,260
2020	1,085.0	2023 and 2025	488,682	520,303
2021	1,365.0	2024 and 2026	45,547	169,879
2022	1,394.0	2025 and 2027	221,437	320,801
2023	1,524.0	2026 and 2028	156,678	388,343
2024	1,203.0	2027 and 2029	1,220,843	–
<b>At 31 December</b>			<b>2,133,848</b>	1,403,646

Movements in the number of share options outstanding for the SAYE plan were as follows:

	2024		2023	
	Number of share options	Weighted average exercise price Pence	Number of share options	Weighted average exercise price Pence
At 1 January	1,403,646	1,313.0	1,597,484	1,272.0
Granted in the year	1,257,914	1,203.0	418,512	1,524.0
Forfeited or cancelled in the year	(382,078)	1,450.0	(89,609)	1,403.0
Exercised in the year	(145,634)	1,325.0	(522,741)	1,086.0
<b>At 31 December</b>	<b>2,133,848</b>	<b>1,223.0</b>	1,403,646	1,313.0

The fair value assumptions for each SAYE award granted are set with reference to market conditions at the grant date. Factors affecting the fair value of the award are the volatility of the share return, dividend policy, expected leaving service rates and early exercise.

In setting the assumption for future share return volatility, historical volatility is calculated, using the Group's historical share price and calculating the return on a weekly basis. The historical annualised volatility of the Group's share return is then measured over rolling one, three and five periods. The most appropriate historical volatility measure, based on weekly share price data, is then used for the purposes of setting the volatility assumption for both awards. Consistent with previous practice, a 5-year historical volatility measure was used, creating a volatility assumption of 28% per annum (2023: 28% per annum).

The weighted average share price at the dates of exercise for share options exercised during the year was £13.25 (2023: £10.86). The options outstanding at 31 December 2024 had a weighted average contractual life of 2.6 years (2023: 2.6 years) and a weighted average exercise price of £12.23 (2023: £13.13).

The Group recognised a charge of £3.0 million in relation to this scheme in 2024 (2023: £1.8 million).

**EXECUTIVE INCENTIVE PLAN**

Under the remuneration policy, 40% of the total award will be given in cash with the remaining 60% of the award granted in shares. The Group treats the cash element of the award as an employee benefit under IAS 19 and the share element of the award as an equity-settled share-based payment under IFRS 2. The fair value has been determined with reference to the share price at grant.

In 2021 this award was replaced with the Executive Share Performance Plan.

The Group recognised a charge of £0.2 million in relation to the equity-settled share-based payment element of this scheme in 2024 (2023: £0.6 million).

The number of outstanding options left to vest for the EIP scheme as at 31 December 2024 is 104,707.

**EXECUTIVE SHARE PERFORMANCE PLAN**

The scheme was launched in 2021 to replace the Executive Incentive Plan. Details of the general terms of this plan are set out in the remuneration committee report on [page 124](#).

Under the remuneration policy, 50% of the annual bonus award is paid in cash and 50% is deferred in shares, although this split can be altered subject to Remuneration Committee approval. An annual restricted stock plan award is also granted under the scheme, and payment is deferred in shares. In 2024, the annual restricted stock plan was replaced with the annual performance share plan (PSP), with payment deferred in shares. Please see the remuneration committee report on [page 124](#) for further details.

The Group treats the cash element of the award as an employee benefit under IAS 19 and the share element of the awards as equity-settled share-based payments under IFRS 2. The fair value has been determined with reference to the share price at grant.

The Group recognised a charge of £3.2 million in relation to the equity-settled share-based payment element of this scheme in 2024 (2023: £3.3 million).

The number of outstanding options left to vest for the ESPP scheme as at 31 December 2024 is 819,049.

## NOTES TO THE CONSOLIDATED STATEMENTS

### 32 SHARE BASED PAYMENTS CONTINUED

#### STAFF EQUITY PLAN

The Key Employee Equity Plan (KEEP) was launched in 2022 for individuals within Rathbones Investment Management and Rathbones Investment Management International, as well as employees within the Group's support functions.

Under the scheme, participants were granted awards under the plan in the form of an option with an exercise price of £nil. The option awards are subject to certain service and performance conditions. There are no market-related performance conditions attached to these awards.

The awards will vest and become exercisable on the fifth anniversary of the grant date for the front office employees, and on the third anniversary of the grant date for employees in support functions. The fair value has been determined with reference to the share price at grant. There are no market-related performance conditions attached to this award.

The Group recognised a charge of £4.6 million for the KEEP awards during the year (2023: £2.7 million).

The number of outstanding options left to vest for the KEEP scheme as at 31 December 2024 was 1,522,182.

#### OTHER SCHEMES

The Group operates a number of other plans for rewarding employees. Participants are granted awards under these plans in the form of options, which vest automatically on an anniversary of the grant date (generally between one and five years). As the intention is to settle the options in such plans in shares, the awards are treated as equity-settled share-based payments under IFRS 2.

The Group recognised a charge of £0.7 million for the Rathbones Exceptional Performance Plan scheme in 2024 (2023: £1.3 million).

The Group recognised a charge of £2.5 million for the Rathbone Enhanced Profit Share Plan scheme in 2024 (2023: £2.3 million).

#### ACQUISITION-RELATED SHARE-BASED PAYMENTS

Details of the general terms of share-based payments associated with the acquisition of Speirs & Jeffrey, Saunderson House and IW&I are set out in [note 8](#).

The Group recognised a charge of £9.3 million for the Rathbones Integration Incentive Scheme (IW&I) in 2024 (2023: £3.0 million).

The Group recognised a charge of £3.1 million for the Saunderson House Limited Remuneration Incentive Scheme in 2024 (2023: £3.6 million).

### 33 FINANCIAL RISK MANAGEMENT

The Group has identified the financial, business and operational risks arising from its activities and has established policies and procedures to manage these items in accordance with its risk appetite, as described in the Group Risk Committee report on [pages 111 to 113](#).

The Group categorises its financial risks into the following primary areas:

- (i) credit risk (which includes counterparty default risk)
- (ii) liquidity risk
- (iii) market risk (which includes fair value interest rate risk, cash flow interest rate risk, foreign exchange risk and price risk)
- (iv) pension risk.

The Group's exposures to pension risk are set out in [note 29](#).

The Group's financial risk management policies are designed to identify and analyse the financial risks that the Group faces, to set appropriate risk tolerances, limits and controls, and to monitor the financial risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its financial risk management policies and systems to reflect changes in the business, counterparties, markets and the range of financial instruments that it utilises.

The treasury department, reporting through the banking committee, has principal responsibility for monitoring exposure to credit risk, liquidity risk and market risk. Procedures and delegated authorities are documented in a Group treasury manual and policy documents prescribe the management and monitoring of each type of risk. The primary objective of the Group's treasury policy is to manage short term liquidity requirements whilst maintaining an appropriate level of exposure to other financial risks in accordance with the Group's risk appetite.

#### (i) CREDIT RISK

The Group takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due, through its banking, treasury, trust and financial planning activities. The principal source of credit risk arises from placing funds in the money market and holding interest-bearing securities. The Group also has exposure to credit risk through its client loan book.

It is the Group's policy to place funds generated internally and from deposits by clients with a range of high-quality, investment grade financial institutions and the Bank of England. Investments with financial institutions are spread to avoid excessive exposure to any individual counterparty. Loans made to clients are secured against clients' assets that are held and managed by Group companies.

Exposure to credit risk is managed through setting appropriate ratings requirements and lending limits. Limits are reviewed regularly, taking into account the ability of borrowers and potential borrowers to meet repayment obligations.

## NOTES TO THE CONSOLIDATED STATEMENTS

**33 FINANCIAL RISK MANAGEMENT** CONTINUED**(i) CREDIT RISK** CONTINUED

The Group categorises its exposures based on the long-term ratings awarded to counterparties by Fitch, Moody's or S&P. Each exposure is assessed individually, both at inception and in ongoing monitoring. In addition to formal external ratings, the banking committee also utilises market intelligence information to assist with its ongoing monitoring. The Group's financial assets are categorised as follows:

**Balances with central banks (note 14)**

The Group has exposure to central banks through its deposits held with the Bank of England.

**Loans and advances to banks (note 15) and debt and other securities (note 17)**

The Group has exposures to a wide range of financial institutions through its treasury portfolio, which includes bank deposits, certificates of deposit and UK Government treasury bills. These exposures principally arise from the placement of clients' cash, where it is held under a banking relationship, and the Group's own reserves.

Balances with central banks, loans and advances to banks and debt and other securities (excluding equity securities) are collectively referred to as the Group's treasury book.

	2024 £m	2023 £m
Treasury book		
Balances with central banks	1,166.0	1,038.3
Loans and advances to banks – fixed deposits/notice accounts	45.7	14.5
Unlisted debt securities	1,278.2	1,294.6
Gross amount	2,489.9	2,347.4

The Group's policy requires that all such exposures are only taken with counterparties that have been awarded a minimum long-term rating of single A by Fitch or equivalent rating by Moody's or S&P. Counterparty limits are also in place to limit exposure to an individual counterparty or connected group of counterparties. Counterparty exposures are monitored on a daily basis by the treasury department and reviewed by the banking committee on a monthly basis, or more frequently when necessary. The banking committee may suspend dealing in a particular counterparty, or liquidate specific holdings, in the light of adverse market information.

**Loans and advances to customers (note 16)**

The Group provides loans to clients through its investment management operations ('the investment management loan book'). The Group is also exposed to credit risk on overdrafts on clients' investment management accounts, work in progress arising from the trust, tax and financial planning businesses ('trust and financial planning debtors') and other debtors.

**(a) Overdrafts**

Overdrafts on clients' investment management accounts arise from time to time due to short-term timing differences between the purchase and sale of assets on a client's behalf. Overdrafts are actively monitored and reported to the banking committee on a monthly basis.

**(b) Investment management loan book**

Loans are provided as a service to investment management clients, who are generally asset-rich but have short- to medium-term cash requirements. Such loans are normally made on a fully secured basis against portfolios held in Rathbones' nominee name, and some loans may be partially secured by property. Extensions to the initial loan period may be granted subject to credit criteria.

All lending exposures undergo an initial assessment of creditworthiness according to Rathbones' internal affordability model. On an ongoing basis, the assessment is repeated at least annually, or sooner in the event of a trigger, such as a decline in portfolio value due to withdrawal or market conditions, as this would highlight a potential deterioration in creditworthiness.

At 31 December 2024, the total lending exposure limit for the investment management loan book was £250.0 million (2023: £250.0 million), of which £74.9 million had been advanced (2023: £100.2 million) and a further £14.8 million had been committed (2023: £15.4 million).

**(c) Trust and financial planning debtors**

Trust and financial planning debtors relate to fees which have been invoiced but not yet settled by clients. The collection and ageing of trust and financial planning debtors are reviewed on a monthly basis by the management committees of the Group's trust and financial planning businesses.

**(d) Other debtors**

Other loans and advances to customers relate to management fees receivable.

**Settlement balances**

Settlement risk arises in any situation where a payment in cash or transfer of a security is made in the expectation of a corresponding delivery of a security or receipt of cash. The majority of transactions are carried out on a delivery versus payment basis, which results in securities and cash being exchanged within a very close timeframe. Settlement balances outside standard terms are monitored on a daily basis.

The Wealth Management and Asset Management segments have exposure to market counterparties in the settlement of trades. Settlement balances arising in the Investment Management segment are primarily in relation to client trades and risk of non-settlement is borne by clients.

## NOTES TO THE CONSOLIDATED STATEMENTS

**33 FINANCIAL RISK MANAGEMENT** CONTINUED**(i) CREDIT RISK** CONTINUED**Maximum exposure to credit risk**

	2024 £m	2023 £m
Credit risk relating to on-balance-sheet exposures:		
Cash and balances with central banks	1,166.0	1,038.3
Settlement balances	128.3	165.7
Loans and advances to banks	293.2	266.9
Loans and advances to customers:		
— overdrafts	15.9	9.7
— investment management loan book	76.0	101.7
— trust and financial planning debtors	2.5	2.7
— other debtors	1.9	1.6
Investment securities:		
— unlisted debt securities	1,278.3	1,294.6
Other financial assets	211.9	191.3
<b>Credit risk relating to off-balance-sheet exposures:</b>		
Loan commitments	14.8	15.4
	<b>3,188.8</b>	<b>3,087.9</b>

The above table represents the Group's gross credit risk exposure at 31 December 2024 and 2023, without taking account of any associated collateral held or other credit enhancements. For on-balance-sheet assets, the exposures set out above are based on gross carrying amounts.

Of the total maximum exposure, 12.2% is derived from loans and advances to banks and customers (2023: 14.2%) and 40.1% represents investment securities (2023: 41.1%).

**Impairment of financial instruments**

The Group's accounting policy governing impairment of financial assets is given in [note 1.12](#). Impairment losses on financial assets recognised in profit or loss were as shown in the table below. The main class of asset these impairment losses have arisen against is cash and balances held with central banks.

	2024 £m	2023 £m
Impairment losses/(reversals) arising from:		
— treasury book	—	—
— investment management loan book	—	—
— trust and financial planning debtors	—	0.1
	—	0.1

**Expected Credit Loss (ECL) assessment**

At each reporting date, for both the treasury book and investment management loan book, the Group assesses whether there has been a significant increase in credit risk of exposures since initial recognition, by comparing the change in the risk of a default occurring over the expected life of the instrument between the reporting date and the date of initial recognition. The following criteria are used to identify significant increases in credit risk and are monitored and reviewed periodically for appropriateness by the treasury team.

The Group's ECL model was calibrated during a time of benign inflation, and thus inflation was historically negatively correlated with the Probability of Default (PD). Given current inflation is supply-driven, a post-model adjustment was made to flatten the inflation forecast to remove the dampening effect on the PD.

**Qualitative indicators**

The Group periodically monitors its exposures and uses a set of defined criteria to flag any counterparties that may be experiencing financial difficulties. Such exposures are monitored by the treasury team, and those that are considered to have experienced a significant increase in credit risk are classified as 'stage 2', on which a lifetime ECL is recognised.

**Quantitative indicators**

The lifetime probability of default at the reporting date is compared to the original lifetime probability of default at initial recognition and if the difference exceeds a predefined threshold (for the current analysis this threshold is set at 50% of the value at initial recognition) the exposure is moved to stage 2.

Probability of defaults used for identifying significant increases in credit risk for staging purposes are calculated using the same methodology and data used for estimating probability of defaults for the purpose of measuring expected credit losses.

The '30 days past due' backstop indicator has not been rebutted by the Group, albeit it is not a significant driver of stage movements as the opportunity for a counterparty to miss a payment is low due to the fact that over the life of exposure, any interest and/or principal is directly debited from the counterparty's investment balance and investment income, which is in turn held as collateral under the Group's custody.

## NOTES TO THE CONSOLIDATED STATEMENTS

**33 FINANCIAL RISK MANAGEMENT** CONTINUED**(i) CREDIT RISK** CONTINUED

Materially all exposures in both the treasury book and investment management loan book follow a bullet repayment structure; therefore, the exposure at any point in time reflects the outstanding balance of the instrument at that point in time.

**Definition of default**

The Group considers an investment management loan book exposure to be in default when a client fails to respond to three sets of default notices (every 30 days for a period of 90 days). A treasury book exposure is deemed to be in default when a payment is past due by more than one working day (grace period).

**Probability of default (PD)**

The Group uses a lifetime PD for each exposure, which is the probability-weighted result of considering three economic scenarios: a base case, an upside scenario and a downside scenario. These scenarios include the forecast of the macroeconomic factors that have been identified as relevant to the Group's exposures, which are incorporated into the estimation of lifetime PDs.

The methodology for estimating lifetime PDs and adjustments for macroeconomic scenarios used for identifying significant increases in credit risk are as follows:

**Treasury book assessment**

The 12-month PD for each exposure is initially estimated as the historical 12-month PD sourced from Standard & Poor's, by credit rating and country of exposure. In order to estimate the PDs occurring over the lifetime of an underlying exposure, the Group applies its expectations of future progression in point in time ('PiT') default probabilities, which inherently revolve around expectations of future development of macroeconomic factors relevant to treasury assets, namely UK GDP, UK unemployment rates, UK inflation and UK interest rates.

Loss given default (LGD) for treasury book assets is dependent on the nature of the counterparty and the region in which the instrument was issued. For sovereign exposures, the Group applies a flat LGD rate, which is externally sourced from Moody's most recent sovereign default and recovery rates research statistics, by country of issuer. For unsecured corporate exposures, a time series of historical corporate recovery rates is sourced from Moody's annual publication on corporate defaults and recovery rates.

The following table presents an analysis of the credit quality of treasury book exposures at amortised cost and FVTPL. It indicates whether assets measured at amortised cost were subject to a 12-month ECL or lifetime ECL allowance and, in the latter case, whether they were credit-impaired:

	2024				2023			
	At amortised cost							
	Fair value through profit or loss £m	12-month ECL £m	Lifetime ECL – not credit-impaired £m	Lifetime ECL – credit-impaired £m	Fair value through profit or loss £m	12-month ECL £m	Lifetime ECL – not credit-impaired £m	Lifetime ECL – credit-impaired £m
AAA	–	–	–	–	–	–	–	–
AA+ to AA-	–	1,842.0	–	–	–	1,666.2	–	–
A+ to A-	–	648.0	–	–	–	681.3	–	–
Gross carrying amounts	–	2,490.0	–	–	–	2,347.5	–	–
Loss allowance	–	(0.1)	–	–	–	(0.1)	–	–
<b>Carrying amount</b>	–	<b>2,489.9</b>	–	–	–	<b>2,347.4</b>	–	–
Cash and balances with central banks	–	1,166.0	–	–	–	1,038.3	–	–
Loans and advances to banks	–	45.7	–	–	–	14.5	–	–
Unlisted debt securities	–	1,278.2	–	–	–	1,294.6	–	–
<b>Carrying amount</b>	–	<b>2,489.9</b>	–	–	–	<b>2,347.4</b>	–	–

## NOTES TO THE CONSOLIDATED STATEMENTS

**33 FINANCIAL RISK MANAGEMENT** CONTINUED**(i) CREDIT RISK** CONTINUED

The movement in allowance for impairment for the treasury book during the year was as follows.

	12-month ECL £m	Lifetime ECL – not credit- impaired £m	Lifetime ECL – credit- impaired £m	Total ECL £m
<b>Balance at 1 January 2024</b>	<b>0.1</b>	<b>–</b>	<b>–</b>	<b>0.1</b>
Net remeasurement of loss allowance	–	–	–	–
<b>Balance at 31 December 2024</b>	<b>0.1</b>	<b>–</b>	<b>–</b>	<b>0.1</b>
Cash and balances with central banks	–	–	–	–
Loans and advances to banks	–	–	–	–
<b>Unlisted debt securities</b>	<b>0.1</b>	<b>–</b>	<b>–</b>	<b>0.1</b>
<b>ECL provision</b>	<b>0.1</b>	<b>–</b>	<b>–</b>	<b>0.1</b>

**Investment management loan book assessment**

Due to the lack of historical defaults within the investment management loan book, the model uses publicly available default data for UK secured lending as a starting point in order to obtain an initial estimate for PD. The 12-month PD is estimated as the historical long-term default rate on lending in the UK as sourced from the Council of Mortgage Lenders (CML).

In order to estimate the PDs occurring over the lifetime of an underlying exposure, the Group develops its expectations of future progression in PiT default probabilities, which inherently revolves around expectations of future development of macroeconomic factors relevant to the bank's lending portfolio, namely UK GDP ('GDP') and UK unemployment rates (UR).

In order to develop and apply such forward-looking expectations, a historical relationship between PD, GDP and UR is estimated statistically through a multi-factor regression analysis of past movements between these variables. The relationship resulting from this analysis reflects the relative quantitative behaviour of the regressed macroeconomic factors against PD.

Using the calculated 12-month PiT PD as a starting point, conditional PDs for each future period within the period of exposure are estimated by applying the GDP and UR coefficients to the Group's forecasts of UK GDP and UK UR respectively, as sourced from International Monetary Fund (IMF) forecast data. This analysis forms the base case scenario for estimating lifetime PDs. The same methodology is applied for separate upside and downside scenarios as required by the standard.

The following table presents an analysis of the credit quality of investment management loan book exposures at amortised cost. It indicates whether assets measured at amortised cost were subject to a 12-month ECL or lifetime ECL allowance and, in the latter case, whether they were credit-impaired.

The categories below reflect the Group's internal affordability tests, which consider a range of factors for the client, including their portfolio value, Experian score, and the length of their relationship with the Group. 'High' is an indication the client poses a high risk in terms of being able to afford repayment of the loan facility. 'Medium' is an indication of a possibility the client may pose a risk in terms of being able to afford repayment of the loan facility. 'Low' is where the risk of a client not being able to repay the loan facility is considered reasonably low. 'Very low' is where the risk of a client not being able to repay the loan facility is considered extremely low.

## NOTES TO THE CONSOLIDATED STATEMENTS

**33 FINANCIAL RISK MANAGEMENT** CONTINUED**(i) CREDIT RISK** CONTINUED

	2024			2023		
	At amortised cost					
	12-month ECL £m	Lifetime ECL – not credit- impaired £m	Lifetime ECL – credit- impaired £m	12-month ECL £m	Lifetime ECL – not credit- impaired £m	Lifetime ECL – credit- impaired £m
Very low	24.5	–	–	23.1	–	–
Low	45.5	–	–	70.2	–	–
Medium	5.1	–	–	6.9	–	–
High	0.9	–	–	1.5	–	–
Gross carrying amounts	76.0	–	–	101.7	–	–
Loss allowance	–	–	–	–	–	–
Carrying amount	76.0	–	–	101.7	–	–

The movement in allowance for impairment of the investment management loan book during the year was as follows.

	12-month ECL £m	Lifetime ECL – not credit- impaired £m	Lifetime ECL – credit- impaired £m	Total ECL £m
Balance at 1 January 2024	–	–	–	–
Net remeasurement of loss allowance	–	–	–	–
Balance at 31 December 2024	–	–	–	–

**Trust and financial planning debtors assessment**

The Group uses a provision matrix to measure the ECLs of trust and financial planning debtors, which comprise a large number of small balances. For such debts, a normal settlement period of up to 30 days is expected.

The weighted average loss rates are calculated with reference to the historic credit losses as a proportion of the overall debtor balance within each ageing category at the time of default. The current period of assessment for the provision is five years.

The following table provides information about the exposure to credit risk and ECLs for trust and financial planning debtors as at 31 December 2024:

		2024 £m	2023 £m
Rathbones Trust Company		1.6	1.3
Rathbones Trust & Legal Services		0.2	0.2
Rathbone Financial Planning		0.7	0.7
Saunderson House		–	0.7
Gross carrying amounts		2.5	2.9
Loss allowance		(0.1)	(0.2)
Carrying amount		2.4	2.7

		Loss allowance			
	Weighted average loss rate	Gross carrying amount £m	Not credit- impaired £m	Credit-impaired £m	Total £m
Rathbones Trust Company					
<90 days overdue	0.3%	0.7	–	–	–
90-180 days overdue	1.4%	0.2	–	–	–
180-270 days overdue	2.6%	0.4	–	–	–
270-365 days overdue	4.4%	0.1	–	–	–
>365 days overdue	23.2%	0.2	(0.1)	–	(0.1)
		1.6	(0.1)	–	(0.1)

At the prior year end, £(0.1) million was recognised as an expected credit loss provision for Rathbones Trust Company.

## NOTES TO THE CONSOLIDATED STATEMENTS

**33 FINANCIAL RISK MANAGEMENT** CONTINUED**(i) CREDIT RISK** CONTINUED

	Weighted average loss rate	Gross carrying amount £m	Loss allowance		Total £m
			Not credit- impaired £m	Credit-impaired £m	
Rathbones Trust & Legal Services					
<90 days overdue	0.8%	0.2	–	–	–
90-180 days overdue	3.9%	–	–	–	–
180-270 days overdue	7.0%	–	–	–	–
270-365 days overdue	12.7%	–	–	–	–
>365 days overdue	11.9%	–	–	–	–
		0.2	–	–	–

At the prior year end, £nil was recognised as an expected credit loss provision for Rathbones Trust & Legal Services.

	Weighted average loss rate	Gross carrying amount £m	Loss allowance		Total £m
			Not credit- impaired £m	Credit-impaired £m	
Rathbone Financial Planning					
<90 days overdue	0.0%	0.4	–	–	–
90-180 days overdue	0.0%	0.2	–	–	–
180-270 days overdue	0.0%	0.1	–	–	–
270-365 days overdue	0.0%	–	–	–	–
>365 days overdue	0.0%	–	–	–	–
		0.7	–	–	–

At the prior year end £nil was recognised as an expected credit loss provision for Rathbone Financial Planning.

	Weighted average loss rate	Gross carrying amount £m	Loss allowance		Total £m
			Not credit- impaired £m	Credit-impaired £m	
Saunderson House					
<90 days overdue	0.0%	–	–	–	–
90-180 days overdue	0.0%	–	–	–	–
180-270 days overdue	0.0%	–	–	–	–
270-365 days overdue	0.0%	–	–	–	–
>365 days overdue	0.0%	–	–	–	–
		–	–	–	–

At the prior year end, £(0.1) million was recognised as an expected credit loss provision for Saunderson House.

The movement in allowance for impairment in respect of trust and financial planning debtors during the year is set out below.

	Trust and financial planning debtors £m
Movement in impairment provision during the year	
At 1 January	0.2
Amounts written off	(0.1)
Change in credit risk	–
At 31 December 2024	0.1

**Concentration of credit risk**

The Group has counterparty credit risk within its financial assets in that exposure is to a number of similar credit institutions. The banking committee actively monitors counterparties and may reduce risk by either suspending dealing or liquidating investments in light of adverse market information, for example in anticipation of or in response to any formal Fitch or Moody's rating downgrade. This may happen in relation to specific banks or banks within a particular country or sector.

## NOTES TO THE CONSOLIDATED STATEMENTS

**33 FINANCIAL RISK MANAGEMENT** CONTINUED**(i) CREDIT RISK** CONTINUED**(a) Geographical sectors**

The following table analyses the Group's credit exposures, at their carrying amounts, by geographical region as at the balance sheet date. In this analysis, exposures are categorised based on the country of domicile of the counterparty.

At 31 December 2024	United Kingdom £m	Eurozone £m	Rest of the World £m	Total £m
Cash and balances with central banks	1,166.0	–	–	1,166.0
Settlement balances	115.1	5.6	7.6	128.3
Loans and advances to banks	271.2	7.2	14.8	293.2
Loans and advances to customers:	–	–	–	–
— overdrafts	15.1	0.2	0.5	15.8
— investment management loan book	60.6	0.1	15.3	76.0
— trust and financial planning debtors	2.4	–	–	2.4
— other debtors	1.9	–	–	1.9
Investment securities:				
— unlisted debt securities	293.0	484.7	500.5	1,278.2
Other financial assets	185.2	11.8	14.9	211.9
	2,110.5	509.6	553.6	3,173.7

At 31 December 2023	United Kingdom £m	Eurozone £m	Rest of the World £m	Total £m
Cash and balances with central banks	1,038.3	–	–	1,038.3
Settlement balances	150.7	5.9	9.1	165.7
Loans and advances to banks	232.8	7.5	26.6	266.9
Loans and advances to customers:	–	–	–	–
— overdrafts	9.3	0.1	0.3	9.7
— investment management loan book	80.1	0.1	21.5	101.7
— trust and financial planning debtors	2.7	–	–	2.7
— other debtors	1.5	–	–	1.5
Investment securities:				–
— unlisted debt securities and money market funds	415.9	366.8	511.9	1,294.6
Other financial assets	164.4	10.9	16.0	191.3
	2,095.7	391.3	585.4	3,072.4

At 31 December 2024, materially all eurozone exposures were to counterparties based in the Netherlands, France, Denmark and Finland (2023: Netherlands, France and Finland) and materially all rest of the world exposures were to counterparties based in Sweden, Norway, Canada, Japan, United States of America and Australia (2023: Switzerland, Sweden, Norway, Canada, Japan, United States of America and Australia). At 31 December 2024, the Group had exposure to the UK government through the holding of treasury bills (2023: UK government through the holding of treasury bill).

## NOTES TO THE CONSOLIDATED STATEMENTS

**33 FINANCIAL RISK MANAGEMENT** CONTINUED**(i) CREDIT RISK** CONTINUED**(b) Industry sectors**

The Group's credit exposures at the balance sheet date, analysed by the primary industry sectors in which our counterparties operate, were:

At 31 December 2024	Public sector £m	Financial institutions £m	Clients and other corporate £m	Total £m
Cash and balances with central banks	1,166.0	–	–	1,166.0
Settlement balances	–	90.5	37.8	128.3
Loans and advances to banks	–	293.2	–	293.2
Loans and advances to customers:	–	–	–	–
— overdrafts	–	–	15.8	15.8
— investment management loan book	–	–	76.0	76.0
— trust and financial planning debtors	–	–	2.4	2.4
— other debtors	–	–	1.9	1.9
Investment securities:	–	–	–	–
— unlisted debt securities	53.2	1,225.0	–	1,278.2
Other financial assets	2.0	52.2	157.7	211.9
	1,221.2	1,660.9	291.6	3,173.7

At 31 December 2023	Public sector £m	Financial institutions £m	Clients and other corporate £m	Total £m
Cash and balances with central banks	1,038.3	–	–	1,038.3
Settlement balances	–	163.9	1.8	165.7
Loans and advances to banks	–	266.9	–	266.9
Loans and advances to customers:	–	–	–	–
— overdrafts	–	–	9.7	9.7
— investment management loan book	–	–	101.7	101.7
— trust and financial planning debtors	–	–	2.7	2.7
— other debtors	–	–	1.5	1.5
Investment securities:	–	–	–	–
— unlisted debt securities and money market funds	200.9	1,093.7	–	1,294.6
Other financial assets	6.4	56.8	128.1	191.3
	1,245.6	1,581.3	245.5	3,072.4

**(ii) LIQUIDITY RISK**

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The primary objective of the Group's treasury policy is to manage short- to medium-term liquidity requirements. In addition to setting the treasury policy, Rathbones Investment Management (the Bank) performs an annual assessment of liquidity adequacy in accordance with the regulatory requirements of the Prudential Regulation Authority (PRA) (our Internal Liquidity Adequacy Assessment Process). The Bank faces two principal risks, namely that a significant proportion of client funds are withdrawn over a short period of time (retail funding risk) and the risk that marketable assets may not be capable of being realised in the time and at the value required (marketable assets risk).

Funding risks are monitored by daily cash mismatch analyses and CRR ratios using expected cash and asset maturity profiles and regular forecasting work. This is supported by stress tests which cover firm-specific idiosyncratic scenarios and/or the effects of unforeseen market-wide stresses. Marketable assets risk is primarily managed by holding cash and marketable instruments which are realisable at short notice. The Group operates strict criteria to ensure that investments are liquid and placed with high-quality, investment grade counterparties. A minimum liquid assets buffer (to be held in eligible liquid assets) is set by the Board at least annually in conjunction with an amount prescribed by the PRA.

## NOTES TO THE CONSOLIDATED STATEMENTS

**33 FINANCIAL RISK MANAGEMENT** CONTINUED**(ii) LIQUIDITY RISK** CONTINUED**Non-derivative cash flows**

The table below presents the undiscounted cash flows receivable and payable by the Group under non-derivative financial assets and liabilities analysed by the remaining contractual maturities at the balance sheet date.

At 31 December 2024	On demand £m	Not more than 3 months £m	After 3 months but not more than 1 year £m	After 1 year but not more than 5 years £m	After 5 years £m	No fixed maturity date £m	Total £m
Cash and balances with central banks	1,166.0	2.0	–	–	–	–	1,168.0
Settlement balances	3.9	124.4	–	–	–	–	128.3
Loans and advances to banks	247.5	45.7	–	–	–	–	293.2
Loans and advances to customers	18.2	10.0	33.2	43.7	–	–	105.1
Debt securities	–	365.7	970.0	–	–	–	1,335.7
Other financial assets	0.6	178.3	1.6	1.5	–	–	182.0
<b>Cash flows arising from financial assets</b>	<b>1,436.2</b>	<b>726.1</b>	<b>1,004.8</b>	<b>45.2</b>	<b>–</b>	<b>–</b>	<b>3,212.3</b>
Deposits by banks	3.8	–	–	–	–	–	3.8
Settlement balances	4.3	129.3	–	–	–	–	133.6
Due to customers	1,810.6	496.5	50.5	–	–	–	2,357.6
Subordinated loan notes	–	–	2.3	42.2	–	–	44.5
Lease liabilities	–	2.9	9.6	30.7	10.0	–	53.2
Other financial liabilities	2.0	43.1	19.0	11.5	2.5	–	78.1
<b>Cash flows arising from financial liabilities</b>	<b>1,820.7</b>	<b>671.8</b>	<b>81.4</b>	<b>84.4</b>	<b>12.5</b>	<b>–</b>	<b>2,670.8</b>
<b>Net liquidity gap</b>	<b>(384.5)</b>	<b>54.3</b>	<b>923.4</b>	<b>(39.2)</b>	<b>(12.5)</b>	<b>–</b>	<b>541.5</b>
<b>Cumulative net liquidity gap</b>	<b>(384.5)</b>	<b>(330.2)</b>	<b>593.2</b>	<b>554.0</b>	<b>541.5</b>	<b>541.5</b>	<b>–</b>

## NOTES TO THE CONSOLIDATED STATEMENTS

**33 FINANCIAL RISK MANAGEMENT** CONTINUED**(ii) LIQUIDITY RISK** CONTINUED

At 31 December 2023	On demand £m	Not more than 3 months £m	After 3 months but not more than 1 year £m	After 1 year but not more than 5 years £m	After 5 years £m	No fixed maturity date £m	Total £m
Cash and balances with central banks	1,036.0	2.8	2.3	–	–	–	1,041.1
Settlement balances	6.4	159.3	–	–	–	–	165.7
Loans and advances to banks	245.4	21.5	–	–	–	–	266.9
Loans and advances to customers	11.5	3.4	3.2	115.0	–	–	133.1
Debt securities and money market funds	–	413.2	941.1	–	–	–	1,354.3
Equity securities	–	–	–	–	–	1.2	1.2
Other financial assets	1.1	157.0	3.3	0.3	–	–	161.7
<b>Cash flows arising from financial assets</b>	<b>1,300.4</b>	<b>757.2</b>	<b>949.9</b>	<b>115.3</b>	<b>–</b>	<b>1.2</b>	<b>3,124.0</b>
Deposits by banks	12.4	–	–	–	–	–	12.4
Settlement balances	7.4	164.7	–	–	–	–	172.1
Due to customers	1,652.5	506.5	103.0	–	–	–	2,262.0
Subordinated loan notes	–	–	2.3	44.5	–	–	46.8
Lease liabilities	–	5.0	9.1	41.6	36.6	–	92.3
Other financial liabilities	1.6	45.7	11.5	6.5	5.9	–	71.2
<b>Cash flows arising from financial liabilities</b>	<b>1,673.9</b>	<b>721.9</b>	<b>125.9</b>	<b>92.6</b>	<b>42.5</b>	<b>–</b>	<b>2,656.8</b>
<b>Net liquidity gap</b>	<b>(373.5)</b>	<b>35.3</b>	<b>824.0</b>	<b>22.7</b>	<b>(42.5)</b>	<b>1.2</b>	<b>467.2</b>
<b>Cumulative net liquidity gap</b>	<b>(373.5)</b>	<b>(338.2)</b>	<b>485.8</b>	<b>508.5</b>	<b>466.0</b>	<b>467.2</b>	<b>–</b>

Liabilities which do not have a contractual maturity date are categorised as 'on demand'. Included within the amounts due to customers on demand are balances which historical experience shows are unlikely to be called in the short term. A prudent level of highly liquid assets is retained to cover reasonably foreseeable short-term changes in client deposits. All debt securities are readily marketable and can be realised through disposals.

## NOTES TO THE CONSOLIDATED STATEMENTS

**33 FINANCIAL RISK MANAGEMENT** CONTINUED**(ii) LIQUIDITY RISK** CONTINUED**Off-balance-sheet items**

Cash flows arising from the Group's off-balance-sheet financial liabilities ([note 35](#)) are summarised in the table below.

The contractual value of the Group's commitments to extend credit to clients are analysed by the duration of the commitment. Capital commitments are summarised by the earliest expected date of payment.

At 31 December 2024	Not more than 3 months £m	After 3 months but not more than 1 year £m	After 1 year but not more than 5 years £m	After 5 years £m	Total £m
Loan commitments	–	14.8	–	–	14.8
Capital commitments	–	1.1	–	–	1.1
<b>Total off-balance-sheet items</b>	<b>–</b>	<b>15.9</b>	<b>–</b>	<b>–</b>	<b>15.9</b>

At 31 December 2023	Not more than 3 months £m	After 3 months but not more than 1 year £m	After 1 year but not more than 5 years £m	After 5 years £m	Total £m
Loan commitments	15.4	–	–	–	15.4
Capital commitments	8.5	5.5	–	–	14.0
<b>Total off-balance-sheet items</b>	<b>23.9</b>	<b>5.5</b>	<b>–</b>	<b>–</b>	<b>29.4</b>

**Total liquidity requirement**

At 31 December 2024	On demand £m	Not more than 3 months £m	After 3 months but not more than 1 year £m	After 1 year but not more than 5 years £m	After 5 years £m	Total £m
Cash flows arising from financial liabilities	1,820.7	671.8	81.4	84.4	12.5	2,670.8
Total off-balance-sheet items	–	–	15.9	–	–	15.9
<b>Total liquidity requirement</b>	<b>1,820.7</b>	<b>671.8</b>	<b>97.3</b>	<b>84.4</b>	<b>12.5</b>	<b>2,686.7</b>

At 31 December 2023	On demand £m	Not more than 3 months £m	After 3 months but not more than 1 year £m	After 1 year but not more than 5 years £m	After 5 years £m	Total £m
Cash flows arising from financial liabilities	1,673.9	721.9	125.9	92.6	42.5	2,656.8
Total off-balance-sheet items	–	23.9	5.5	–	–	29.4
<b>Total liquidity requirement</b>	<b>1,673.9</b>	<b>745.8</b>	<b>131.4</b>	<b>92.6</b>	<b>42.5</b>	<b>2,686.2</b>

**(iii) MARKET RISK****Interest rate risk**

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

The Group's principal exposure to cash flow interest rate risk arises from the mismatch between the repricing of its financial assets and liabilities. In particular, customer accounts and loan balances are repriced very shortly after changes in base rates, whereas the yield on the Group's interest-bearing assets is correlated to the future expectation of base rates and varies depending on the maturity profile of the Group's treasury portfolio. The average maturity mismatch is controlled by the banking committee, which generally lengthens the mismatch when the yield curve is rising and shortens it when the yield curve is falling.

## NOTES TO THE CONSOLIDATED STATEMENTS

**33 FINANCIAL RISK MANAGEMENT** CONTINUED**(iii) MARKET RISK** CONTINUED

The table below shows the consolidated repricing profile of the Group's financial assets and liabilities, stated at their carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

At 31 December 2024	Not more than 3 months £m	After 3 months but not more than 6 months £m	After 6 months but not more than 1 year £m	After 1 year but not more than 5 years £m	After 5 years £m	Non- interest- bearing £m	Total £m
<b>Assets</b>							
Cash and balances with central banks	1,166.0	–	–	–	–	–	1,166.0
Settlement balances	–	–	–	–	–	128.3	128.3
Loans and advances to banks	237.9	38.7	–	–	–	16.6	293.2
Loans and advances to customers	92.8	–	0.3	–	–	3.0	96.1
Investment securities:							
— equity securities	–	–	–	–	–	–	–
— unlisted debt securities	351.8	352.4	574.0	–	–	–	1,278.2
Other financial assets	0.5	–	–	–	–	211.4	211.9
<b>Total financial assets</b>	<b>1,849.0</b>	<b>391.1</b>	<b>574.3</b>	<b>–</b>	<b>–</b>	<b>359.3</b>	<b>3,173.7</b>
<b>Liabilities</b>							
Deposits by banks	3.8	–	–	–	–	–	3.8
Settlement balances	–	–	–	–	–	133.6	133.6
Due to customers	2,267.6	49.3	–	–	–	35.2	2,352.1
Subordinated loan notes	–	–	–	39.9	–	–	39.9
Other financial liabilities	2.3	3.0	5.6	27.1	9.0	77.8	124.8
<b>Total financial liabilities</b>	<b>2,273.7</b>	<b>52.3</b>	<b>5.6</b>	<b>67.0</b>	<b>9.0</b>	<b>246.6</b>	<b>2,654.2</b>
<b>Interest rate repricing gap</b>	<b>(424.7)</b>	<b>338.8</b>	<b>568.7</b>	<b>(67.0)</b>	<b>(9.0)</b>	<b>112.7</b>	<b>519.5</b>

## NOTES TO THE CONSOLIDATED STATEMENTS

**33 FINANCIAL RISK MANAGEMENT** CONTINUED**(iii) MARKET RISK** CONTINUED

At 31 December 2023	Not more than 3 months £m	After 3 months but not more than 6 months £m	After 6 months but not more than 1 year £m	After 1 year but not more than 5 years £m	After 5 years £m	Non- interest- bearing £m	Total £m
<b>Assets</b>							
Cash and balances with central banks	1,036.0	–	–	–	–	2.3	1,038.3
Settlement balances	–	–	–	–	–	165.7	165.7
Loans and advances to banks	252.2	14.5	–	–	–	0.2	266.9
Loans and advances to customers	111.8	0.4	0.3	–	–	3.1	115.6
Investment securities:	–	–	–	–	–	–	–
— equity securities	–	–	–	–	–	1.2	1.2
— unlisted debt securities and money market funds	400.4	370.8	523.4	–	–	–	1,294.6
Other financial assets	0.5	–	–	–	–	190.8	191.3
<b>Total financial assets</b>	<b>1,800.9</b>	<b>385.7</b>	<b>523.7</b>	<b>–</b>	<b>–</b>	<b>363.3</b>	<b>3,073.6</b>
<b>Liabilities</b>							
Deposits by banks	12.4	–	–	–	–	–	12.4
Settlement balances	–	–	–	–	–	172.1	172.1
Due to customers	2,108.9	99.2	–	–	–	45.2	2,253.3
Subordinated loan notes	–	–	–	39.9	–	–	39.9
Other financial liabilities	4.4	2.4	4.8	39.2	26.0	69.6	146.4
<b>Total financial liabilities</b>	<b>2,125.7</b>	<b>101.6</b>	<b>4.8</b>	<b>79.1</b>	<b>26.0</b>	<b>286.9</b>	<b>2,624.1</b>
<b>Interest rate repricing gap</b>	<b>(324.8)</b>	<b>284.1</b>	<b>518.9</b>	<b>(79.1)</b>	<b>(26.0)</b>	<b>76.4</b>	<b>449.5</b>

The banking committee has set an overall pre-tax interest rate exposure tolerance of £8.0 million (2023: £8.0 million) for the total potential loss resulting from an unexpected immediate and sustained 2% movement in sterling interest rates for the Bank, the principal operating subsidiary. The potential total loss is calculated on the basis of the average number of days to repricing of the interest-bearing liabilities compared with the period to repricing on a corresponding amount of interest-bearing assets.

At 31 December 2024, the Bank had a net present value sensitivity of £8.1 million (2023: £7.5 million) for an upward 2% shift in rates. The year end exposure was £0.1 million above the banking committee tolerance due to a temporary lengthening of the maturity profile as a result of investment in marketable securities which reversed in January 2025 to be within tolerance. The Group held no forward rate agreements at 31 December 2024 (2023: none).

The Group has assessed the impact of climate change on the carrying amount of its financial assets and liabilities at year-end, and considers there to be no material impact.

## NOTES TO THE CONSOLIDATED STATEMENTS

**33 FINANCIAL RISK MANAGEMENT** CONTINUED**(iii) MARKET RISK** CONTINUED**Foreign exchange risk**

The Group is exposed to translational foreign exchange risk as it undertakes transactions in foreign currencies and is therefore exposed to foreign exchange rate fluctuations. The Group monitors its currency exposures that arise in the ordinary course of business on a daily basis and significant exposures are managed through the use of spot contracts, from time to time, so as to reduce any currency exposure to a minimal amount. The Group has no structural foreign currency exposure.

The Group does not have any material exposure to transactional foreign exchange risk. The table below summarises the Group's exposure to foreign currency translation risk at 31 December 2024. Included in the table are the Group's financial assets and liabilities, at carrying amounts, categorised by currency.

At 31 December 2024	Sterling £m	US dollar £m	Euro £m	Other £m	Total £m
<b>Assets</b>					
Cash and balances with central banks	1,166.0	–	–	–	1,166.0
Settlement balances	109.1	14.5	1.1	3.6	128.3
Loans and advances to banks	260.4	14.2	14.6	4.0	293.2
Loans and advances to customers	89.3	5.4	1.4	–	96.1
Investment securities:	–	–	–	–	–
— unlisted debt securities	1,250.5	27.7	–	–	1,278.2
Other financial assets	210.4	0.9	0.4	0.2	211.9
<b>Total financial assets</b>	<b>3,085.7</b>	<b>62.7</b>	<b>17.5</b>	<b>7.8</b>	<b>3,173.7</b>
<b>Liabilities</b>					
Deposits by banks	3.8	–	–	–	3.8
Settlement balances	105.7	17.9	4.2	5.8	133.6
Due to customers	2,291.8	45.3	12.4	2.6	2,352.1
Subordinated loan notes	39.9	–	–	–	39.9
Other financial liabilities	124.7	0.1	–	–	124.8
<b>Total financial liabilities</b>	<b>2,565.9</b>	<b>63.3</b>	<b>16.6</b>	<b>8.4</b>	<b>2,654.2</b>
<b>Net on-balance-sheet position</b>	<b>519.8</b>	<b>(0.6)</b>	<b>0.9</b>	<b>(0.6)</b>	<b>519.5</b>
<b>Loan commitments</b>	<b>14.8</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>14.8</b>

## NOTES TO THE CONSOLIDATED STATEMENTS

**33 FINANCIAL RISK MANAGEMENT** CONTINUED**(iii) MARKET RISK** CONTINUED

At 31 December 2023

	Sterling £m	US dollar £m	Euro £m	Other £m	Total £m
<b>Assets</b>					
Cash and balances with central banks	1,038.3	–	–	–	1,038.3
Settlement balances	150.6	5.4	2.4	7.3	165.7
Loans and advances to banks	230.3	13.2	18.7	4.7	266.9
Loans and advances to customers	109.3	5.1	1.2	–	115.6
Investment securities:	–	–	–	–	–
— equity securities	–	–	1.2	–	1.2
— unlisted debt securities and money market funds	1,259.3	35.3	–	–	1,294.6
Other financial assets	185.1	1.6	1.7	2.9	191.3
<b>Total financial assets</b>	<b>2,972.9</b>	<b>60.6</b>	<b>25.2</b>	<b>14.9</b>	<b>3,073.6</b>
<b>Liabilities</b>					
Deposits by banks	12.4	–	–	–	12.4
Settlement balances	146.5	16.0	2.3	7.3	172.1
Due to customers	2,176.4	53.7	18.2	5.0	2,253.3
Subordinated loan notes	39.9	–	–	–	39.9
Other financial liabilities	146.2	0.2	–	–	146.4
<b>Total financial liabilities</b>	<b>2,521.4</b>	<b>69.9</b>	<b>20.5</b>	<b>12.3</b>	<b>2,624.1</b>
<b>Net on-balance-sheet position</b>	<b>451.5</b>	<b>(9.3)</b>	<b>4.7</b>	<b>2.6</b>	<b>449.5</b>
<b>Loan commitments</b>	<b>15.4</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>15.4</b>

A 10% weakening of the US dollar against sterling, occurring on 31 December 2024, would have increased equity and profit after tax by £0.5 million (2023: increased by £0.7 million). In addition, a 10% weakening of the euro against sterling, occurring on 31 December 2024, would have reduced equity and profit after tax by £0.6 million (2023: reduced by £0.4 million). A 10% strengthening of the US dollar or euro would have had an equal and opposite effect. This analysis assumes that all other variables, in particular other exchange rates, remain constant.

**Price risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign exchange risk). The Group is exposed to price risk through its holdings of equity investment securities, which are reported at their fair value ([note 17](#)).

## NOTES TO THE CONSOLIDATED STATEMENTS

**33 FINANCIAL RISK MANAGEMENT** CONTINUED**(iii) MARKET RISK** CONTINUED**Fair values**

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

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

At 31 December 2024	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
<b>Assets</b>				
Fair value through profit or loss:				
— equity securities	–	–	–	–
	–	–	–	–
At 31 December 2023	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
<b>Assets</b>				
Fair value through profit or loss:				
— equity securities	–	–	1.2	1.2
	–	–	1.2	1.2

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There have been no transfers between levels during the year (2023: none).

The fair values of the Group's other financial assets and liabilities are not materially different from their carrying values, with the exception of the following:

- Investment debt securities measured at amortised cost ([note 17](#)) comprise bank and building society certificates of deposit, which have fixed coupons, and treasury bills. The fair value of the debt securities at 31 December 2024 was £1,249.4 million (2023: £1,296.8 million) and the carrying value was £1,278.2 million (2023: £1,294.6 million). Fair value of debt securities is based on market bid prices, and hence would be categorised as level 1 within the fair value hierarchy.

- Subordinated loan notes ([note 28](#)) comprise Tier 2 loan notes. The fair value of the loan notes at 31 December 2024 was £34.2 million (2023: £37.4 million) and the carrying value was £39.9 million (2023: £39.9 million). Fair value of the loan notes is based on discounted future cash flows using current market rates for debts with similar remaining maturity, and hence would be categorised as level 2 in the fair value hierarchy.

**Level 3 financial instruments****Fair value through profit or loss**

At 31 December 2023, the Group held 517 shares in Euroclear Holdings SA, which were valued at £1.2 million by reference to the price secured from the sale of 1,292 of the Group's shares during 2023. During the current year, the Group sold its total remaining shares in Euroclear at the same price used to value its shareholding at 31 December 2023.

Changes in the fair values of financial instruments categorised as level 3 within the fair value hierarchy were as follows:

	2024 £m	2023 £m
<b>At 1 January</b>	<b>1.2</b>	3.1
Total unrealised gains/(losses) recognised in profit or loss	–	1.0
Total disposals	(1.2)	(2.9)
<b>At 31 December</b>	<b>–</b>	1.2

The gains or losses relating to the fair value through profit or loss equity securities is included within 'other operating income' in the consolidated statement of comprehensive income.

There were no other gains or losses arising from changes in the fair value of financial instruments categorised as level 3 within the fair value hierarchy.

## NOTES TO THE CONSOLIDATED STATEMENTS

**33 FINANCIAL RISK MANAGEMENT** CONTINUED**(iv) PENSION RISK**

The main risks to the Group arising from both schemes are in respect of:

- Volatility of assets: In accordance with the requirements of IAS19, the discount rate used for valuing the Schemes' defined benefit obligations has been derived from the yield available on suitably dated 'high quality' (AA-rated) corporate bonds at the effective date. The schemes' assets are invested in instruments other than such bonds, and so relative under-performance will lead to a fall in the balance sheet position
- Changes in Bond yields: A change in the yields of corporate bonds used to set the discount rate will affect the value placed on the Schemes' defined benefit obligations. This is expected to be partially mitigated by the holding of corporate bonds by the schemes
- Inflation: The value placed on the schemes' defined benefit obligations are linked to inflation. If actual levels of inflation are higher or lower than the assumed rate of inflation, or the assumed rate of inflation changes, this will affect the value of the schemes' defined benefit obligations. Both schemes holds investments linked to future inflation rates (including Liability Driven Investments), which act to provide protection to the balance sheet position from inflation changes. Investments), which act to provide protection to the balance sheet position from inflation changes
- Life Expectancy (mortality): Members and their spouses receive benefits payable over their lifetime, so an increase in future life expectancies will result in pensions being assumed to be paid for longer, and an increase in the defined benefit obligation.

**34 CAPITAL MANAGEMENT**

Rathbones Group Plc's capital is defined for accounting purposes as total equity. As at 31 December 2024 this totalled £1,359.4 million (2023: £1,350.2 million).

In 2021 Rathbones Group Plc issued £40.0 million of 10-year Tier 2 notes with a call option in October 2026 and annually thereafter ([note 28](#)). As at 31 December 2024, the carrying value of the notes was £39.9 million (2023: £39.9 million). From time to time, the Group also runs small overnight overdraft balances as part of working capital.

The Group's objectives when managing capital are to:

- safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders
- maintain a strong capital base in a cost-efficient manner to be able to support the development of the business when required
- optimise the distribution of capital across Group companies, reflecting the requirements of each business
- strive to make capital freely transferable across the Group where possible
- comply with regulatory requirements at all times.

Rathbones is classified for capital purposes as a banking group and performs an ICAAP, which is prepared on an annual basis and presented to the PRA on request. Regulatory capital resources for ICAAP purposes are calculated in accordance with published rules. These require certain adjustments to and certain deductions from accounting capital, the latter largely in respect of intangible assets. The ICAAP compares regulatory capital resources against regulatory capital requirements derived using the PRA's Pillar 1 and Pillar 2 methodology. The Group has adopted the standardised approach to calculating its Pillar 1 credit risk component and the basic indicator approach to calculating its operational risk component. Capital management policy and practices are applied at both Group and entity level.

At 31 December 2024 the Group's regulatory capital resources, including retained earnings for 2024, were £520.4 million (2023: £471.4 million). The increase in reserves during 2024 is due to an increase in the Group's retained earnings, on account of profits generated in the year, and newly issued shares in the year for employee remuneration awards.

In addition to a variety of stress tests performed as part of the ICAAP process, and daily reporting in respect of treasury activity, capital levels are monitored and forecast on a monthly basis to ensure that dividends and investment requirements are appropriately managed and appropriate buffers are kept against adverse business conditions.

No breaches were reported to the PRA during the financial years ended 31 December 2023 and 2024.

The Group has not applied transitional relief in recognising expected credit losses (ECLs) in regulatory capital resources. As such, there is no difference between accounting ECLs and regulatory capital ECLs.

## NOTES TO THE CONSOLIDATED STATEMENTS

**35 CONTINGENT LIABILITIES AND COMMITMENTS**

(a) Capital expenditure authorised and contracted for at 31 December 2024 but not provided in the financial statements amounted to £1.1 million relating to expenditure on fixtures and fittings and software (2023: £14.0 million).

(b) The contractual amounts of the Group's commitments to extend credit to its clients are as follows:

	2024 £m	2023 £m
Undrawn commitments to lend of 1 year or less	11.5	11.8
Undrawn commitments to lend of more than 1 year	3.3	3.6
	14.8	15.4

(c) The arrangements put in place by the Financial Services Compensation Scheme (FSCS) to protect depositors and investors from loss in the event of failure of financial institutions has resulted in significant levies on the industry in recent years. The financial impact of unexpected FSCS levies is largely out of the Group's control as they result from other industry failures.

There is uncertainty over the level of future levies from the Financial Services Compensation Scheme (FSCS) as the annual levy is set each year by the FSCS and is dependent on their assessment of the ultimate cost to the FSCS of industry failures. The FSCS levy comprises differing classes which relate to specific types of service activity. The Group contributes to the deposit class, investment fund management class and investment intermediation levy classes and recognises the cost of the levy at the point the obligation arises to pay the levy for any given year.

**36 RELATED PARTY TRANSACTIONS****TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL**

The remuneration of the key management personnel of the Group, who are defined as the company's directors and other members of senior management who are responsible for planning, directing and controlling the activities of the Group, is set out below.

In the current year, as part of a review of individuals defined as senior management for the group, the prior year disclosure has been restated. The result of the restatement has been to decrease short-term employee benefits by £5.6 million, decrease other long-term benefits by £1.5 million and decrease share based payments by £0.1 million for 2023.

Gains on options exercised by directors during the year totalled £nil (2023: £nil).

Further information about the remuneration of individual Directors is provided in the audited part of the Directors' remuneration report on [page 127](#).

	2024 £m	2023 (restated) £m
Short-term employee benefits	8.4	7.6
Other long-term benefits	(0.1)	(0.2)
Share-based payments	2.4	2.5
	10.7	9.9

Dividends totalling £0.2 million were paid in the year (2023: £0.3 million) in respect of ordinary shares held by key management personnel and their close family members.

At 31 December 2024, key management personnel and their close family members had gross outstanding deposits of £0.9 million (2023: £1.0 million) and gross outstanding banking loans of £nil (2023: £0.1 million). A number of the Group's key management personnel and their close family members make use of the services provided by companies within the Group. Charges for such services are made at various staff rates. All transactions were made on normal business terms.

## NOTES TO THE CONSOLIDATED STATEMENTS

**36 RELATED PARTY TRANSACTIONS** CONTINUED**OTHER RELATED PARTY TRANSACTIONS**

The Group's transactions with the pension funds are described in [note 29](#). At 31 December 2024, no amounts were outstanding with either the Laurence Keen Scheme or the Rathbone 1987 Scheme (2023: none).

As a result of the IW&I transaction on 21 September 2023, Rathbones Group Plc is an associate of Investec Bank plc. Investec Bank plc currently provide services to Rathbones Group Plc under a Transitional Services Agreement (TSA), entered into on acquisition of IW&I. In April 2024 an Outsourced Service Agreement (OSA) was established.

As at 31 December 2024 there was a gross payable balance with Investec Bank plc of £12.6 million (2023: £8.3 million) which is predominately related to IW&I employee salary costs and associated payroll taxes which are outsourced to Investec Bank plc under the TSA. A gross receivable of £6.4 million has been recognised at year-end, predominately attributable to the recognition of £5.1 million of consideration receivable by the Group from Investec Bank plc under the terms of the acquisition agreement ([note 2](#)). IW&I also has a small number of legacy client related arrangements with Investec Bank plc.

The total expense recognised with respect to Investec Bank plc in the period is as follows:

	2024 £m	2023 £m
Expense incurred under TSA	10.7	4.8
Expense incurred under OSA	13.4	–
Expenses incurred on behalf of clients	0.5	–
	24.6	4.8

IW&I partially sublets certain regional office space to Investec Bank plc companies and charges Investec Bank plc for use of research. Total fees receivable under these arrangements at 31 December 2024 are as follows;

	2024 £m	2023 £m
Research fees	0.2	0.3
Property fees	0.4	0.1
	0.6	0.4

One Group subsidiary, Rathbones Asset Management Limited, has authority to manage the investments within a number of unit trusts. During 2024, the Group managed 28 unit trusts, Sociétés d'Investissement à Capital Variable (SICAVs) and open-ended investment companies (OEICs) (together, 'collectives') (2023: 28 unit trusts and OEICs).

The Group charges each fund an annual management fee for these services, but does not earn any performance fees on the unit trusts. The management charges are calculated on the bases published in the individual fund prospectuses, which also state the terms and conditions of the management contract with the Group.

The following transactions and balances relate to the Group's interest in the unit trusts:

Year ended 31 December	Note	2024 £m	2023 £m
Total management fees		82.7	69.6

As at 31 December	2024 £m	2023 £m
Management fees owed to the Group	7.2	6.5
	7.2	6.5

Total management fees are included within 'fee and commission income' in the consolidated statement of comprehensive income.

Management fees owed to the Group are included within 'accrued income'.

All amounts outstanding with related parties are unsecured and will be settled in cash. No guarantees have been given or received. No expected credit loss provisions have been made in respect of the amounts owed by related parties.

## NOTES TO THE CONSOLIDATED STATEMENTS

**37 CONSOLIDATED STATEMENT OF CASH FLOWS**

For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise the following balances with less than three months until maturity from the date of acquisition:

	Note	2024 £m	2023 £m
Cash and balances at central banks	14	1,166.0	1,036.0
Loans and advances to banks	15	293.2	266.9
<b>At 31 December</b>		<b>1,459.2</b>	<b>1,302.9</b>

Mandatory reserve deposits of £nil (2023: £2.3 million) are held with central banks in accordance with statutory requirements. As these deposits are not held in demand accounts, and are not available to finance the Group's day-to-day operations, they are excluded from cash and cash equivalents.

Cash flows arising from the issue/(repurchase) of ordinary shares comprise:

	Note	2024 £m	2023 £m
Share capital issued	30	0.1	2.2
Share premium on shares issued	30	5.5	2.3
Merger reserve on shares issued	30	–	747.4
Shares issued in relation to share-based schemes and business combinations for which no cash consideration was received		–	(751.9)
<b>Proceeds from issue of share capital</b>		<b>5.6</b>	<b>–</b>
Shares repurchased and placed into own shares	31	(22.0)	(16.0)
<b>Net issue/(repurchase) of ordinary shares</b>		<b>(16.4)</b>	<b>(16.0)</b>

During the year, £22.0 million (2023: £16.0 million) of shares were repurchased and recognised within the Group's own shares.

## NOTES TO THE CONSOLIDATED STATEMENTS

**37 CONSOLIDATED STATEMENT OF CASH FLOWS** CONTINUED

A reconciliation of the movements of financing liabilities and equity to cash flows arising from financing activities is as follows:

	Subordinated loan notes £m	Lease liabilities £m	Liabilities from financing activities £m	Share capital/ premium £m	Reserves £m	Retained earnings £m	Total equity £m	Total £m
<b>At 1 January 2024</b>	<b>39.9</b>	<b>74.9</b>	<b>114.8</b>	<b>317.7</b>	<b>768.8</b>	<b>263.7</b>	<b>1,350.2</b>	<b>1,465.0</b>
<b>Changes from financing cash flows</b>								
Proceeds from issue of share capital	-	-	-	5.6	-	-	5.6	5.6
Payments for share repurchases	-	-	-	-	(22.0)	-	(22.0)	(22.0)
Dividends paid	-	-	-	-	-	(56.9)	(56.9)	(56.9)
Interest charge	(2.3)	(2.8)	(5.1)	-	-	-	-	(5.1)
Payment for lease liabilities	-	(9.7)	(9.7)	-	-	-	-	(9.7)
Payment on exit of property leases	-	(11.2)	(11.2)	-	-	-	-	(11.2)
<b>Total financing cash flows</b>	<b>(2.3)</b>	<b>(23.7)</b>	<b>(26.0)</b>	<b>5.6</b>	<b>(22.0)</b>	<b>(56.9)</b>	<b>(73.3)</b>	<b>(99.3)</b>
<b>Total non-cash movements</b>	<b>2.3</b>	<b>(6.4)</b>	<b>(4.1)</b>	<b>-</b>	<b>9.5</b>	<b>73.0</b>	<b>82.5</b>	<b>78.4</b>
<b>At 31 December 2024</b>	<b>39.9</b>	<b>44.8</b>	<b>84.7</b>	<b>323.3</b>	<b>756.3</b>	<b>279.8</b>	<b>1,359.4</b>	<b>1,444.1</b>

	Subordinated loan notes £m	Lease liabilities £m	Liabilities from financing activities £m	Share capital/ premium £m	Reserves £m	Retained earnings £m	Total equity £m	Total £m
<b>At 1 January 2023</b>	<b>39.9</b>	<b>50.5</b>	<b>90.4</b>	<b>313.2</b>	<b>24.4</b>	<b>297.2</b>	<b>634.8</b>	<b>725.2</b>
<b>Changes from financing cash flows</b>								
Proceeds from issue of share capital	-	-	-	2.3	(2.3)	-	-	-
Payments for share repurchases	-	-	-	-	(16.0)	-	(16.0)	(16.0)
Dividends paid	-	-	-	-	-	(71.4)	(71.4)	(71.4)
Interest charge	(2.3)	(3.3)	(5.6)	-	-	-	-	(5.6)
Payment for lease liabilities	-	(7.5)	(7.5)	-	-	-	-	(7.5)
<b>Total financing cash flows</b>	<b>(2.3)</b>	<b>(10.8)</b>	<b>(13.1)</b>	<b>2.3</b>	<b>(18.3)</b>	<b>(71.4)</b>	<b>(87.4)</b>	<b>(100.5)</b>
<b>Total non-cash movements</b>	<b>2.3</b>	<b>35.2</b>	<b>37.5</b>	<b>2.2</b>	<b>762.7</b>	<b>37.9</b>	<b>802.8</b>	<b>840.3</b>
<b>At 31 December 2023</b>	<b>39.9</b>	<b>74.9</b>	<b>114.8</b>	<b>317.7</b>	<b>768.8</b>	<b>263.7</b>	<b>1,350.2</b>	<b>1,465.0</b>

## NOTES TO THE CONSOLIDATED STATEMENTS

**38 EVENTS AFTER THE BALANCE SHEET DATE**

There have been no material events occurring between the balance sheet date and the date of signing this report.

**39 COUNTRY-BY-COUNTRY REPORTING**

HM Treasury has transposed the requirements set out under the Capital Requirements Directive IV (CRD IV) and issued the Capital Requirements Country-by-Country Reporting Regulations 2013, effective 1 January 2014. The legislation requires Rathbones Group Plc (together with its subsidiaries, 'the Group') to publish certain additional information, on a consolidated basis, for the year ended 31 December 2024.

**BASIS OF PREPARATION:**

<b>Country</b>	In most cases, we have determined the country by reference to the country of tax residence. Where an entity is not subject to tax (e.g. a partnership) we have considered the location of management or the jurisdiction in which the revenues are generated. In these cases it is possible that tax is paid in a different country to the one in which profits are reported.
<b>Nature of activities</b>	The nature of activities within the United Kingdom are described within our services on <a href="#">page 2</a> . Discretionary investment management is the sole activity which occurs in the Channel Islands.
<b>Turnover</b>	Turnover is defined as operating income. As the consolidated results are split by country, there is an element of double counting when inter-jurisdictional transactions (for example, the payment of dividends) occur. The entries to eliminate this double counting are included at the bottom of the table to enable the disclosed figures to agree to the published consolidated accounts of the Group.
<b>Profit/(loss) before taxation</b>	These are accounting profits. As with turnover some double counting may arise and again this has been eliminated at the bottom of the table. The majority of the total relates to the elimination of inter-jurisdictional dividends, which are reflected as profits in the United Kingdom.
<b>Tax paid</b>	This column reflects corporation tax actually paid in the year. Note that it is rare that tax paid in any given year relates directly to the profits earned in the same period.
<b>Public subsidies received</b>	The Group received no public subsidies in the year.
<b>Number of employees</b>	The number of employees reported is the average number of full-time employees who were permanently employed by the Group, or one of its subsidiaries, during the year. Contractors are excluded.
<b>Subsidiaries</b>	A list of the subsidiaries of the Group, including their main activity and country of incorporation, is shown within <a href="#">note 44</a> .

Country	Turnover £m	Profit/(loss) before taxation £m	Tax paid £m	Number of employees
United Kingdom	877.1	533.2	41.0	3,486
Channel Islands	25.4	(350.2)	0.5	36
Sub-total	902.5	183.0	41.5	3,522
Inter-group eliminations and other entries arising on consolidation	(6.6)	(83.4)	–	–
<b>Total</b>	<b>895.9</b>	<b>99.6</b>	<b>41.5</b>	<b>3,522</b>

## COMPANY STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	Share capital £m	Share premium £m	Merger reserve £m	Own shares £m	Retained earnings £m	Total equity £m
At 1 January 2023		3.2	310.0	45.1	(52.6)	143.1	448.8
Profit for the year		–	–	–	–	63.3	63.3
Net remeasurement of defined benefit liability	<u>52</u>	–	–	–	–	(5.8)	(5.8)
Deferred tax relating to components of other comprehensive income	<u>47</u>	–	–	–	–	1.5	1.5
Other comprehensive income net of tax		–	–	–	–	(4.3)	(4.3)
Dividends paid	<u>43</u>	–	–	–	–	(71.4)	(71.4)
Issue of share capital	<u>53</u>	2.2	2.3	747.4	–	–	751.9
Share-based payments:							
— cost of share-based payment arrangements		–	–	–	–	24.0	24.0
— cost of vested employee remuneration and share plans		–	–	–	–	(6.0)	(6.0)
— cost of own shares vesting	<u>53</u>	–	–	–	13.0	(13.0)	–
— cost of own shares acquired	<u>53</u>	–	–	–	(16.0)	–	(16.0)
— tax on share-based payments		–	–	–	–	(0.4)	(0.4)
<b>31 December 2023</b>		<b>5.4</b>	<b>312.3</b>	<b>792.5</b>	<b>(55.6)</b>	<b>135.3</b>	<b>1,189.9</b>
<b>Profit for the year</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>91.9</b>	<b>91.9</b>
Net remeasurement of defined benefit asset	<u>52</u>	–	–	–	–	(10.6)	(10.6)
Deferred tax relating to components of other comprehensive income	<u>47</u>	–	–	–	–	2.7	2.7
Other comprehensive income net of tax		–	–	–	–	(7.9)	(7.9)
Dividends paid	<u>43</u>	–	–	–	–	(56.9)	(56.9)
Issue of share capital	<u>53</u>	0.1	5.5	–	–	–	5.6
Share-based payments:							
— cost of share-based payment arrangements		–	–	–	–	29.1	29.1
— cost of vested employee remuneration and share plans		–	–	–	–	(4.2)	(4.2)
— cost of own shares vesting		–	–	–	9.5	(9.5)	–
— cost of own shares acquired	<u>53</u>	–	–	–	(22.0)	–	(22.0)
— tax on share-based payments		–	–	–	–	(0.5)	(0.5)
<b>31 December 2024</b>		<b>5.5</b>	<b>317.8</b>	<b>792.5</b>	<b>(68.1)</b>	<b>177.3</b>	<b>1,225.0</b>

The accompanying notes form an integral part of the company financial statements.

## COMPANY STATEMENT OF FINANCIAL POSITION

### AS AT 31 DECEMBER 2024

	Note	2024 £m	2023 £m
<b>Non-current assets</b>			
Investment in subsidiaries	<u>44</u>	1,228.2	1,173.4
Right-of-use assets	<u>46</u>	20.2	33.2
Deferred tax	<u>47</u>	8.1	7.5
Net defined benefit asset	<u>52</u>	0.5	7.0
		1,257.0	1,221.1
<b>Current assets</b>			
Trade and other receivables	<u>45</u>	67.6	143.6
Cash and cash equivalents		101.7	16.3
		169.3	159.9
<b>Total assets</b>		1,426.3	1,381.0
<b>Current liabilities</b>			
Trade and other payables	<u>48</u>	(128.8)	(95.4)
Lease liabilities	<u>49</u>	(3.5)	(5.3)
Provisions	<u>50</u>	(1.2)	(4.7)
		(133.5)	(105.4)
<b>Net current assets</b>		35.8	54.5
<b>Non-current liabilities</b>			
Provisions	<u>50</u>	(11.1)	(5.4)
Subordinated loan notes	<u>51</u>	(39.9)	(39.9)
Lease liabilities	<u>49</u>	(16.8)	(40.4)
		(67.8)	(85.7)
<b>Total liabilities</b>		(201.3)	(191.1)
<b>Net assets</b>		1,225.0	1,189.9

	Note	2024 £m	2023 £m
<b>Equity</b>			
Share capital	<u>53</u>	5.5	5.4
Share premium	<u>53</u>	317.8	312.3
Merger reserve	<u>53</u>	792.5	792.5
Own shares	<u>53</u>	(68.1)	(55.6)
Retained earnings		177.3	135.3
<b>Equity shareholders' funds</b>		1,225.0	1,189.9

As permitted by section 408 of the Companies Act 2006 the company has elected not to present its own statement of comprehensive income for the year. Rathbones Group Plc reported a profit after tax for the financial year ended 31 December 2024 of £91.9 million (2023: £63.3 million).

The financial statements were approved by the Board of Directors and authorised for issue on 25 February 2025 and were signed on its behalf by:

**PAUL STOCKTON**  
GROUP CHIEF EXECUTIVE OFFICER

**IAIN HOOLEY**  
GROUP CHIEF FINANCIAL OFFICER

Company registered number: 01000403

The accompanying notes form an integral part of the company financial statements.

## COMPANY STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £m	2023 £m
<b>Cash flows from operating activities</b>			
Profit before tax		99.6	63.9
Change in fair value through profit or loss		–	(0.1)
Net interest and dividend income		(101.5)	(90.9)
Net charge for provisions	50	10.5	6.6
Depreciation and amortisation		12.1	7.0
Defined benefit pension scheme (credits)/charges	52	(0.4)	(0.5)
Defined benefit pension scheme contributions paid	52	(3.7)	(2.9)
Share-based payment charges	53	18.8	24.0
		35.4	7.1
<b>Changes in operating assets and liabilities:</b>			
net decrease/(Increase) in prepayments, accrued income and other assets		34.5	(42.7)
net increase/(decrease) in accruals, provisions and other liabilities		10.1	(14.2)
Cash (used in)/generated from operations		80.0	(49.8)
Tax (paid)/received		(6.2)	2.6
<b>Net cash inflow/(outflow) from operating activities</b>		73.8	(47.2)
<b>Cash flows from investing activities</b>			
Interest received		0.2	3.9
Inter-company dividends received		105.0	92.0
Proceeds from sale and redemption of investment securities		–	8.1
<b>Net cash generated investing activities</b>		105.2	104.0

	Note	2024 £m	2023 £m
<b>Cash flows from financing activities</b>			
Issue of ordinary shares	53	5.6	–
Repurchase of ordinary shares	53	(22.0)	(16.0)
Dividends paid	43	(56.9)	(71.4)
Payment of lease liabilities	49	(16.5)	(4.7)
Interest paid		(3.8)	(5.0)
<b>Net cash used in financing activities</b>		(93.6)	(97.1)
<b>Net increase/(decrease) in cash and cash equivalents</b>		85.4	(40.3)
Cash and cash equivalents at the beginning of the year		16.3	56.6
<b>Cash and cash equivalents at the end of the year</b>	58	101.7	16.3

The accompanying notes form an integral part of the consolidated financial statements.

## NOTES TO THE COMPANY STATEMENTS

### 40 SIGNIFICANT ACCOUNTING POLICIES

#### STATEMENT OF COMPLIANCE

The separate financial statements of the company are presented as required by the Companies Act 2006 and have been prepared in accordance with UK-adopted International Accounting Standards and IAS 27 'Separate Financial Statements'.

On publishing the parent company financial statements here together with the Group financial statements, the company is taking advantage of the exemption in section 408 of the Companies Act 2006 not to present its individual statement of comprehensive income and related notes that form a part of these approved financial statements.

#### DEVELOPMENTS IN REPORTING STANDARDS AND INTERPRETATIONS

Developments in reporting standards and interpretations are set out in [note 1.3](#) to the consolidated financial statements.

#### PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments. The principal accounting policies adopted are as set out below.

#### INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost less, where appropriate, provision for impairment.

#### MANAGEMENT CHARGES

Intra-group management charges arise in relation to staff costs and other administrative expenses that are initially borne by the company and then recharged to other Group companies, when incurred.

Accounting policies in relation to impairment, interest income, dividend income, leases, foreign currency, retirement benefit obligations, taxation, cash and cash equivalents and share-based payments are set out in [note 1](#) to the consolidated financial statements.

### 41 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The critical accounting judgements and key sources of estimation uncertainty are described in [note 2](#) to the consolidated financial statements.

### 42 EXPENSES FOR THE YEAR

The auditor's remuneration for audit and other services to the company is set out in [note 7](#) to the consolidated financial statements.

The monthly average number of employees, on a full-time-equivalent basis, during the year was as follows:

	2024	2023
Wealth Management	1,437	1,247
Asset Management	58	52
Shared services	681	617
	2,176	1,916

## NOTES TO THE COMPANY STATEMENTS

## 43 DIVIDENDS

Details of the company's dividends paid and proposed for approval at the Annual General Meeting are set out in [note 12](#) to the consolidated financial statements.

The company's dividend policy is described in the directors' report on [page 145](#).

The merger reserve is used where more than 90% of the share capital in a subsidiary is acquired and the consideration includes the issue of new shares by the Company, thereby attracting merger relief under Section 612 of the Companies Act 2006.

Reserves available for distribution as at 31 December were as follows:

	2024 £m	2023 £m
Net assets	1,225.0	1,189.9
Less:		
— share capital	(5.5)	(5.4)
— share premium	(317.8)	(312.3)
— merger reserve	(792.5)	(792.5)
— Unrealised profits	(9.6)	(9.6)
<b>Distributable reserves</b>	<b>99.6</b>	<b>70.1</b>

Movements in reserves available for distribution were as follows:

	2024 £m	2023 £m
As at 1 January	70.1	90.6
Profit for the year	91.9	63.3
Net remeasurement of defined benefit liability/asset	(7.9)	(4.3)
Dividends paid	(56.9)	(71.4)
Unrealised profits	–	(9.6)
Other movements	2.4	1.5
<b>As at 31 December</b>	<b>99.6</b>	<b>70.1</b>

## 44 INVESTMENTS IN SUBSIDIARIES

	Equities £m
At 1 January 2023	421.5
Additions	751.9
<b>At 1 January 2024</b>	<b>1,173.4</b>
Additions	54.8
<b>At 31 December 2024</b>	<b>1,228.2</b>

The additions in the current year of £54.8 million relate to two separate share subscriptions of one ordinary share of 1p each by the company in its subsidiary, CastleCo Limited. The additions in the prior year of £751.9 million relate to the acquisition of Investec Wealth & Investment (see [note 8](#)).

During the year, the company's subsidiary, Rathbones Investment Management Limited (RIM), acquired the trade and assets of its sister company, Saunderson House Limited (SHL) at the carrying values in the transferor's financial statements. This led to a transfer of the company's investment in SHL of £140.9 million to an investment in RIM. The net impact on the company's total cost of investment in subsidiaries from this transaction was £nil.

An impairment review is undertaken at the end of each reporting period when indicators of potential impairment are identified. Where impairment may be indicated, a test of carrying value against the recoverable value is performed. The recoverable amount is calculated as the value in use (VIU) which is derived from the present value of future cash flows expected to be received from the investment. Impairment is recognised where the investment exceeds the recoverable amount. No indicators of impairment have been identified this financial period (2023: £nil).

## NOTES TO THE COMPANY STATEMENTS

**44 INVESTMENTS IN SUBSIDIARIES CONTINUED  
EQUITIES**

At 31 December 2024, the company's subsidiary undertakings, which have all been included in the Group's financial statements, were as follows:

Subsidiary undertaking	Activity and operation	Company registration number
Rathbones Investment Management Limited	Investment management and banking services	1448919
Rathbones Investment Management International Limited*	Investment management	50503
Rathbones Trust Company Limited	Trust and tax services	1688454
Rathbones Asset Management Limited	Asset Management	2376568
Arcticstar Limited**	Introducer of private clients	3898083
Vision Independent Financial Planning Limited	Financial planning services	6650476
Castle Investment Solutions Limited	Investment support services	7370865
Rathbones Legal Services Limited*	Trust and legal services	10514352
Laurence Keen Holdings Limited**	Intermediate holding company	2474285
Rathbone Directors Limited*	Corporate director services	4410000
Rathbone Secretaries Limited*	Corporate secretarial services	4627820
Laurence Keen Nominees Limited*	Corporate nominee	2801952
Neilson Cobbold Client Nominees Limited*	Corporate nominee	3217430
Rathbone Nominees Limited*	Corporate nominee	646336
Citywall Nominees Limited*	Corporate nominee	3070653
Penchart Nominees Limited*	Corporate nominee	2608726
Argus Nominee Limited	Corporate nominee	11395344
Rathbone Brothers Ltd	Non-trading	12866506
Rathbone Pension & Advisory Services Limited	Non-trading	5679426
Rathbone Stockbrokers Limited*	Non-trading	2483921
Dean River Asset Management Limited*	Non-trading	SC204313
R.M. Walkden & Co. Limited*	Non-trading	1246166
Speirs & Jeffrey Limited**	Investment management	SC098335
Speirs & Jeffrey Client Nominees Limited*	Corporate nominee	SC162589
Speirs & Jeffrey Portfolio Management Limited*	Corporate nominee	SC122842
Speirs & Jeffrey Fund Management Limited*	Corporate nominee	SC095908
Saunderson House Limited	Financial planning and investment management	940473
CastleCo Limited	Non-trading	130602

Subsidiary undertaking	Activity and operation	Company registration number
HouseCo Limited	Non-trading	130603
CabinCo Limited	Non-trading	130601
CottageCo Limited	Non-trading	131144
Investec Wealth & Investment Limited	Investment management	2122340
Bell Nominees Limited (In Liquidation)	Non-trading	00625232
Investment Administration Nominees Limited (In Liquidation)	Non-trading	02075505
R. & R. Nominees Limited (In Liquidation)	Non-trading	00790828
Tudor Nominees Limited (In Liquidation)	Non-trading	02016278
Carr PEP Nominees Limited (In Liquidation)	Non-trading	02560336
Ferlim Nominees Limited	Corporate nominee	01022478
Murray Asset Management UK Limited	Non-trading	09447298
Castle Street Nominees UK Limited	Corporate nominee	09329323
Murray Asset Nominees UK Limited	Corporate nominee	09329081
Click Nominees Limited (In Liquidation)	Non-trading	03276308
PEP Services (Nominees) Limited (In Liquidation)	Non-trading	02368386
Murray Asset Management Limited	Non-trading	SC173493
Murray Investment Management Limited	Non-trading	SC173492
Murray Asset Nominees Limited	Corporate nominee	SC196715
Spring Nominees Limited	Non-trading	01747036
Anston Trustees Limited	Non-trading	02826318
Carr Investment Services Nominees Limited (In Liquidation)	Non-trading	02620560
Investec Wealth & Investment Trustees Limited	Trustee Company	02243919
Rensburg Client Nominees Limited	Corporate nominee	02020824
Scarwood Nominees Limited (In Liquidation)	Non-trading	01147539
Castle Street Nominees Limited	Corporate nominee	SC050721
Hero Nominees Limited	Corporate nominee	34543
Investec Wealth & Investment (Channel Islands) Limited	Investment management	54988
Torch Nominees Limited	Corporate nominee	54991

\* Held by subsidiary undertaking

\*\* UK subsidiary has taken an exemption from audit under section 479A of the Companies Act 2006 for the year ended 31 December 2024

## NOTES TO THE COMPANY STATEMENTS

## 44 INVESTMENTS IN SUBSIDIARIES CONTINUED

## EQUITIES CONTINUED

The registered office for all subsidiary undertakings is 30 Gresham Street, London, England EC2V 7QN except for the following:

Subsidiary undertaking	Registered office
Rathbones Investment Management Limited	Port of Liverpool Building, Pier Head, Liverpool L3 1NW
Rathbones Investment Management International Limited	25-26 Esplanade, St Helier, Jersey JE1 2RB
Vision Independent Financial Planning Limited	Vision House, Unit 6A Falmouth Business Park, Bickland Water Road, Falmouth, Cornwall TR11 4SZ
Castle Investment Solutions Limited	Vision House, Unit 6A Falmouth Business Park, Bickland Water Road, Falmouth, Cornwall TR11 4SZ
Speirs & Jeffrey Limited	George House, 50 George Square, Glasgow G2 1EH
Speirs & Jeffrey Client Nominees Limited	George House, 50 George Square, Glasgow G2 1EH
Speirs & Jeffrey Portfolio Management Limited	George House, 50 George Square, Glasgow G2 1EH
Speirs & Jeffrey Fund Management Limited	George House, 50 George Square, Glasgow G2 1EH
Dean River Asset Management Limited	10 George Street, Edinburgh EH2 2PF
CastleCo Limited	Aztec Group House, IFC6, The Esplanade, Jersey, JE4 OQH
HouseCo Limited	Aztec Group House, IFC6, The Esplanade, Jersey, JE4 OQH
CabinCo Limited	Aztec Group House, IFC6, The Esplanade, Jersey, JE4 OQH
CottageCo Limited	Aztec Group House, IFC6, The Esplanade, Jersey, JE4 OQH
Neilson Cobbold Client Nominees Ltd	Port of Liverpool Building, Pier Head, Liverpool L3 1NW
Rathbone Nominees Limited	Port of Liverpool Building, Pier Head, Liverpool L3 1NW
Bell Nominees Limited (In Liquidation)	The Wooden Barn, Little Baldon, Oxford, OX44 9PU
Investment Administration Nominees Limited (In Liquidation)	The Wooden Barn, Little Baldon, Oxford, OX44 9PU
R. & R. Nominees Limited (In Liquidation)	The Wooden Barn, Little Baldon, Oxford, OX44 9PU
Tudor Nominees Limited (In Liquidation)	The Wooden Barn, Little Baldon, Oxford, OX44 9PU
Carr PEP Nominees Limited (In Liquidation)	The Wooden Barn, Little Baldon, Oxford, OX44 9PU

Subsidiary undertaking	Registered office
Click Nominees Limited (In Liquidation)	The Wooden Barn, Little Baldon, Oxford, OX44 9PU
PEP Services (Nominees) Limited (In Liquidation)	The Wooden Barn, Little Baldon, Oxford, OX44 9PU
Murray Asset Management Limited	10 George Street, Edinburgh EH2 2PF
Murray Investment Management Limited	10 George Street, Edinburgh EH2 2PF
Murray Asset Nominees Limited	10 George Street, Edinburgh EH2 2PF
Carr Investment Services Nominees Limited (In Liquidation)	The Wooden Barn, Little Baldon, Oxford, OX44 9PU
Scarwood Nominees Limited (In Liquidation)	The Wooden Barn, Little Baldon, Oxford, OX44 9PU
Castle Street Nominees Limited	10 George Street, Edinburgh EH2 2PF
Hero Nominees Limited	Unit 2, Upper House, 16-20 Smith Street, St Peter Port, GY1 2JQ, Guernsey
Investec Wealth & Investment (Channel Islands) Limited	Upper House, 16-20 Smith Street, St Peter Port, GY1 2JQ, Guernsey
Torch Nominees Limited	Upper House, 16-20 Smith Street, St Peter Port, GY1 2JQ, Guernsey

The company owns, directly or indirectly, 100% of the ordinary share capital of all subsidiary undertakings.

## NOTES TO THE COMPANY STATEMENTS

## 45 TRADE AND OTHER RECEIVABLES

	2024 £m	2023 £m
Prepayments and other receivables	7.1	6.8
Amounts owed by Group undertakings	60.5	136.8
	67.6	143.6
Current	67.6	143.6
	67.6	143.6

Amounts owed by Group undertakings do not have specific repayment dates but are on demand and are paid down periodically as trading requires.

## 46 RIGHT-OF-USE ASSETS

	Property £m	Motor vehicles and equipment £m	Total £m
<b>Cost</b>			
At 1 January 2023	56.0	0.4	56.4
Additions	1.9	–	1.9
Other movements	(2.6)	–	(2.6)
<b>At 1 January 2024</b>	<b>55.3</b>	<b>0.4</b>	<b>55.7</b>
Additions	22.1	–	22.1
Disposals	(42.9)	–	(42.9)
<b>At 31 December 2024</b>	<b>34.5</b>	<b>0.4</b>	<b>34.9</b>
<b>Depreciation and impairment</b>			
1 January 2023	18.0	0.1	18.1
Charge for the year	4.8	0.1	4.9
Disposals	(0.5)	–	(0.5)
<b>1 January 2024</b>	<b>22.3</b>	<b>0.2</b>	<b>22.5</b>
Charge for the year	12.2	–	12.2
Disposals	(20.0)	–	(20.0)
<b>At 31 December 2024</b>	<b>14.5</b>	<b>0.2</b>	<b>14.7</b>
<b>Carrying amount at 31 December 2024</b>	<b>20.0</b>	<b>0.2</b>	<b>20.2</b>
Carrying amount at 31 December 2023	33.0	0.2	33.2
Carrying amount at 1 January 2023	38.0	0.2	38.2

On 6 March 2024, the Company's lease at 8 Finsbury Circus was assigned to a new tenant. As the original terms and conditions of the lease did not include an option to terminate the lease or reduce the lease term, this was treated as a lease modification. This resulted in a partial disposal of the right-of-use asset and lease liability during the year. See [note 20](#) for further detail.

## NOTES TO THE COMPANY STATEMENTS

## 47 DEFERRED TAX

The UK Government legislated in the Finance Act 2021 to increase the UK corporation tax rate to 25.0% from 19.0% on 1 April 2023. This has been reflected in the deferred tax calculations. Deferred income taxes are calculated on all temporary differences under the liability method using the rate expected to apply when the relevant timing differences are forecast to unwind.

The movement on the deferred tax account is as follows:

	Pensions £m	Share- based payments £m	Staff- related costs £m	Fair value through profit or loss £m	Total £m
<b>At 1 January 2024</b>	<b>(1.8)</b>	<b>8.9</b>	<b>0.4</b>	<b>–</b>	<b>7.5</b>
Recognised in profit or loss in respect of:					
— current year	(1.0)	(1.1)	0.5	–	(1.6)
— prior year	–	–	–	–	–
— change in rate	–	–	–	–	–
<b>Total recognised in profit or loss</b>	<b>(1.0)</b>	<b>(1.1)</b>	<b>0.5</b>	<b>–</b>	<b>(1.6)</b>
Recognised in other comprehensive income in respect of:					
— current year	2.7	–	–	–	2.7
— prior year	–	–	–	–	–
— change in rate	–	–	–	–	–
<b>Total recognised in other comprehensive income</b>	<b>2.7</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2.7</b>
Recognised in equity in respect of:					
— current year	–	(0.5)	–	–	(0.5)
— prior year	–	–	–	–	–
— change in rate	–	–	–	–	–
<b>Total recognised in equity</b>	<b>–</b>	<b>(0.5)</b>	<b>–</b>	<b>–</b>	<b>(0.5)</b>
<b>At 31 December 2024</b>	<b>(0.1)</b>	<b>7.3</b>	<b>0.9</b>	<b>–</b>	<b>8.1</b>
Deferred tax assets	–	7.3	0.9	–	8.2
Deferred tax liabilities	(0.1)	–	–	–	(0.1)
<b>At 31 December 2024</b>	<b>(0.1)</b>	<b>7.3</b>	<b>0.9</b>	<b>–</b>	<b>8.1</b>

	Pensions £m	Share-based payments £m	Staff-related costs £m	Fair value through profit or loss £m	Total £m
At 1 January 2023	(2.4)	12.1	0.1	(0.2)	9.6
Recognised in profit or loss in respect of:					
— current year	(0.8)	(2.5)	0.1	0.2	(3.0)
— prior year	–	–	0.2	–	0.2
— change in rate	(0.1)	–	–	–	(0.1)
Total recognised in profit or loss	(0.9)	(2.5)	0.3	0.2	(2.9)
Recognised in other comprehensive income in respect of:					
— current year	1.4	–	–	–	1.4
— prior year	–	–	–	–	–
— change in rate	0.1	–	–	–	0.1
Total recognised in other comprehensive income	1.5	–	–	–	1.5
Recognised in equity in respect of:					
— current year	–	(0.7)	–	–	(0.7)
— prior year	–	–	–	–	–
— change in rate	–	–	–	–	–
Total recognised in equity	–	(0.7)	–	–	(0.7)
<b>At 31 December 2023</b>	<b>(1.8)</b>	<b>8.9</b>	<b>0.4</b>	<b>–</b>	<b>7.5</b>
Deferred tax assets	–	8.9	0.4	–	9.3
Deferred tax liabilities	(1.8)	–	–	–	(1.8)
<b>At 31 December 2023</b>	<b>(1.8)</b>	<b>8.9</b>	<b>0.4</b>	<b>–</b>	<b>7.5</b>

£0.5 million of current tax on share-based payments was charged to equity during the year (2023: £0.4 million).

## NOTES TO THE COMPANY STATEMENTS

## 48 TRADE AND OTHER PAYABLES

	2024 £m	2023 £m
Trade creditors	3.0	1.7
Accruals and other creditors	114.9	83.7
Other taxes and social security costs	10.9	10.0
	128.8	95.4

The fair value of trade and other payables is not materially different from their carrying amount.

## 49 LEASE LIABILITIES

Maturity analysis	2024 £m	2023 £m
Less than one year	3.5	5.3
One to five years	10.8	18.7
More than five years	6.0	21.7
Lease liabilities at 31 December	20.3	45.7
<b>Current</b>	3.5	5.3
<b>Non-current</b>	16.8	40.4
	20.3	45.7

The total cash outflow for Company leases during the year was £18.0 million (2023: £7.6 million).

## 50 PROVISIONS

	Deferred, variable costs to acquire client relationship intangibles £m	Legal and compensation £m	Property-related £m	Total £m
At 1 January 2023	4.3	0.1	5.4	9.8
Charged to profit or loss	–	–	–	–
Unused amount credited to profit or loss	–	–	–	–
Net charge to profit or loss	–	–	–	–
<b>Other movements</b>	2.6	–	–	2.6
Utilised/paid during the year	(2.3)	–	–	(2.3)
At 31 December 2023	4.6	0.1	5.4	10.1
Charged to profit or loss	–	0.5	13.1	13.6
Unused amount credited to profit or loss	–	–	(3.1)	(3.1)
Net credit to profit or loss	–	0.5	10.0	10.5
Other movements	10.8	–	–	10.8
Utilised/paid during the year	(7.9)	–	(11.2)	(19.1)
<b>At 31 December 2024</b>	<b>7.5</b>	<b>0.6</b>	<b>4.2</b>	<b>12.3</b>
Payable within 1 year	–	0.6	0.6	1.2
Payable after 1 year	7.5	–	3.6	11.1
	7.5	0.6	4.2	12.3

Other movements in provisions relate to deferred payments to investment managers and third parties for the introduction of client relationships, which have been previously capitalised.

Property-related provisions of £4.2 million relate to dilapidation provisions expected to arise on leasehold premises held by the Group (2023: £5.3 million).

As a result of the company assigning its lease at 8 Finsbury Circus to a new tenant during the year, the company recognised a property-related provision of £11.2 million at the date the property was vacated, which was paid during the year. The company did not utilise any other property-related provisions in 2024 (2023: £nil).

Provisions payable after one year are expected to be settled within three years of the balance sheet date (2023: four years), except for the property-related provisions of £3.6 million (2023: £4.9 million), which are expected to be settled within 10 years of the balance sheet date (2023: 11 years).

## NOTES TO THE COMPANY STATEMENTS

## 51 SUBORDINATED LOAN NOTES

	2024 £m	2023 £m
<b>Subordinated loan notes</b>		
— face value	<b>40.0</b>	40.0
— carrying value	<b>39.9</b>	39.9

Rathbones Group Plc holds £39.9 million of 10-year Tier 2 notes with a call option in October 2026 and annually thereafter. The Issuer requires the Group's subsidiaries to comply with all laws and governmental rules or regulations to which they are subject. Interest is payable at a fixed rate of 5.6% per annum until the first call option date and at a fixed rate of 4.9% over Compounded Daily SONIA thereafter.

An interest expense of £2.3 million (2023: £2.3 million) was recognised in the year.

## 52 LONG-TERM EMPLOYEE BENEFITS

Details of the defined benefit pension schemes operated by the company are provided in [note 29](#) to the consolidated financial statements.

## 53 SHARE CAPITAL, OWN SHARES AND SHARE BASED PAYMENTS

Details of the share capital of the company and ordinary shares held by the company together with changes thereto are provided in [notes 30 and 31](#) to the consolidated financial statements. Details of options on the company's shares and share-based payments are set out in [note 32](#) to the consolidated financial statements.

## 54 FINANCIAL INSTRUMENTS

The company's risk management policies and procedures are integrated with the wider Rathbones Group's risk management process. The Rathbones Group has identified the risks arising from all of its activities, including those of the company, and has established policies and procedures to manage these items in accordance with its risk appetite. The company categorises its financial risks into the following primary areas:

- (i) credit risk;
- (ii) liquidity risk;
- (iii) market risk (which includes fair value interest rate risk, cash flow interest rate risk, foreign exchange risk and price risk); and
- (iv) pension risk.

The company's exposures to pension risk are set out in [note 29](#) to the consolidated financial statements.

The sections below outline the Group risk appetite, as applicable to the company, and explain how the company defines and manages each category of financial risk.

The company's financial risk management policies are designed to identify and analyse the financial risks that the company faces, to set appropriate risk tolerances, limits and controls, and to monitor the financial risks and adherence to limits by means of reliable and up-to-date information systems. The company regularly reviews its financial risk management policies and systems to reflect changes in the business and the wider industry.

The company's overall strategy and policies for monitoring and management of financial risk are set by the Board of Directors. The Board has embedded risk management within the business through the executive committee and senior management.

## NOTES TO THE COMPANY STATEMENTS

**54 FINANCIAL INSTRUMENTS** CONTINUED**(i) CREDIT RISK**

The company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due, through its trading activities. The principal sources of credit risk arise from depositing funds with banks and through providing long-term and working capital financing for subsidiaries.

The company's financial assets are categorised as follows.

**Trade and other receivables**

Trade and other receivables relate to amounts placed with subsidiaries and staff advances.

The collection and ageing of trade and other receivables are reviewed on a periodic basis by management.

The company places surplus funds with its banking subsidiary, which operates under the Group's credit risk management policies. Group policy requires that funds are placed with a range of high-quality financial institutions. Investments are spread to avoid excessive exposure to any individual counterparty.

For the purposes of financial reporting the company categorises its exposures based on the long-term ratings awarded to counterparties by Fitch, Moody's or S&P.

**Cash and cash equivalents (balances at banks)**

The company has exposure to financial institutions through its bank deposits (reported within cash equivalents).

	2024 £m	2023 £m
<b>Maximum exposure to credit risk</b>		
Trade and other receivables:		
— amounts owed by Group undertakings	60.5	136.8
— other financial assets	1.3	1.1
Balances at banks	101.7	16.3
	163.5	154.2

The above table represents the gross credit risk exposure of the company at 31 December 2024 and 2023, without taking account of any collateral held or other credit enhancements attached.

**Trade and other receivables**

No trade and other receivables have been written off or are credit-impaired at the reporting date.

Amounts owed by Group undertakings do not have specific repayment dates and are paid down periodically as trading requires.

**Balances at banks**

The credit quality of balances at banks is analysed below by reference to the long-term credit rating awarded by Fitch, or equivalent rating by Moody's or S&P, as at the balance sheet date.

	2024 £m	2023 £m
A+ to A-	4.8	7.6
Other	96.9	8.7
	101.7	16.3

£96.9 million of cash was held in a designated account with Rathbones Investment Management Limited at 31 December 2024, which acts as the Group's treasury function and a licenced deposit taker (2023: £8.7 million). The credit risk assessed for this balance at the year-end was 'low'.

## NOTES TO THE COMPANY STATEMENTS

**54 FINANCIAL INSTRUMENTS** CONTINUED**(i) CREDIT RISK** CONTINUED**Concentration of credit risk**

The company has counterparty credit risk within its balances at banks in that the principal exposure is to its banking subsidiary. The Board sets and monitors the Group policy for the management of Group funds, which includes the placement of funds with a range of high-quality financial institutions.

**(a) Geographical sectors**

The following table analyses the company's credit exposures, at their carrying amounts, by geographical region as at the balance sheet date. In this analysis, exposures are categorised based on the country of domicile of the counterparty:

	United Kingdom £m	Rest of the World £m	Total £m
<b>At 31 December 2024</b>			
Trade and other receivables:			
— amounts owed by Group undertakings	<b>59.4</b>	<b>1.1</b>	<b>60.5</b>
— other financial assets	<b>1.2</b>	<b>0.1</b>	<b>1.3</b>
Balances at banks	<b>101.7</b>	<b>–</b>	<b>101.7</b>
	<b>162.3</b>	<b>1.2</b>	<b>163.5</b>
<b>At 31 December 2023</b>			
Trade and other receivables:			
— amounts owed by Group undertakings	135.8	1.0	136.8
— other financial assets	1.0	0.1	1.1
Balances at banks	16.3	–	16.3
	153.1	1.1	154.2

At 31 December 2024, all rest of the world exposures were to counterparties based in Jersey, Japan and the United States of America (2023: Jersey, Japan and the United States of America). At 31 December 2024, the Group had exposure to the UK government through the holding of treasury bills (2023: UK government).

**(b) Industry sectors**

The company's credit exposures at the balance sheet date, analysed by the primary industry sectors in which our counterparties operate, were:

	Financial institutions £m	Clients and other corporates £m	Total £m
<b>31 December 2024</b>			
Trade and other receivables:			
— amounts owed by Group undertakings	<b>16.5</b>	<b>44.0</b>	<b>60.5</b>
— other financial assets	<b>–</b>	<b>1.3</b>	<b>1.3</b>
Balances at banks	<b>101.7</b>	<b>–</b>	<b>101.7</b>
	<b>118.2</b>	<b>45.3</b>	<b>163.5</b>
<b>31 December 2023</b>			
Trade and other receivables:			
— amounts owed by Group undertakings	8.3	128.5	136.8
— other financial assets	–	1.1	1.1
Balances at banks	16.3	–	16.3
	24.6	129.6	154.2

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The company places its funds in short-term or demand facilities with financial institutions to ensure liquidity. The company has no bank loans (2023: £nil).

## NOTES TO THE COMPANY STATEMENTS

## 54 FINANCIAL INSTRUMENTS CONTINUED

## (ii) LIQUIDITY RISK

## Non-derivative cash flows

The table below presents the undiscounted cash flows receivable and payable by the company on its non-derivative financial assets and liabilities by remaining contractual maturities at the balance sheet date.

At 31 December 2024	On demand £m	Not more than 3 months £m	After 3 months but not more than 1 year £m	After 1 year but not more than 5 years £m	After 5 years £m	No fixed maturity date £m	Total £m
Trade and other receivables:							
— amounts owed by Group undertakings	60.5	–	–	–	–	–	60.5
— other financial assets	0.1	0.8	0.4	0.1	–	–	1.4
Balances at banks	101.7	–	–	–	–	–	101.7
<b>Cash flows arising from financial assets</b>	<b>162.3</b>	<b>0.8</b>	<b>0.4</b>	<b>0.1</b>	<b>–</b>	<b>–</b>	<b>163.6</b>
Trade and other payables:							
— amounts owed to Group undertakings	–	–	–	–	–	–	–
— subordinated loan notes	–	–	2.3	42.3	–	–	44.6
— lease liabilities	–	0.8	3.7	13.3	6.8	–	24.6
— other financial liabilities	0.1	19.7	–	9.3	1.2	–	30.3
<b>Cash flows arising from financial liabilities</b>	<b>0.1</b>	<b>20.5</b>	<b>6.0</b>	<b>64.9</b>	<b>8.0</b>	<b>–</b>	<b>99.5</b>
<b>Net liquidity gap</b>	<b>162.2</b>	<b>(19.7)</b>	<b>(5.6)</b>	<b>(64.8)</b>	<b>(8.0)</b>	<b>–</b>	<b>64.1</b>
<b>Cumulative net liquidity gap</b>	<b>162.2</b>	<b>142.5</b>	<b>136.9</b>	<b>72.1</b>	<b>64.1</b>	<b>64.1</b>	

## NOTES TO THE COMPANY STATEMENTS

## 54 FINANCIAL INSTRUMENTS CONTINUED

## (ii) LIQUIDITY RISK CONTINUED

At 31 December 2023	On demand £m	Not more than 3 months £m	After 3 months but not more than 1 year £m	After 1 year but not more than 5 years £m	After 5 years £m	No fixed maturity date £m	Total £m
Trade and other receivables:							
— amounts owed by Group undertakings	136.8	–	–	–	–	–	136.8
— other financial assets	–	0.2	0.8	0.2	–	–	1.2
Balances at banks	16.3	–	–	–	–	–	16.3
<b>Cash flows arising from financial assets</b>	<b>153.1</b>	<b>0.2</b>	<b>0.8</b>	<b>0.2</b>	<b>–</b>	<b>–</b>	<b>154.3</b>
Trade and other payables:							
— amounts owed to Group undertakings	–	–	–	–	–	–	–
— subordinated loan notes	–	–	2.3	44.5	–	–	46.8
— lease liabilities	–	2.0	5.9	20.6	31.9	–	60.4
— other financial liabilities	0.2	11.3	0.9	3.0	3.7	–	19.1
<b>Cash flows arising from financial liabilities</b>	<b>0.2</b>	<b>13.3</b>	<b>9.1</b>	<b>68.1</b>	<b>35.6</b>	<b>–</b>	<b>126.3</b>
<b>Net liquidity gap</b>	<b>152.9</b>	<b>(13.1)</b>	<b>(8.3)</b>	<b>(67.9)</b>	<b>(35.6)</b>	<b>–</b>	<b>28.0</b>
<b>Cumulative net liquidity gap</b>	<b>152.9</b>	<b>139.8</b>	<b>131.5</b>	<b>63.6</b>	<b>28.0</b>	<b>28.0</b>	

Included within trade and other payables disclosed above are balances that are repayable on demand or that do not have a contractual maturity date, which historical experience shows are unlikely to be called in the short term.

## NOTES TO THE COMPANY STATEMENTS

## 54 FINANCIAL INSTRUMENTS CONTINUED

## (ii) LIQUIDITY RISK CONTINUED

## Total liquidity requirement

At 31 December 2024	On demand £m	Not more than 3 months £m	After 3 months but not more than 1 year £m	After 1 year but not more than 5 years £m	After 5 years £m	Total £m
Cash flows arising from financial liabilities	0.1	20.5	6.0	64.9	8.0	99.5
Total off-balance-sheet items	–	–	–	–	–	–
<b>Total liquidity requirement</b>	<b>0.1</b>	<b>20.5</b>	<b>6.0</b>	<b>64.9</b>	<b>8.0</b>	<b>99.5</b>

At 31 December 2023	On demand £m	Not more than 3 months £m	After 3 months but not more than 1 year £m	After 1 year but not more than 5 years £m	After 5 years £m	Total £m
Cash flows arising from financial liabilities	0.2	13.3	9.1	68.1	35.6	126.3
Total off-balance-sheet items	–	–	–	–	–	–
<b>Total liquidity requirement</b>	<b>0.2</b>	<b>13.3</b>	<b>9.1</b>	<b>68.1</b>	<b>35.6</b>	<b>126.3</b>

## (iii) MARKET RISK

## Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

The company's principal exposure to cash flow interest rate risk arises from the mismatch between the repricing of its financial assets and liabilities.

The table below shows the repricing profile of the company's financial assets and liabilities, stated at their carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

At 31 December 2024	Not more than 3 months £m	After 3 months but not more than 6 months £m	After 6 months but not more than 1 year £m	After 1 year but not more than 5 years £m	After 5 years £m	Non-interest-bearing £m	Total £m
<b>Assets</b>							
Other investments:							
— equity securities	–	–	–	–	–	–	–
Trade and other receivables:							
— amounts owed by Group undertakings	–	–	–	–	–	60.5	60.5
— other financial assets	0.5	–	–	–	–	0.8	1.3
Balances at banks	101.7	–	–	–	–	–	101.7
<b>Total financial assets</b>	<b>102.2</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>61.3</b>	<b>163.5</b>

## NOTES TO THE COMPANY STATEMENTS

## 54 FINANCIAL INSTRUMENTS CONTINUED

## (iii) MARKET RISK CONTINUED

At 31 December 2024	Not more than 3 months £m	After 3 months but not more than 6 months £m	After 6 months but not more than 1 year £m	After 1 year but not more than 5 years £m	After 5 years £m	Non-interest -bearing £m	Total £m
<b>Liabilities</b>							
Trade and other payables:							
— amounts owed to Group undertakings	—	—	—	—	—	—	—
— subordinated loan notes	—	—	—	39.9	—	—	39.9
— other financial liabilities	0.6	0.9	1.9	10.9	6.0	30.1	50.4
<b>Total financial liabilities</b>	<b>0.6</b>	<b>0.9</b>	<b>1.9</b>	<b>50.8</b>	<b>6.0</b>	<b>30.1</b>	<b>90.3</b>
<b>Interest rate repricing gap</b>	<b>101.6</b>	<b>(0.9)</b>	<b>(1.9)</b>	<b>(50.8)</b>	<b>(6.0)</b>	<b>31.2</b>	<b>73.2</b>
At 31 December 2023	Not more than 3 months £m	After 3 months but not more than 6 months £m	After 6 months but not more than 1 year £m	After 1 year but not more than 5 years £m	After 5 years £m	Non-interest -bearing £m	Total £m
<b>Assets</b>							
Other investments:							
— equity securities	—	—	—	—	—	—	—
Trade and other receivables:							
— amounts owed by Group undertakings	—	—	—	—	—	136.8	136.8
— other financial assets	0.5	—	—	—	—	0.6	1.1
Balances at banks	16.3	—	—	—	—	—	16.3
<b>Total financial assets</b>	<b>16.8</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>137.4</b>	<b>154.2</b>
<b>Liabilities</b>							
Trade and other payables:							
— amounts owed to Group undertakings	—	—	—	—	—	—	—
— subordinated loan notes	—	—	—	39.9	—	—	39.9
— other financial liabilities	1.3	1.3	2.7	18.7	21.7	17.6	63.3
<b>Total financial liabilities</b>	<b>1.3</b>	<b>1.3</b>	<b>2.7</b>	<b>58.6</b>	<b>21.7</b>	<b>17.6</b>	<b>103.2</b>
<b>Interest rate repricing gap</b>	<b>15.5</b>	<b>(1.3)</b>	<b>(2.7)</b>	<b>(58.6)</b>	<b>(21.7)</b>	<b>119.8</b>	<b>51.0</b>

A 2% parallel increase or decrease in the sterling yield curve would have no impact on profit after tax or equity (2023: no impact).

The company has assessed the impact of climate change on the carrying amount of its financial assets and liabilities at year-end, and considers there to be no material impact.

## NOTES TO THE COMPANY STATEMENTS

## 54 FINANCIAL INSTRUMENTS CONTINUED

## (iii) MARKET RISK CONTINUED

## Foreign exchange risk

The company does not have any material exposure to transactional foreign exchange risk. The table below summarises the company's exposure to foreign currency translation risk at 31 December 2024. Included in the table are the company's financial assets and liabilities, at carrying amounts, categorised by currency.

At 31 December 2024	Sterling £m	US dollar £m	Euro £m	Total £m
<b>Assets</b>				
Other investments:				
— equity securities	–	–	–	–
Trade and other receivables:				
— amounts owed by Group undertakings	60.5	–	–	60.5
— other financial assets	1.2	0.1	–	1.3
Balances at banks	101.7	–	–	101.7
<b>Total financial assets</b>	<b>163.4</b>	<b>0.1</b>	<b>–</b>	<b>163.5</b>
<b>Liabilities</b>				
Trade and other payables:				
— amounts owed to Group undertakings	–	–	–	–
— subordinated loan notes	39.9	–	–	39.9
— other financial liabilities	50.2	0.2	–	50.4
<b>Total financial liabilities</b>	<b>90.1</b>	<b>0.2</b>	<b>–</b>	<b>90.3</b>
<b>Net on-balance-sheet position</b>	<b>73.3</b>	<b>(0.1)</b>	<b>–</b>	<b>73.2</b>

At 31 December 2023

**Assets**

Other investments:

— equity securities

Trade and other receivables:

— amounts owed by Group undertakings

— other financial assets

Balances at banks

**Total financial assets****Liabilities**

Trade and other payables:

— amounts owed to Group undertakings

— subordinated loan notes

— other financial liabilities

**Total financial liabilities****Net on-balance-sheet position**

A 10% weakening of the US dollar against sterling would have reduced equity and profit after tax by £nil in 2024 (2023: £nil). A 10% strengthening of the US dollar would have had an equal and opposite effect. This analysis assumes that all other variables, in particular other exchange rates, remain constant.

**Price risk**

The Group's exposure to price risk, all of which is through the company's holdings of equity investment securities, is described in [note 33](#).

	Sterling £m	US dollar £m	Euro £m	Total £m
<b>Assets</b>				
Other investments:				
— equity securities	–	–	–	–
Trade and other receivables:				
— amounts owed by Group undertakings	136.8	–	–	136.8
— other financial assets	1.0	0.1	–	1.1
Balances at banks	16.3	–	–	16.3
<b>Total financial assets</b>	<b>154.1</b>	<b>0.1</b>	<b>–</b>	<b>154.2</b>
<b>Liabilities</b>				
Trade and other payables:				
— amounts owed to Group undertakings	–	–	–	–
— subordinated loan notes	39.9	–	–	39.9
— other financial liabilities	63.2	0.1	–	63.3
<b>Total financial liabilities</b>	<b>103.1</b>	<b>0.1</b>	<b>–</b>	<b>103.2</b>
<b>Net on-balance-sheet position</b>	<b>51.0</b>	<b>–</b>	<b>–</b>	<b>51.0</b>

## NOTES TO THE COMPANY STATEMENTS

**54 FINANCIAL INSTRUMENTS** CONTINUED**(iii) MARKET RISK** CONTINUED**Fair values**

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

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

At 31 December 2024	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
<b>Assets</b>				
Fair value through profit or loss:				
— equity securities	–	–	–	–
	–	–	–	–

At 31 December 2023	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
<b>Assets</b>				
Fair value through profit or loss:				
— equity securities	–	–	–	–
	–	–	–	–

The company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There have been no transfers between levels during the year (2023: none).

Details of the methods and assumptions used to determine the fair values of the financial assets in the above table, along with how reasonably possible changes to the assumptions affect these fair values, are provided in [note 33](#) to the consolidated financial statements.

The fair values of the company's financial assets and liabilities are not materially different from their carrying values, with the exception of equity investments in subsidiaries, which are carried at historical cost ([note 44](#)).

**55 CAPITAL MANAGEMENT**

The company's objectives when managing capital are to:

- safeguard the company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders
- maintain a strong capital base to support the development of its business

For monitoring purposes, the company defines capital as distributable reserves (see [note 43](#)). The company monitors the level of distributable reserves on a monthly basis and compares this to forecast dividends. Capital is distributed to the company from operating subsidiaries on a timely basis to ensure sufficient capital is maintained. The Board of Directors monitors the level of capital held in relation to forecast performance, dividend payments and wider plans for the business, although formal quantitative targets are not set.

There were no changes in the company's approach to capital management during the year.

**56 CONTINGENT LIABILITIES AND COMMITMENTS**

The company had no contingent liabilities or commitments at the year-end (2023: £nil).

**57 RELATED PARTY TRANSACTIONS**

Rathbones Group Plc is considered to be the ultimate controlling party.

**TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL**

The remuneration of the key management personnel of the company, who are defined as the company's directors and other members of senior management who are responsible for planning, directing and controlling the activities of the company, is set out below. The table below details the aggregated compensation made to the key management of the Company for their services to the Rathbones Group. In the current year, as part of a review of consistency of reporting across Rathbones Group companies, following a recent significant Group acquisition, the methodology of calculating directors compensation has been revised from an apportionment basis to an aggregated basis, and as a result the prior year disclosure has been restated. The result of the restatement has been to increase short-term employee benefits by £5.9 million, increase other long-term benefits by £0.3 million and increase share based payments by £1.8 million for 2023.

	2024 £m	2023 (restated) £m
Short-term employee benefits	8.4	7.6
Other long-term benefits	0.2	0.3
Share-based payments	2.1	1.9
	10.7	9.8

## NOTES TO THE COMPANY STATEMENTS

**57 RELATED PARTY TRANSACTIONS** CONTINUED**OTHER RELATED PARTY TRANSACTIONS**

Dividends totalling £0.2 million were paid in the year (2023: £0.3 million) in respect of ordinary shares held by key management personnel and their close family members.

All amounts outstanding with related parties are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties. All transactions were made on normal business terms.

During the year, the company entered into the following transactions with its subsidiaries:

	2024		2023	
	Receivable £m	Payable £m	Receivable £m	Payable £m
Interest	0.1	–	3.8	–
Charges for management services	101.9	–	68.1	–
Dividends received	105.0	–	92.0	–
	207.0	–	163.9	–

The company's balances with fellow Group companies at 31 December 2024 are set out in [notes 45 and 48](#).

The company's transactions with the pension funds are described in [note 52](#). At 31 December 2024, no amounts were due from the pension schemes (2023: £nil).

All transactions and outstanding balances with fellow Group companies are priced on an arm's-length basis and are to be settled in cash. None of the balances are secured and no provisions have been made for doubtful debts for any amounts due from fellow Group companies.

**58 CASH AND CASH EQUIVALENTS**

For the purposes of the company statement of cash flows, cash and cash equivalents comprise the following balances with less than three months until maturity from the date of acquisition:

	2024 £m	2023 £m
Cash at bank (excluding amounts held by employee benefit trust)	101.7	16.3

## NOTES TO THE COMPANY STATEMENTS

**58 CASH AND CASH EQUIVALENTS** CONTINUED

A reconciliation of the movements of financing liabilities and equity to cash flows arising from financing activities is as follows:

	Subordinated loan notes £m	Lease liabilities £m	Liabilities from financing activities £m	Share capital/ premium £m	Reserves £m	Retained earnings £m	Total equity £m	Total £m
<b>At 1 January 2024</b>	<b>39.9</b>	<b>45.7</b>	<b>85.6</b>	<b>317.7</b>	<b>736.9</b>	<b>135.3</b>	<b>1,189.9</b>	<b>1,275.5</b>
<b>Changes from financing cash flows</b>								
Proceeds from issue of share capital	-	-	-	5.6	-	-	5.6	5.6
Payments for share repurchases	-	-	-	-	(22.0)	-	(22.0)	(22.0)
Dividends paid	-	-	-	-	-	(56.9)	(56.9)	(56.9)
Interest charge	(2.3)	(1.5)	(3.8)	-	-	-	-	(3.8)
Payment for lease liabilities	-	(5.3)	(5.3)	-	-	-	-	(5.3)
Payment on exit of property leases	-	(11.2)	(11.2)	-	-	-	-	(11.2)
<b>Total financing cash flows</b>	<b>(2.3)</b>	<b>(18.0)</b>	<b>(20.3)</b>	<b>5.6</b>	<b>(22.0)</b>	<b>(56.9)</b>	<b>(73.3)</b>	<b>(93.6)</b>
<b>Total non-cash movements</b>	<b>2.3</b>	<b>(7.4)</b>	<b>(5.1)</b>	<b>-</b>	<b>9.5</b>	<b>98.9</b>	<b>108.4</b>	<b>103.3</b>
<b>At 31 December 2024</b>	<b>39.9</b>	<b>20.3</b>	<b>60.2</b>	<b>323.3</b>	<b>724.4</b>	<b>177.3</b>	<b>1,225.0</b>	<b>1,285.2</b>

	Subordinated loan notes £m	Lease liabilities £m	Liabilities from financing activities £m	Share capital/ premium £m	Reserves £m	Retained earnings £m	Total equity £m	Total £m
<b>At 1 January 2023</b>	<b>39.9</b>	<b>49.7</b>	<b>89.6</b>	<b>313.2</b>	<b>(7.4)</b>	<b>143.1</b>	<b>448.9</b>	<b>538.5</b>
<b>Changes from financing cash flows</b>								
Proceeds from issue of share capital	-	-	-	2.3	(2.3)	-	-	-
Payments for share repurchases	-	-	-	-	(16.0)	-	(16.0)	(16.0)
Dividends paid	-	-	-	-	-	(71.4)	(71.4)	(71.4)
Interest charge	(2.3)	(2.7)	(5.0)	-	-	-	-	(5.0)
Payment for lease liabilities	-	(4.7)	(4.7)	-	-	-	-	(4.7)
<b>Total financing cash flows</b>	<b>(2.3)</b>	<b>(7.4)</b>	<b>(9.7)</b>	<b>2.3</b>	<b>(18.3)</b>	<b>(71.4)</b>	<b>(87.4)</b>	<b>(97.1)</b>
<b>Total non-cash movements</b>	<b>2.3</b>	<b>3.4</b>	<b>5.7</b>	<b>2.2</b>	<b>762.6</b>	<b>63.6</b>	<b>828.4</b>	<b>834.1</b>
<b>At 31 December 2023</b>	<b>39.9</b>	<b>45.7</b>	<b>85.6</b>	<b>317.7</b>	<b>736.9</b>	<b>135.3</b>	<b>1,189.9</b>	<b>1,275.5</b>

## NOTES TO THE COMPANY STATEMENTS

### 59 EVENTS AFTER THE BALANCE SHEET DATE

There have been no material events occurring between the balance sheet date and the date of signing this report.

# FURTHER INFORMATION

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234 Five-year record

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234 Corporate information

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## FURTHER INFORMATION

### FIVE-YEAR RECORD

	2024 £m	2023 £m	2022 <sup>2</sup> £m	2021 <sup>2</sup> £m	2020 <sup>2</sup> £m
Operating income (and underlying operating income) <sup>1</sup>	895.9	571.1	455.9	435.9	366.1
Underlying profit before tax <sup>1</sup>	227.6	127.1	97.1	120.7	92.5
Profit before tax	99.6	57.6	64.1	95.0	43.8
Profit after tax	65.5	37.5	49.0	75.2	26.7
Equity dividends paid and proposed	96.9	62.9	49.3	49.5	38.7
Basic earnings per share	63.0p	52.6p	83.6p	133.5p	49.6p
Diluted earnings per share	60.4p	50.8p	81.6p	129.3p	47.6p
Underlying earnings per share <sup>1</sup>	161.6p	135.8p	130.8p	172.2p	133.3p
Dividends per ordinary share	93.0p	87.0p	84.0p	81.0p	72.0p
Equity shareholders' funds	1,359.4	1,350.2	634.8	623.3	513.8
<b>Total funds under management and administration</b>	<b>£109.2bn</b>	<b>£105.3bn</b>	<b>£60.2bn</b>	<b>£68.2bn</b>	<b>£54.7bn</b>

1. A reconciliation between the underlying measure and its closest IFRS equivalent for the current year and the prior year is shown in [table 4 on page 42](#)

2. Data excludes IW&I

### GLOSSARY

To find a glossary of terms, including our alternative performance measures (APMs) please visit [our website](#).

### CORPORATE INFORMATION

	Wealth Management	Asset Management
Principal trading names	Rathbones Investment Management Rathbones Investment Management International Greenbank Investments Rathbones Trust Company Rathbones Legal Services Vision Independent Financial Planning Castle Investment Solutions Saunderson House Investec Wealth & Investment Investec Wealth & Investment (Channel Islands)	Rathbones Asset Management (formerly Rathbone Unit Trust Management)
Offices	23	2
Websites	<a href="https://rathbones.com">rathbones.com</a> <a href="https://rathbones.com/international">rathbones.com/international</a> <a href="https://greenbankinvestments.com">greenbankinvestments.com</a>	<a href="https://rathbones.com/financial-planning">rathbones.com/financial-planning</a> <a href="https://rathbonesam.com">rathbonesam.com</a> <a href="https://investec.com/en_gb/wealth">investec.com/en_gb/wealth</a>

## FURTHER INFORMATION

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