Schroders plc

Half year results to 30 June 2024 (unaudited)

1 August 2024

Highlights

- Assets under management (AUM) including joint ventures and associates reached a new high of £773.7 billion, driven by positive markets, investment performance and net new business (NNB).
- NNB including joint ventures and associates was £3.9 billion.
- Client investment performance[1] was strong, improving to 69%, 62% and 78% of assets outperforming their relevant comparator over one, three and five years respectively.
- Wealth Management NNB was £3.7 billion, equivalent to a market-leading advised growth rate of 7%.
- Gross fundraising in Schroders Capital increased to £5.2 billion, equivalent to a 16% annualised rate. NNB was £3.0 billion, with inflows in all four pillars: private equity, private debt and credit alternatives, infrastructure and real estate.
- In Public Markets, positive NNB into fixed income, was offset by a rotation out of regional equity strategies. The NNB mix resulted in lower average fee margins for this period, and total net operating income of £1,175.2 million.
- Strategic partnership announced with Phoenix Group to launch a new UK investment manager, Future Growth Capital, unlocking investment opportunities in private markets for millions of pensions savers.
- Operating expenses were £860.2 million, down 1% year-on-year, benefitting from 2023 efficiency initiatives and continued cost discipline.
- Operating profit was £315.0 million and statutory profit before tax was £276.3 million, after a £17.8 million reduction in performance fees and net carried interest.
- The Board has declared an unchanged interim dividend of 6.5 pence per share.

	Six months ended 30 June 2024	Six months ended 30 June 2023
Net operating income (£m)	1,175.2	1,211.9
Operating expenses (£m)	(860.2)	(870.5)
Operating profit (£m)	315.0	341.4
Assets under management (£bn)	773.7	726.1
Net new business including JVs and associates (£bn)	3.9	0.4
Profit before tax (£m)	276.3	275.6
Basic operating earnings per share (pence)	14.7	16.8
Dividend per share (pence)	6.5	6.5

[1]Please refer to page 9 for more information about client investment performance.

Peter Harrison, Group Chief Executive, commented:

"We are pleased to report increased assets under management and positive net new business in the first six months of the year. Of particular note was the 7% advised growth in Wealth Management, improved fundraising in Private Markets, and a strong performance in fixed income. Whilst our Solutions business was impacted by a large client outflow, it also secured some strong wins and mandate extensions.

"Today's results are further validation that our long-term strategic pivot is helping us to navigate the structural changes our industry is facing. Our capabilities in Wealth Management, Private Markets and Solutions are enabling us to take advantage of the growth opportunities we have identified and to deliver the investment solutions that our clients need.

"As we look to the next six months, we will remain focused on delivering strong investment outcomes for clients, maintaining good cost discipline and continuing to innovate, using new technology and strategic partnerships such as the launch of Future Growth Capital with Phoenix Group, to maintain our leadership position as a global asset manager.

"We are encouraged by the new business opportunities we are seeing, notwithstanding the current backdrop of macroeconomic uncertainties and industry dynamics."

Management statement

Our long-term strategy to pivot into the higher growth areas of Wealth Management, Private Markets and Solutions continues to be validated by our performance in the first half of the year.

Supported by the strong momentum of our Wealth Management and Private Markets businesses, our AUM has reached a new high, and we have delivered positive net new business, despite the impact from Scottish Widows' disposal of their annuity book, which triggered a large outflow in our Solutions business.

Our ability to offer compelling products and value-add advice across such a wide range of public and private market investment opportunities has enabled closer collaboration with our clients through our Client Group. Our clients are increasingly seeking to extend their mandates, as they entrust us with a greater share of their portfolios across more of our services.

Strong performance in Wealth Management

Our Wealth Management business has delivered market-leading growth. We benefit from the breadth of our Wealth Management offering, servicing the full wealth spectrum from ultra-high-net-worth clients to mass affluent through our three businesses: Cazenove Capital, Benchmark and Schroders Personal Wealth.

Cazenove Capital's success, built on client centricity, good investment performance, sustainability expertise and the delivery of multi-generational advice, has delivered net new business of £2.3 billion and underpinned the segment's continued growth. In its charities business, the Sustainable Multi-Asset Fund (SMAF) has been the fastest growing UK charity fund over the past four years, now with £2.1 billion in AUM and over 430 investors. Cazenove Capital is the largest charity investment manager in the UK[2], partnering with over 1,700 charities.

Progress across Schroders Capital

We continue to seize opportunities created by structural trends through the broad capabilities of Schroders Capital, our private markets business. Gross fundraising rose to £5.2 billion, equivalent to an annualised 16% of opening AUM. Net new business was £3.0 billion, with a positive contribution across all asset classes and all regions.

Our private debt and credit alternatives (PDCA) platform performed strongly, attracting NNB of £1.4 billion in the first half of the year, with the higher interest rate environment we saw continued demand from clients for our securitised credit strategies.

In private equity, we continue to be focused on sourcing investments for transformational improvement and growth. Whilst the larger end of the market struggles to deploy dry powder and realise larger investments, the small to mid-market buyout area remains active. In the first half, we sold our largest co-investment, Olink, a biotechnology company based in Sweden, for a 9.0x multiple on invested capital (MoIC)[3], following significant growth since we originally sourced the investment in 2018. This follows another private equity exit for a 11.1x[4] MoIC earlier in the period.

We continue to lead the way in democratising private assets for our clients and are developing a UK Venture and Growth Long-Term Asset Fund (LTAF) to launch later this year, expanding our range of semi-liquid products. This follows the award of £150 million from the British Business Bank as part of the UK government's Long-Term Investment for Technology and Science (LIFTS) initiative.

We announced the agreement to form a new UK private markets investment manager, Future Growth Capital (FGC), with Phoenix Group, the UK's largest long-term savings and retirement business. FCG will, subject to all regulatory approvals, support the objectives of the UK's Mansion House Compact, by unlocking investment opportunities in private markets for millions of new pension savers to benefit from the diversification and

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[2]Largest manager by charity investment assets (excluding cash deposits). Charity Finance Magazine, 2023 Annual Fund Management Survey.

[3]MoIC figures shown are gross of underlying fees, expenses and carried interest, as well as gross of Schroders Capital fees, expenses and carried interest.

[4]2.6x of total 11.1x MoIC relates to part of the transaction which is unrealized.

investment return opportunities that unlisted assets can offer. FGC will aim to deploy a significant allocation of up to £2.5 billion over three years from Phoenix Group, in support of its Mansion House Compact Commitment, with an initial £1 billion commitment. In total, FGC will aim to deploy £10-20 billion of investor funds into private markets over the next decade.

Continued structural shifts towards decarbonisation have resulted in new opportunities for Schroders Greencoat, our infrastructure renewables business. In May, we secured a £170 million commitment from the Environment Agency Pension Fund to invest in UK renewable infrastructure assets across wind, solar and bioenergy.

Encouraging return to asset growth in JVs and associates

The geographic reach of our business across 38 locations is an important factor in enabling us to partner with clients across the globe. In the first half of 2024 we saw a return to asset growth in our strategic partnerships in China and India. In aggregate, JVs and associates contributed £7.8 billion of NNB over the period.

Solutions channelling flows across the Group

In Solutions, we continue to work closely with institutional clients to build bespoke and often complex portfolios to meet their diverse investment challenges. This has enabled us to deliver incremental flows into other parts of the Schroders Group, across both public and private markets. These opportunities are arising more regularly and demonstrate the relevance of our diversified business model for clients. We have successfully supported pension fund clients in £2.3 billion of buyout activity as they looked to de-risk. We have also seen some notable mandate wins such as the fiduciary management appointment by The Merchant Navy Ratings Pension Fund.

Strong investment performance in our global equity and fixed income flagship strategies supports resilience of Public Markets

Our Public Markets business saw net outflows of £2.7 billion, driven by £6.1 billion out of equities, offset by £3.9 billion into fixed income. Strong investment performance in our global equity and fixed income flagship strategies provided resilience to industry-related headwinds as investors moved away from regional equity strategies.

In Mutual Funds, weaker flows in the early part of the year were offset by a return to positive net new business in the second quarter, bringing total NNB for the first half back to £(0.2) billion. In the US, our strategic partnership with Hartford continued to deliver and we saw net inflows of £0.3 billion. These flows ranked us in the top 10% of US managers, be they active only or firms offering both active and passive product ranges.

In our Institutional business, outflows from regional equities were partly offset by inflows from mandates managed for our Solutions clients. Inflows in the second quarter brought NNB for the first half to £(2.5) billion.

Harnessing innovation and technology to drive progress

For a company steeped in a 200+ year history, we are proud of our ability to remain at the forefront of innovation. We continue to invest to grow, and we have embraced technological innovation as a catalyst for change. We have stepped up our ambitions to develop proprietary AI to capture efficiencies and improve client experience. We have many unique use cases under development or deployed across the business. In private equity for example, we recently launched an AI investment analyst tool which has been designed to speed up the analysis of large volumes of data, enabling our investment specialists to focus on delivering value through strategic investment activity.

Quality execution and disciplined cost control

Despite the impact of lower performance fees and continued structural industry headwinds in the first half of 2024, we are pleased to have delivered positive NNB and growth in AUM. We have conviction in active asset management and are confident that our strategy is the right one. However, strategy does not win on its own. We have complemented this with quality execution and have maintained good cost control while actively reallocating resources into the areas of structural growth.

Financial performance

Positive markets, NNB and investment performance enabled AUM including JVs and associates to reach a new high of £773.7 billion. Closing AUM excluding JVs and associates was £657.3 billion, with net outflows of £3.9 billion.

Markets were buoyant in the first half, supported by the improving economic outlook. Markets and investment returns contributed £25.1 billion including JVs and associates, offsetting the impact of sterling appreciation, which reduced AUM by £6.8 billion. Our client investment performance improved over the first half, with 69%, 62% and 78% of client assets outperforming their relevant comparator over one, three and five years respectively.

Average AUM excluding JVs and associates increased 2% year-on-year, driven by NNB and positive investment returns, net of foreign exchange movements. However, the composition of the NNB that contributed to that increase was weighted to lower margin products, with significant outflows from regional equities being partially offset by inflows into fixed income strategies. Consequently, average fee margins in our Public Markets business were lower for the period. This, coupled with lower performance fees and net carried interest of £14.8 million (H1 2023: £32.6 million), resulted in net operating revenue of £1,137.0 million (H1 2023: £1,169.8 million).

Our share of profits from JVs and associates was £24.0 million (H1 2023: £34.9 million), reflecting the lower combined profits from our China associates with Bank of Communications. Importantly, our well-established Fund Management Company (FMC) JV has returned to asset growth, driving strong NNB in our JVs and associates. Our investment in an early-stage Wealth Management Company associate reflects our ambition to participate in the opportunity presented by China’s significant future growth prospects by having a suite of market licences. This investment partially offset the positive contribution from the FMC JV. Net operating income ended the period at £1,175.2 million (H1 2023: £1,211.9 million).

Total operating expenses of £860.2 million were down 1% year-on-year, evidence of our continued cost discipline. The efficiency initiatives we carried out in 2023 have enabled us to deliver a reduction in operating costs despite the inflationary pressures on our cost base. Operating compensation costs were £545.1 million (H1 2023: £558.8 million), representing a stable compensation ratio of 46% (H1 2023: 46%). Non-compensation costs were £315.1 million (H1 2023: £311.7 million). This was achieved despite continued inflationary pressures, with spend remaining broadly flat in key areas including IT and premises costs.

Following the impact from lower performance fees and softer margins in Public Markets, operating profit was £315.0 million (H1 2023: £341.4 million) and statutory profit before tax ended the period at £276.3 million (H1 2023: £275.6 million).

On 18 April 2024, the Group issued £250 million 6.346% regulatory capital qualifying Subordinated Tier 2 Notes, further strengthening and diversifying our sources of capital and liquidity.

The Board has declared an unchanged interim dividend of 6.5 pence per share (H1 2023: 6.5 pence per share). The dividend will be paid on 26 September 2024 to shareholders on the register at 23 August 2024.

Wealth Management segment

Our Wealth Management business has been a key driver of growth over recent years, and the start of 2024 was no different. Total NNB was £3.9 billion (H1 2023: £3.9 billion), including £0.2 billion from Schroders Personal Wealth (SPW), our JV with Lloyds Banking Group, where we were encouraged by the increase in both the client conversion rate and average new client portfolio size. Total NNB for the segment equates to an annualised growth rate of 6% of opening AUM, in line with our guidance of 5-7% NNB per annum. Wealth Management AUM excluding JVs and associates ended the period at £119.5 billion (FY 2023: £110.2 billion), while AUM including JVs and associates ended the period at £134.5 billion (FY 2023: £124.5 billion), both increasing 8% over the first half. Net operating revenue increased by 9% to £229.9 million (H1 2023: £210.0 million).

Our share of profits from Wealth Management JVs and associates contributed £3.2 million (H1 2023: £1.0 million). Wealth Management net operating income increased 11% to £240.2 million (H1 2023: £215.9 million), driven by continued strong NNB and stable net banking interest. Operating profit increased 10% to £83.7 million (H1 2023: £75.9 million). The net operating revenue margin excluding performance fees remained flat at 41 basis points (FY 2023: 41 basis points).

Asset Management segment

Asset Management net operating income ended the period at £935.0 million (H1 2023: £996.0 million), as the shift in our asset class composition, combined with low transaction fees and reduced performance fees, led to a lower average fee margin for the period. Operating profit was £231.3 million (H1 2023: £265.5 million).

Private Markets

Despite the delay in the anticipated rate cuts from central banks, our private markets business, Schroders Capital, generated gross fundraising of £5.2 billion (H1 2023: £4.5 billion), equivalent to a 16% annualised growth rate. We saw fundraising dynamics improve gradually over the period, and non-fee earning dry powder stood at £4.1 billion at the end of the period. Private Markets NNB was £3.0 billion (H1 2023: £2.1 billion), helping increase AUM to £68.5 billion (FY 2023: £66.2 billion), despite the headwind from markets in our real estate business, where deal volumes remain low. Net operating revenue including performance fees and carried interest decreased to £197.5 million (H1 2023: £201.1 million). The net operating revenue margin excluding performance fees and carried interest reduced 1 basis point to 56 basis points (FY 2023: 57 basis points), impacted by the reduction of real estate transaction fees compared to the second half of 2023.

Solutions

Solutions NNB for the period was £(7.9) billion (H1 2023: inflows of £6.3 billion), predominantly driven by the Scottish Widows outflow which accounted for £6.2 billion, including the disposal of its bulk annuity business. A further £2.3 billion was the result of successful buyout activity for pension fund clients looking to de-risk. AUM finished the period at £220.8 billion (FY 2023: £228.3 billion). Solutions net operating revenue including performance fees was £129.8 million (H1 2023: £137.5 million). The net operating revenue margin excluding performance fees remained flat at 12 basis points (FY 2023: 12 basis points).

Public Markets

Mutual Funds saw improving flows over the period, with second quarter inflows leading to total NNB of £(0.2) billion (H1 2023: £(1.0) billion). AUM in Mutual Funds finished the period at £107.8 billion (FY 2023: £103.5 billion), with net operating revenue including performance fees of £347.7 million (H1 2023: £368.9 million). The net operating revenue margin excluding performance fees reduced 2 basis points to 67 basis points (FY 2023: 69 basis points).

Our Institutional business area saw net outflows of £(2.5) billion (H1 2023: £(5.4) billion), as outflows from regional equity strategies were partially mitigated by flows from Solutions mandates. Institutional AUM increased to £140.7 billion (FY 2023: £134.2 billion). Institutional net operating revenue including performance fees was £232.1 million (H1 2023: £252.3 million), while the net operating revenue margin excluding performance fees reduced 1 basis point to 34 basis points (FY 2023: 35 basis points).

Asset Management joint ventures and associates

Our total share of profits from Asset Management JVs and associates was £20.8 million (H1 2023: £33.9 million), reflecting lower average AUM following outflows in 2023. Asset Management JVs and associates gathered NNB of £7.6 billion, helping increase AUM by 8%, which finished the period at £101.4 billion (FY 2023: £93.9 billion).

Outlook

As we look to the next six months, we will remain focused on delivering strong investment outcomes for clients, maintaining good cost discipline and continuing to innovate, using new technology and strategic partnerships such as the launch of Future Growth Capital with Phoenix Group, to maintain our leadership position as a global asset manager.

We are encouraged by the new business opportunities we are seeing, notwithstanding the current backdrop of macroeconomic uncertainties and industry dynamics.

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Copies of this announcement are available on the Schroders website: www.schroders.com. Peter Harrison, Group Chief Executive, and Richard Oldfield, Chief Financial Officer, are hosting a presentation for the investment community to discuss the Group's half-year results at 9.00 a.m. BST on Thursday, 1 August 2024. Once registered on https://www.schroders.events/HY2024 a link to the call will be shared via email. A replay will be available from 4.00 p.m. BST on Thursday, 1 August 2024 at www.schroders.com/ir. Please visit www.schroders.com/ir to learn how we handle personal data.

Forward-looking statements

This announcement and the Schroders website may contain forward-looking statements with respect to the financial condition, performance and position, strategy, results of operations and businesses of the Schroders Group. Such statements and forecasts involve risk and uncertainty because they are based on current expectations and assumptions but relate to events and depend upon circumstances in the future; you should not place reliance on them. Without limitation, any statements preceded or followed by or that include the words 'to deliver', 'targets', 'plans', 'sees', 'believes', 'expects', 'aims', 'confident', 'will have', 'will be', 'will ensure', 'likely', 'estimates', 'foresee' or 'anticipates' or the negative of these terms or other similar terms are intended to identify such forward-looking statements. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by forward-looking statements and forecasts. Forward-looking statements and forecasts are based on the Directors' current view and information known to them at the date of this statement. The Directors do not make any undertaking to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Nothing in this announcement or on the Schroders website should be construed as a forecast, estimate or projection of future financial performance.

Additional information

Assets under management (AUM)

£bn	1 January 2024	Gross inflows	Gross outflows	Net flows	Acquisitions	Markets, FX and investment performance [1]	30 June 2024
Private Markets	**66.2**	5.1	(2.1)	**3.0**	-	(0.7)	**68.5**
Solutions	**228.3**	15.3	(23.2)	**(7.9)**	-	0.4	**220.8**
Mutual Funds	**103.5**	17.4	(17.6)	**(0.2)**	-	4.5	**107.8**
Institutional	**134.2**	15.1	(17.6)	**(2.5)**	-	9.0	**140.7**
Asset Management	**532.2**	52.9	(60.5)	**(7.6)**	-	13.2	**537.8**
Advised	**68.7**	6.6	(4.2)	**2.4**	0.9	3.3	**75.3**
Platform	**18.9**	1.5	(1.0)	**0.5**	-	0.8	**20.2**
Managed	**22.6**	1.9	(1.1)	**0.8**	-	0.6	**24.0**
Wealth Management	**110.2**	10.0	(6.3)	**3.7**	0.9	4.7	**119.5**
Total excl. JVs and Associates	**642.4**	62.9	(66.8)	**(3.9)**	0.9	17.9	**657.3**
JVs and Associates	**108.2**	198.4	(190.6)	**7.8**	-	0.4	**116.4**
Group total	**750.6**	261.3	(257.4)	**3.9**	0.9	18.3	**773.7**

[1] Includes currency movements, which decreased AUM by £5.9 billion excluding JVs and Associates and £6.8 billion for the Group total.

Client investment performance

Client investment performance is a measure of how investments are performing relative to a benchmark or other comparator. As an active asset manager, we prioritise consistently delivering positive investment outcomes for our clients which is why our three-year investment performance is a key performance indicator for the Group. It is calculated internally by Schroders to give shareholders and financial analysts general guidance on how our invested assets are performing. The data is aggregated and is intended to provide information for comparison to prior reporting periods only. It is not intended for clients or potential clients investing in our products. All calculations for investment performance are made gross of fees with the exception of those for which the stated comparator is a net of fees competitor ranking. When a product's investment performance is disclosed in product or client documentation it is specific to the strategy or product. Performance will either be shown net of fees at the relevant fund share-class level, or it will be shown gross of fees with a fee schedule for the strategy supplied.

	Percentage of assets outperforming		
	One year	Three years	Five years
To 30 June 2024	**69%**	**62%**	**78%**
To 31 December 2023	56%	60%	77%

The calculation includes applicable assets under management that have a complete track record over the one-year, three-year and five-year reporting periods, respectively. Applicable assets under management do not include our joint ventures and associates and excludes £86.1 billion of assets, principally comprising those managed by third parties or held on an execution-only basis, the majority of assets managed by Schroders Capital Real Estate Hotels, non-discretionary assets and assets held on a custody-only basis as well as Wealth Management platform assets on the Benchmark Fusion platform. Performance is calculated relative to the relevant comparator for each investment strategy as summarised below. These fall into one of four categories, the percentages for each of which refer to the three-year calculation:

- For 72% of assets included in the calculation, the comparator is the relevant benchmark.
- If the relevant comparator is to competitor rankings, the relative position of the fund to its peer group on a like-for-like basis is used to calculate performance. This applies to 10% of assets in the calculation.
- Assets for which the relevant comparator is an absolute return target are measured against that absolute target. This applies to 12% of assets in the calculation.
- Assets with no specific outperformance objective, including those with a buy and maintain objective, that are measured against a cash alternative, if applicable. This applies to 6% of assets in the calculation.

Consolidated income statement

Six months ended	Notes	**30 June 2024 (unaudited) £m**	30 June 2023 (unaudited) £m
Revenue	2	1,437.5	1,479.9
Cost of sales	2	(300.5)	(310.1)
Net operating revenue		**1,137.0**	**1,169.8**
Of which: Performance fees		*3.8*	*13.1*
Net carried interest income		*11.0*	*19.5*
Net operating revenue excluding performance-based revenues		***1,122.2***	***1,137.2***
Share of profit of associates and joint ventures	9	24.0	34.9
Other operating income		14.2	7.2
Net operating income		**1,175.2**	**1,211.9**
Operating expenses	3	(860.2)	(870.5)
Operating profit		**315.0**	**341.4**
Central costs	3	(28.2)	(23.4)
Net gain on financial instruments and other income		4.7	14.5
Interest income		15.8	9.4
Acquisition costs and related items	3	(31.0)	(42.8)
Restructuring costs	3	–	(23.5)
Profit before tax		**276.3**	**275.6**
Tax	4(a)	(64.1)	(53.1)
Profit after tax		**212.2**	**222.5**
Attributable to:			
Equity holders of Schroders plc		203.9	214.9
Non-controlling interest holders		8.3	7.6
Profit after tax		**212.2**	**222.5**
Earnings per share			
Basic	5	**12.9p**	13.6p
Diluted	5	**12.7p**	13.4p
Operating earnings per share			
Basic	5	**14.7p**	16.8p
Diluted	5	**14.5p**	16.5p

Consolidated statement of comprehensive income

Six months ended	Notes	**30 June 2024 (unaudited) £m**	30 June 2023 (unaudited) £m
Profit after tax		**212.2**	**222.5**
Items that may be reclassified to the income statement:			
Net exchange differences on translation of foreign operations after hedging		(45.7)	(98.9)
Net gain/(loss) on financial assets at fair value through other comprehensive income		0.4	(0.1)
		(45.3)	**(99.0)**
Items that have been reclassified to the income statement		**0.3**	**0.4**
Items that will not be reclassified to the income statement:			
Net actuarial loss on defined benefit pension schemes	11	(3.4)	(13.0)
Tax on items taken directly to other comprehensive income	4(b)	0.9	3.3
		(2.5)	**(9.7)**
Other comprehensive income for the period, net of tax		**(47.5)**	**(108.3)**
Total comprehensive income for the period		**164.7**	**114.2**

Attributable to:		
Equity holders of Schroders plc	156.4	111.4
Non-controlling interest holders	8.3	2.8
Total comprehensive income for the period	**164.7**	**114.2**

Consolidated statement of financial position

	Notes	30 June 2024 (unaudited) £m	31 December 2023 (audited) £m
Assets			
Cash and cash equivalents		3,834.6	3,649.9
Trade and other receivables	7	1,324.5	920.4
Financial assets	7	3,104.9	2,827.1
Associates and joint ventures	9	519.1	531.7
Property, plant and equipment		451.5	464.3
Goodwill and intangible assets	10	1,848.7	1,885.2
Deferred tax		184.3	203.9
Retirement benefit scheme surplus	11	136.8	138.3
		11,404.4	**10,620.8**
Assets backing unit-linked liabilities			
Cash and cash equivalents		569.6	453.1
Financial assets		9,824.5	9,555.0
	7	**10,394.1**	**10,008.1**
Total assets		**21,798.5**	**20,628.9**
Liabilities			
Trade and other payables	7	1,415.2	1,087.5
Financial liabilities	7	4,831.1	4,578.2
Current tax		31.9	12.6
Issued debt	8	251.9	–
Lease liabilities		308.8	318.7
Provisions		21.8	23.0
Deferred tax		124.6	128.3
Retirement benefit scheme deficits		7.8	8.8
		6,993.1	**6,157.1**
Unit-linked liabilities	7	**10,394.1**	**10,008.1**
Total liabilities		**17,387.2**	**16,165.2**
Net assets		**4,411.3**	**4,463.7**
Total equity excluding non-controlling interest		4,330.6	4,390.6
Non-controlling interest		80.7	73.1
Total equity		**4,411.3**	**4,463.7**

Consolidated statement of changes in equity

Six months ended 30 June 2024 (unaudited)	Notes	Attributable to owners of the parent								
		Share capital £m	Share premium £m	Own shares £m	Net exchange differences reserve £m	Associates and joint ventures reserve £m	Profit and loss reserve £m	Total £m	Non-controlling interest £m	Total equity £m
At 1 January 2024		**322.4**	**84.3**	**(172.1)**	**234.9**	**215.2**	**3,705.9**	**4,390.6**	**73.1**	**4,463.7**
Profit for the period		–	–	–	–	21.2	182.7	203.9	8.3	212.2
Other comprehensive income[1]		–	–	–	(45.7)	–	(1.8)	(47.5)	–	(47.5)
Total comprehensive income for the period		**–**	**–**	**–**	**(45.7)**	**21.2**	**180.9**	**156.4**	**8.3**	**164.7**
Own shares purchased	13	–	–	(35.9)	–	–	–	(35.9)	–	(35.9)
Share-based payments		–	–	–	–	–	13.6	13.6	–	13.6
Tax in respect of share schemes	4(c)	–	–	–	–	–	0.2	0.2	–	0.2
Other movements[2]		–	–	–	–	–	38.7	38.7	0.2	38.9
Dividends	6	–	–	–	–	–	(233.0)	(233.0)	(0.9)	(233.9)
Transactions with shareholders		**–**	**–**	**(35.9)**	**–**	**–**	**(180.5)**	**(216.4)**	**(0.7)**	**(217.1)**
Transfers		**–**	**–**	**64.0**	**–**	**(15.4)**	**(48.6)**	**–**	**–**	**–**
At 30 June 2024		**322.4**	**84.3**	**(144.0)**	**189.2**	**221.0**	**3,657.7**	**4,330.6**	**80.7**	**4,411.3**

[1]Other comprehensive income reported in the net exchange differences reserve comprises the net foreign exchange loss on the translation of foreign operations net of hedging. Other comprehensive income reported in the profit and loss reserve comprises the post-tax actuarial loss on the Group's retirement benefit schemes and post-tax fair value movements on financial assets at fair value through other comprehensive income.
[2]Other movements in the profit or loss reserve principally comprise movements relating to financial liabilities in respect of options to purchase the remaining non-controlling interest in certain subsidiaries (see note 7).

Consolidated statement of changes in equity

Six months ended 30 June 2023 (unaudited)	Notes	Share capital £m	Share premium £m	Own shares £m	Net exchange differences reserve £m	Associates and joint ventures reserve £m	Profit and loss reserve £m	Total £m	Non-controlling interest £m	Total equity £m
		Attributable to owners of the parent								
At 1 January 2023		**322.4**	**84.3**	**(185.1)**	**291.2**	**203.6**	**3,639.5**	**4,355.9**	**123.8**	**4,479.7**
Profit for the period		–	–	–	–	30.8	184.1	214.9	7.6	222.5
Other comprehensive income[1]		–	–	–	(94.1)	–	(9.4)	(103.5)	(4.8)	(108.3)
Total comprehensive income for the period		**–**	**–**	**–**	**(94.1)**	**30.8**	**174.7**	**111.4**	**2.8**	**114.2**
Own shares purchased	13	–	–	(61.8)	–	–	–	(61.8)	–	(61.8)
Share-based payments		–	–	–	–	–	30.2	30.2	–	30.2
Tax in respect of share schemes	4(c)	–	–	–	–	–	0.5	0.5	–	0.5
Other movements[2]		–	–	–	–	–	15.6	15.6	(0.5)	15.1
Dividends	6	–	–	–	–	–	(232.2)	(232.2)	(0.2)	(232.4)
Transactions with shareholders		**–**	**–**	**(61.8)**	**–**	**–**	**(185.9)**	**(247.7)**	**(0.7)**	**(248.4)**
Transfers		**–**	**–**	**72.2**	**–**	**(27.8)**	**(44.4)**	**–**	**–**	**–**
At 30 June 2023		**322.4**	**84.3**	**(174.7)**	**197.1**	**206.6**	**3,583.9**	**4,219.6**	**125.9**	**4,345.5**

[1]Other comprehensive income reported in the net exchange differences reserve comprises the net foreign exchange loss on the translation of foreign operations net of hedging. Other comprehensive income reported in the profit and loss reserve comprises the post-tax actuarial loss on the Group's retirement benefit schemes and post-tax fair value movements on financial assets at fair value through other comprehensive income.
[2]Other movements in the profit or loss reserve principally comprise movements relating to financial liabilities in respect of options to purchase the remaining non-controlling interest in certain subsidiaries (see note 7).

Consolidated cash flow statement

	Notes	Six months ended 30 June 2024 (unaudited) £m	Six months ended 30 June 2023 (unaudited) £m
Net cash from/(used in) operating activities[1]	14	**700.8**	**(493.1)**
Cash flows from investing activities			
Net acquisition of businesses, associates and joint ventures		(0.5)	(5.1)
Net acquisition of property, plant and equipment and software		(35.3)	(34.7)
Acquisition of financial assets		(1,763.7)	(852.6)
Disposal of financial assets		1,459.6	932.6
Non-banking interest received		18.8	11.1
Distributions received from associates and joint ventures		0.4	22.1
Net cash (used in)/from investing activities		**(320.7)**	**73.4**
Cash flows from financing activities			
Proceeds from issued debt		248.8	–
Purchase of subsidiary shares from non-controlling interest holders	8	(5.5)	(10.5)
Lease payments		(23.5)	(23.9)
Acquisition of own shares	13	(35.9)	(61.8)
Dividends paid	6	(233.9)	(232.4)
Other		(0.5)	(1.1)
Net cash used in financing activities		**(50.5)**	**(329.7)**
Net increase/(decrease) in cash and cash equivalents		**329.6**	**(749.4)**
Opening cash and cash equivalents		4,103.0	5,045.3
Net increase/(decrease) in cash and cash equivalents		329.6	(749.4)
Effect of exchange rate changes		(28.4)	(45.8)
Closing cash and cash equivalents		**4,404.2**	**4,250.1**
Closing cash and cash equivalents consists of:			
Cash and cash equivalents available for use by the Group		3,825.0	3,799.3
Cash held in consolidated pooled investment vehicles		9.6	16.4
Cash and cash equivalents presented within assets		**3,834.6**	**3,815.7**
Cash and cash equivalents presented within assets backing unit-linked liabilities		569.6	434.4
Closing cash and cash equivalents		**4,404.2**	**4,250.1**

[1]Includes Wealth Management interest income received of £113.9 million (H1 2023: £97.4 million) and interest expense paid of £90.1 million (H1 2023: £67.2 million).

Explanatory notes to the financial statements

1. Presentation of the financial statements

(a) Basis of preparation

The condensed consolidated financial statements for the half-year ended 30 June 2024 (the Half-year financial statements) have been prepared in accordance with UK-adopted International Accounting Standard 34 Interim Financial Reporting and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority. The Half-year financial statements should be read in conjunction with the Annual Report and Accounts for the year ended 31 December 2023. The Group's accounting policies, areas of significant judgement and the key sources of estimation uncertainty are consistent with those applied to the consolidated financial statements as at, and for, the year ended 31 December 2023.

The 2023 annual financial statements of the Group were prepared in accordance with UK-adopted international accounting standards and in conformity with the requirements of the Companies Act 2006.

The Half-year financial statements are unaudited and do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006 (the Act). Within the notes to the Half-year financial statements, all current and comparative data covering periods to (or as at) 30 June is unaudited. Data given in respect of the year ended 31 December 2023 is audited. The statutory accounts for the year ended 31 December 2023 have been delivered to the Registrar of Companies. The auditor's opinion on those accounts was unmodified, did not contain an Emphasis of Matter paragraph and did not contain a statement made under Section 498 of the Act.

(b) Future developments

The Group did not implement the requirements of any standards or interpretations that were in issue but were not required to be adopted by the Group at the half year. No standards or interpretations have been issued that are expected to have an impact on the Group's Half-year financial statements.

(c) Going concern

In making an assessment on going concern, the Directors have considered a wide range of information relating to present and future conditions, including future capital requirements, prediction of profitability and cash flows. These assessments showed the Group has sufficient capital and liquidity to support future business requirements and adequate resources to continue as a going concern for at least 12 months following approval of the Half-year financial statements.

2. Segmental reporting

(a) Operating segments

The Group has two operating segments: Asset Management and Wealth Management. The Asset Management segment principally comprises investment management including advisory services in respect of equity, fixed income, multi-asset and private assets and alternatives products. The Wealth Management segment principally comprises investment management, wealth planning and financial advice, platform services and banking services.

Segmental information is presented on the same basis as that provided for internal reporting purposes to the Group's chief operating decision maker, the Group Chief Executive.

Operating expenses represent the costs incurred in running the Asset Management and Wealth Management segments and include an allocation of costs between the individual business segments on a basis that aligns the charge with the resources employed by the Group in respect of particular business functions. This allocation provides management with the relevant information as to the business performance to effectively manage and control expenditure. Operating expenses exclude items related to acquisitions, central management activities and certain restructuring costs (see note 3). The reconciliation of operating profit to profit before tax is available on the income statement.

Six months ended 30 June 2024	**Asset Management £m**	**Wealth Management £m**	**Total £m**
Revenue	1,110.7	326.8	1,437.5
Cost of sales	(203.6)	(96.9)	(300.5)
Net operating revenue	**907.1**	**229.9**	**1,137.0**
Of which: Performance fees	*3.7*	*0.1*	*3.8*
Net carried interest income	*11.0*	*–*	*11.0*
Net operating revenue excluding performance-based revenues	***892.4***	***229.8***	***1,122.2***
Share of profit of associates and joint ventures	20.8	3.2	24.0
Other operating income	7.1	7.1	14.2
Net operating income	**935.0**	**240.2**	**1,175.2**
Operating expenses	(703.7)	(156.5)	(860.2)
Operating profit	**231.3**	**83.7**	**315.0**

Six months ended 30 June 2023	Asset Management £m	Wealth Management £m	Total £m
Revenue	1,194.1	285.8	1,479.9
Cost of sales	(234.3)	(75.8)	(310.1)
Net operating revenue	**959.8**	**210.0**	**1,169.8**
Of which: Performance fees	*13.1*	*–*	*13.1*
Net carried interest income	*19.5*	*–*	*19.5*
Net operating revenue excluding performance-based revenues	***927.2***	***210.0***	***1,137.2***
Share of profit of associates and joint ventures	33.9	1.0	34.9
Other operating income	2.3	4.9	7.2
Net operating income	**996.0**	**215.9**	**1,211.9**
Operating expenses	(730.5)	(140.0)	(870.5)
Operating profit	**265.5**	**75.9**	**341.4**

2. Segmental reporting (continued)

(b) Net operating revenue by segment:

Six months ended 30 June 2024	**Asset Management £m**	**Wealth Management £m**	**Total £m**
Management fees	1,087.6	186.8	1,274.4
Performance fees	3.7	0.1	3.8
Carried interest	13.4	–	13.4
Other fees	6.0	18.6	24.6
Wealth Management interest income	–	121.3	121.3
Revenue	**1,110.7**	**326.8**	**1,437.5**
Fee expense	(201.2)	(6.8)	(208.0)
Cost of financial obligations in respect of carried interest	(2.4)	–	(2.4)
Wealth Management interest expense	–	(90.1)	(90.1)
Cost of sales	**(203.6)**	**(96.9)**	**(300.5)**
Net operating revenue	**907.1**	**229.9**	**1,137.0**

Six months ended 30 June 2023	Asset Management £m	Wealth Management £m	Total £m
Management fees	1,137.5	170.3	1,307.8
Performance fees	13.1	–	13.1
Carried interest	35.9	–	35.9
Other fees	7.6	18.1	25.7
Wealth Management interest income	–	97.4	97.4
Revenue	**1,194.1**	**285.8**	**1,479.9**
Fee expense	(217.9)	(8.6)	(226.5)
Cost of financial obligations in respect of carried interest	(16.4)	–	(16.4)
Wealth Management interest expense	–	(67.2)	(67.2)
Cost of sales	**(234.3)**	**(75.8)**	**(310.1)**
Net operating revenue	**959.8**	**210.0**	**1,169.8**

2. Segmental reporting (continued)

(c) Net operating revenue by region based on the location of clients:

Six months ended 30 June 2024	**UK £m**	**Continental Europe & Middle East £m**	**Asia Pacific £m**	**Americas £m**	**Total £m**
Management fees	447.1	392.5	264.2	170.6	1,274.4
Performance fees	0.2	0.3	1.6	1.7	3.8
Carried interest	–	13.4	–	–	13.4
Other fees	16.8	5.1	2.7	–	24.6
Wealth Management interest income	111.9	7.9	1.5	–	121.3
Revenue	**576.0**	**419.2**	**270.0**	**172.3**	**1,437.5**
Fee expense	(25.4)	(95.7)	(69.1)	(17.8)	(208.0)
Cost of financial obligations in respect of carried interest	–	(2.4)	–	–	(2.4)
Wealth Management interest expense	(89.3)	(0.4)	(0.4)	–	(90.1)
Cost of sales	**(114.7)**	**(98.5)**	**(69.5)**	**(17.8)**	**(300.5)**
Net operating revenue	**461.3**	**320.7**	**200.5**	**154.5**	**1,137.0**

Six months ended 30 June 2023	UK £m	Continental Europe & Middle East £m	Asia Pacific £m	Americas £m	Total £m
Management fees	437.6	398.7	290.3	181.2	1,307.8
Performance fees	5.1	3.3	1.6	3.1	13.1
Carried interest	–	35.9	–	–	35.9
Other fees	17.5	5.6	2.6	–	25.7
Wealth Management interest income	85.8	9.8	1.8	–	97.4
Revenue	**546.0**	**453.3**	**296.3**	**184.3**	**1,479.9**
Fee expense	(28.7)	(93.8)	(78.4)	(25.6)	(226.5)
Cost of financial obligations in respect of carried interest	–	(16.4)	–	–	(16.4)
Wealth Management interest expense	(66.3)	(0.5)	(0.4)	–	(67.2)
Cost of sales	**(95.0)**	**(110.7)**	**(78.8)**	**(25.6)**	**(310.1)**
Net operating revenue	**451.0**	**342.6**	**217.5**	**158.7**	**1,169.8**

3. Total expenses

Expenses comprise operating expenses, central costs, acquisition costs and related items and restructuring costs. Operating expenses are those costs incurred through the operating activities of the Group's operating segments; Asset Management and Wealth Management. Central costs are those arising from capital and treasury management activities, corporate development and strategy activities and the costs associated with the governance and corporate management of the Group. Acquisition costs and related items include deal costs associated with corporate transactions and costs associated with the integration of acquired businesses and amortisation of acquired intangible assets. The restructuring costs are one-off in nature and have been incurred in reorganising parts of the Group to drive cost efficiencies and allow reinvestment in building the skills needed to support the future growth of the business. They principally comprise compensation-related costs and project expenditure.

Six months ended	**30 June 2024 £m**	30 June 2023 £m
Operating expenses	860.2	870.5
Central costs	28.2	23.4
Acquisition costs and related items	31.0	42.8
Restructuring costs	–	23.5
Total expenses	**919.4**	**960.2**

Six months ended	**30 June 2024 £m**	30 June 2023 £m
Salaries, wages and other remuneration	490.8	512.7
Social security costs	47.4	49.5
Pension costs	38.3	34.7
Employee benefits expense	**576.5**	**596.9**
Net gain on financial instruments held to hedge deferred cash awards	(16.6)	(2.5)
Employee benefits expense – net of hedging	**559.9**	**594.4**

The employee benefits expense net of hedging includes £14.8 million (H1 2023: £14.0 million) that is presented within central costs, £0.1 million (H1 2023: £0.9 million) presented within acquisition costs and related items and nil (H1 2023: £21.6 million) presented within restructuring costs.

4. Tax expense

(a) Analysis of tax charge reported in the income statement

Six months ended	30 June 2024 £m	30 June 2023 £m
UK current year charge	29.0	37.8
Pillar Two top-up tax	0.9	–
Rest of the world current year charge	19.8	30.0
Prior year adjustments	0.5	1.3
Total current tax	**50.2**	**69.1**
Origination and reversal of temporary differences	13.9	(13.6)
Effect of changes in corporation tax rates	–	(2.4)
Total deferred tax	**13.9**	**(16.0)**
Tax charge reported in the income statement	**64.1**	**53.1**

The tax charge for the six months ended 30 June 2024 is calculated based on a forecast full year effective tax rate for the Group which is then applied to the actual profits for the half year.

The Group is subject to the global minimum top-up tax under Pillar Two legislation. The top-up tax relates to the Group's operations in Dubai, Singapore and Guernsey, and is levied on the ultimate parent company. The Group has applied the mandatory IAS 12 temporary exemption from the recognition and disclosure of deferred taxes arising from implementation of the OECD's Pillar Two model rules.

(b) Analysis of tax credit reported in other comprehensive income

Six months ended	30 June 2024 £m	30 June 2023 £m
Deferred tax credit on actuarial loss on defined benefit pension schemes	(0.9)	(3.3)
Tax credit reported in other comprehensive income	**(0.9)**	**(3.3)**

(c) Analysis of tax credit reported in equity

Six months ended	30 June 2024 £m	30 June 2023 £m
Current tax credit on Deferred Award Plan and other share-based remuneration	(0.2)	(0.8)
Deferred tax charge on Deferred Award Plan and other share-based remuneration	–	0.3
Tax credit reported in equity	**(0.2)**	**(0.5)**

5. Earnings per share

Reconciliation of the figures used in calculating basic and diluted earnings per share:

Six months ended	**30 June 2024 Number Millions**	30 June 2023 Number Millions
Weighted average number of shares used in the calculation of basic earnings per share	1,579.4	1,575.9
Effect of dilutive potential shares – share options	23.2	25.2
Effect of dilutive potential shares – contingently issuable shares	–	0.3
Weighted average number of shares used in the calculation of diluted earnings per share	**1,602.6**	**1,601.4**

Earnings per share calculations are based on profit after tax of £212.2 million (H1 2023: £222.5 million) less non-controlling interest earnings of £8.3 million (H1 2023: £7.6 million). Operating earnings per share calculations are based on operating profit after tax of £243.1 million (H1 2023: £274.9 million) less non-controlling interest operating earnings of £10.4 million (H1 2023: £10.0 million).

6. Dividends

	30 June 2024		30 June 2023	
Six months ended	**£m**	**Pence per share**	£m	Pence per share
Prior year final dividend paid	**233.0**	**15.0**	232.2	15.0

The Board has declared an interim dividend of 6.5 pence per share (2023 interim dividend: 6.5 pence), amounting to £101.1 million (H1 2023: £100.8 million) in total. The dividend will be paid on 26 September 2024 to shareholders on the register at 23 August 2024.

The Group paid £0.9 million of dividends to holders of non-controlling interests in subsidiaries of the Group during the six months ended 30 June 2024 (H1 2023: £0.2 million), resulting in total dividends paid of £233.9 million (H1 2023: £232.4 million).

The Company offers a dividend reinvestment plan (DRIP). The last date for shareholders to elect to participate in the DRIP for the purposes of the 2024 interim dividend is 5 September 2024. Further details are available on the Group's website.

7. Fair value measurement disclosures

Estimates and judgements

The Group holds financial instruments that are measured at fair value. The fair value of financial instruments may be derived from readily available sources or may require some estimation. The degree of estimation involved depends on the individual financial instrument and is reflected in the fair value hierarchy below. Judgements may include determining which valuation approach to apply as well as determining appropriate assumptions. For level 2 and 3 financial instruments, the judgement applied by the Group gives rise to an estimate of fair value. The approach to determining the fair value estimate of level 2 and 3 financial instruments is set out below. The fair value levels are based on the degree to which the fair value is observable and are defined as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities and principally comprise investments in pooled investment vehicles, quoted equities, government debt and exchange-traded derivatives.
- Level 2 fair value measurements are those derived from prices that are not traded in an active market but are determined using valuation techniques, which make maximum use of observable market data. The Group's level 2 financial instruments principally comprise foreign exchange contracts, certain debt securities and asset and mortgage-backed securities. Valuation techniques may include using a broker quote in an inactive market or an evaluated price based on a compilation of primarily observable market information utilising information readily available via external sources. For funds not priced on a daily basis, the net asset value that is issued monthly or quarterly is used.
- Level 3 fair value measurements are those derived from valuation techniques that include significant inputs that are not based on observable market data. The Group's level 3 financial assets principally comprise holdings in pooled investment vehicles, including private equity funds, and holdings in property investment vehicles that operate hotel businesses. The pooled investment vehicles are measured in accordance with International Private Equity and Venture Capital Valuation Guidelines 2022 using the valuation technique that is most suitable to the applicable investment. The property investment vehicles are valued based on the expected future cash flows that could be generated from the underlying hotel businesses. Given the application of different valuation techniques, and as the investments are not homogenous in nature, there are no significant assumptions or reasonably possible alternatives that would lead to a material change in fair value.

  The Group's financial liabilities categorised as level 3 principally consist of third party liabilities related to carried interest arrangements, obligations arising from contingent consideration and other liabilities to purchase the remaining interest in acquired subsidiaries. Liabilities in respect of options to purchase the remaining interest in certain subsidiaries require judgement in determining the appropriate assumptions to be applied in the estimation of the fair value. The amount that will ultimately be paid in relation to an option is dependent on the future earnings of the subsidiary and may be subject to a cap over the enterprise value. In estimating the liability, the assumptions principally relate to the future earnings of the business, the market multiple applied to the earnings and the rate applied to discount the liability back to present value. The future earnings of the applicable subsidiaries are estimated based on cash flow forecasts specific to the individual business and consequently there is no one assumption that is individually material to the valuation. Market multiples are applied to the forecast earnings to estimate the fair value of the business. Market multiples reflect the nature of the business and take into account observable market transactions where appropriate. Market multiples range from 10 to 15 times earnings. An increase/decrease in market multiples of one would increase/decrease the financial liability by £7 million/£7 million (2023: £10 million/£10 million). Discount rates between 11% and 12% have been used to discount these liabilities. An increase/decrease in the discount rate of 1% would decrease/increase the financial liability by £3 million/£3 million (2023: £5 million/£5 million). The remaining level 3 liabilities are measured using different valuation methodologies and assumptions, and there are no significant assumptions or reasonably possible alternatives that would lead to a material change in fair value.

7. Fair value measurement disclosures (continued)

The Group holds certain assets and liabilities at fair value. Their categorisation within the fair value hierarchy is shown below:

	30 June 2024				
	Level 1 £m	**Level 2 £m**	**Level 3 £m**	**Not at fair value £m**	**Total £m**
Financial assets at amortised cost:					
Loans and advances to banks	–	–	–	419.0	419.0
Loans and advances to clients	–	–	–	460.2	460.2
Debt securities	–	–	–	370.4	370.4
	–	**–**	**–**	**1,249.6**	**1,249.6**
Financial assets at fair value through other comprehensive income:					
Debt securities	774.3	3.2	10.3	–	787.8
	774.3	**3.2**	**10.3**	**–**	**787.8**
Financial assets at fair value through profit or loss:					
Debt securities	12.0	73.9	–	–	85.9
Pooled investment vehicles	571.5	23.0	195.0	–	789.5
Equities	149.6	11.1	27.8	–	188.5
Derivative contracts	–	3.6	–	–	3.6
	733.1	**111.6**	**222.8**	**–**	**1,067.5**
Total financial assets	**1,507.4**	**114.8**	**233.1**	**1,249.6**	**3,104.9**
Trade and other receivables	**2.4**	**–**	**–**	**1,322.1**	**1,324.5**
Assets backing unit-linked liabilities	**8,091.2**	**1,744.7**	**12.1**	**546.1**	**10,394.1**
	9,601.0	**1,859.5**	**245.2**	**3,117.8**	**14,823.5**
Financial liabilities at amortised cost:					
Client accounts	–	–	–	4,321.8	4,321.8
Deposits by banks	–	–	–	163.8	163.8
	–	**–**	**–**	**4,485.6**	**4,485.6**
Financial liabilities at fair value through profit or loss:					
Derivative contracts	0.2	4.2	–	–	4.4
Other financial liabilities	110.9	–	95.4	–	206.3
	111.1	**4.2**	**95.4**	**–**	**210.7**
Liabilities to purchase subsidiary shares	**–**	**–**	**134.8**	**–**	**134.8**
Total financial liabilities	**111.1**	**4.2**	**230.2**	**4,485.6**	**4,831.1**
Trade and other payables	**238.2**	**–**	**–**	**1,177.0**	**1,415.2**
Unit-linked liabilities	**10,275.1**	**11.2**	**–**	**107.8**	**10,394.1**
	10,624.4	**15.4**	**230.2**	**5,770.4**	**16,640.4**

7. Fair value measurement disclosures (continued)

	31 December 2023				
	Level 1 £m	Level 2 £m	Level 3 £m	Not at fair value £m	Total £m
Financial assets at amortised cost:					
Loans and advances to banks	–	–	–	397.9	397.9
Loans and advances to clients	–	–	–	446.0	446.0
Debt securities	–	–	–	356.7	356.7
	–	**–**	**–**	**1,200.6**	**1,200.6**
Financial assets at fair value through other comprehensive income:					
Debt securities	697.6	3.2	10.6	–	711.4
	697.6	**3.2**	**10.6**	**–**	**711.4**
Financial assets at fair value through profit or loss:					
Debt securities	13.6	64.7	–	–	78.3
Pooled investment vehicles	420.2	10.3	200.6	–	631.1
Equities	153.3	9.9	27.5	–	190.7
Derivative contracts	–	15.0	–	–	15.0
	587.1	**99.9**	**228.1**	**–**	**915.1**
Total financial assets	**1,284.7**	**103.1**	**238.7**	**1,200.6**	**2,827.1**
Trade and other receivables	**2.2**	**–**	**–**	**918.2**	**920.4**
Assets backing unit-linked liabilities	**7,622.0**	**1,866.3**	**18.3**	**501.5**	**10,008.1**
	8,908.9	**1,969.4**	**257.0**	**2,620.3**	**13,755.6**
Financial liabilities at amortised cost:					
Client accounts	–	–	–	4,135.0	4,135.0
Deposits by banks	–	–	–	64.4	64.4
	–	**–**	**–**	**4,199.4**	**4,199.4**
Financial liabilities at fair value through profit or loss:					
Derivative contracts	1.5	10.7	–	–	12.2
Other financial liabilities	92.1	–	96.9	–	189.0
	93.6	**10.7**	**96.9**	**–**	**201.2**
Liabilities to purchase subsidiary shares	**–**	**–**	**177.6**	**–**	**177.6**
Total financial liabilities	**93.6**	**10.7**	**274.5**	**4,199.4**	**4,578.2**
Trade and other payables	**211.8**	**–**	**–**	**875.7**	**1,087.5**
Unit-linked liabilities	**9,960.4**	**32.8**	**–**	**14.9**	**10,008.1**
	10,265.8	**43.5**	**274.5**	**5,090.0**	**15,673.8**

The Group has recognised a net gain on financial instruments at fair value through profit or loss of £13.0 million (H1 2023: loss of £20.0 million).

7. Fair value measurement disclosures (continued)

The fair value of financial assets at amortised cost approximates to their carrying value. No financial assets were transferred between levels during the period (2023: none).

Movements in assets and liabilities categorised as level 3 during the period were:

	2024			
	Financial assets at FVTPL £m	**Assets backing unit-linked liabilities £m**	**Financial liabilities at FVTPL £m**	**Liabilities to purchase subsidiary shares £m**
At 1 January	228.1	18.3	96.9	177.6
Exchange translation adjustments	(2.1)	(0.1)	(0.7)	–
Net gain/(loss) recognised in the income statement	0.1	(3.3)	2.5	–
Remeasurements	–	–	–	(38.9)
Additions	10.0	–	0.4	–
Disposals and settlements	(13.3)	(2.8)	(3.7)	(3.9)
At 30 June	**222.8**	**12.1**	**95.4**	**134.8**

	2023			
	Financial assets at FVTPL £m	Assets backing unit-linked liabilities £m	Financial liabilities at FVTPL £m	Liabilities to purchase subsidiary shares £m
At 1 January	191.2	22.8	91.4	218.7
Exchange translation adjustments	(6.2)	(0.4)	(3.5)	(1.1)
Net gain/(loss) recognised in the income statement	21.6	(0.3)	20.5	–
Remeasurements	–	–	–	(37.9)
Additions	34.8	–	2.7	–
Disposals and settlements	(13.3)	(3.8)	(14.2)	(2.1)
At 31 December	**228.1**	**18.3**	**96.9**	**177.6**

8. Issued debt

	30 June 2024 £m	31 December 2023 £m
Subordinated debt in issue	**251.9**	**–**

On 18 April 2024, the Group issued £250.0 million of subordinated notes, which are eligible as Tier 2 regulatory capital, with a maturity date of 18 July 2034. These notes are financial instruments measured at amortised cost and bear interest at a fixed rate of 6.346% per annum to 18 July 2029, and at a reset rate thereafter. The reset rate would be determined with reference to the then current 5-year gilt yield and the original reoffer spread of 225 basis points. The Group has the option to redeem all of the notes between 18 April 2029 and 18 July 2029. The fair value of the notes at 30 June 2024 was £254.7 million and they would be categorised as level 2 within the fair value hierarchy (see note 7).

9. Associates and joint ventures

	2024			2023		
	Associates £m	**Joint ventures £m**	**Total £m**	Associates £m	Joint ventures £m	Total £m
At 1 January	348.2	183.5	531.7	304.8	192.9	497.7
Exchange translation adjustments	(3.1)	–	(3.1)	(25.9)	(0.3)	(26.2)
Additions[1]	–	0.4	0.4	51.9	2.0	53.9
Disposals	(8.0)	–	(8.0)	(1.1)	(3.3)	(4.4)
Profit/(loss) for the period after tax[2]	20.9	0.3	21.2	47.4	(6.9)	40.5
Impairment	(8.0)	–	(8.0)	–	–	–
Distributions of profit	(15.0)	(0.1)	(15.1)	(28.9)	(0.9)	(29.8)
At 30 June/31 December	**335.0**	**184.1**	**519.1**	**348.2**	**183.5**	**531.7**

[1]In 2023, the 51% holding in Schroder BOCOM Wealth Management Company Limited was reclassified from a subsidiary to an associate. Total assets of £118.6 million, including cash and cash equivalents of £99.7 million, were accordingly derecognised from the statement of financial position. £51.8 million was subsequently recognised as an addition to investments in associates and joint ventures.

[2]Share of profit of associates and joint ventures as presented on the face of the income statement excludes acquisition costs and related items of £2.8 million (H1 2023: £3.3 million) and restructuring costs of nil (H1 2023: £0.8 million), net of tax.

10. Goodwill and intangible assets

	2024			
	Goodwill £m	**Acquired intangible assets £m**	**Software £m**	**Total £m**
Cost				
At 1 January	1,255.0	730.6	632.7	2,618.3
Exchange translation adjustments	(15.3)	(6.2)	(2.7)	(24.2)
Additions[1]	12.4	7.5	25.4	45.3
At 30 June	**1,252.1**	**731.9**	**655.4**	**2,639.4**
Accumulated amortisation				
At 1 January	–	(367.7)	(365.4)	(733.1)
Exchange translation adjustments	–	4.2	1.6	5.8
Amortisation charge for the period	–	(27.7)	(35.7)	(63.4)
At 30 June	**–**	**(391.2)**	**(399.5)**	**(790.7)**
Carrying amount at 30 June	**1,252.1**	**340.7**	**255.9**	**1,848.7**

[1]The Group acquired a controlling interest of 51% in Finura Partners Limited, resulting in £7.5 million of identifiable intangible assets and £11.1 million of Wealth Management goodwill.

10. Goodwill and intangible assets (continued)

	2023			
	Goodwill £m	Acquired intangible assets £m	Software £m	Total £m
Cost				
At 1 January	1,239.7	710.0	573.0	2,522.7
Exchange translation adjustments	2.1	0.6	(0.9)	1.8
Additions	13.2	20.0	67.4	100.6
Disposals	–	–	(6.8)	(6.8)
At 31 December	**1,255.0**	**730.6**	**632.7**	**2,618.3**
Accumulated amortisation				
At 1 January	–	(308.8)	(284.4)	(593.2)
Exchange translation adjustments	–	(0.4)	0.2	(0.2)
Amortisation charge for the year	–	(58.5)	(83.1)	(141.6)
Disposals	–	–	1.9	1.9
At 31 December	**–**	**(367.7)**	**(365.4)**	**(733.1)**
Carrying amount at 31 December	**1,255.0**	**362.9**	**267.3**	**1,885.2**

11. Retirement benefit obligations

Movements in respect of the assets and liabilities of the UK defined benefit scheme, Schroders Retirement Benefits Scheme (the Scheme), are:

	Six months ended 30 June 2024 £m	Year ended 31 December 2023 £m
At 1 January	713.4	706.5
Interest on assets	15.9	33.2
Remeasurement of assets	(34.4)	2.9
Benefits paid	(14.1)	(27.5)
Administrative expenses[1]	(1.2)	(1.7)
Fair value of plan assets	**679.6**	**713.4**
At 1 January	(575.1)	(570.2)
Interest expense	(12.8)	(26.7)
Actuarial gains due to change in demographic assumptions	–	11.1
Actuarial gains/(losses) due to change in financial assumptions	31.0	(12.7)
Actuarial losses due to experience	–	(4.1)
Benefits paid	14.1	27.5
Present value of funded obligations	**(542.8)**	**(575.1)**
Net assets	**136.8**	**138.3**

[1]Following the last completed triennial valuation it was agreed that certain administrative expenses of the Scheme would be paid out of the scheme surplus. The approach will be reviewed as part of the next triennial valuation.

11. Retirement benefit obligations (continued)

On 16 June 2023, the High Court issued a ruling in respect of Virgin Media v NTL Pension Trustees II Limited (and others), which has the potential to affect the Scheme's liabilities. The Court of Appeal upheld this ruling on 25 July 2024. As the assessment of any potential impact is ongoing, no adjustment has been made to the Scheme's liability as at 30 June 2024.

The amount recognised in the statement of comprehensive income includes a loss of nil (H1 2023: loss of £0.6 million) in respect of other defined benefit schemes.

The principal financial assumptions used for the Scheme are:

	Six months ended 30 June 2024 %	Year ended 31 December 2023 %
Discount rate	5.1	4.5
RPI inflation rate	3.2	3.0
CPI inflation rate	2.5	2.3
Future pension increases (for benefits earned before 13 August 2007)	3.0	2.9
Future pension increases (for benefits earned after 13 August 2007)	2.1	2.0

Average number of years a current pensioner is expected to live beyond age 60:	**Years**	Years
Men	27	27
Women	29	29

Average number of years future pensioners currently aged 45 are expected to live beyond age 60:	**Years**	Years
Men	28	28
Women	30	30

The last completed triennial valuation of the Scheme was carried out as at 31 December 2020. The funding level at that date was 107% on the technical provisions basis and no contribution to the Scheme was required. The next triennial valuation is due as at 31 December 2023 and will be completed by 31 December 2024.

12. Share capital and share premium

	2024		
	Number of shares Millions	**Total ordinary shares £m**	**Share premium £m**
At 1 January	1,612.1	322.4	84.3
At 30 June	**1,612.1**	**322.4**	**84.3**

	2023		
	Number of shares Millions	Total ordinary shares £m	Share premium £m
At 1 January	1,612.1	322.4	84.3
At 30 June	**1,612.1**	**322.4**	**84.3**

13. Own shares

Own shares include the Group's shares that are held by employee benefit trusts.

Movements in own shares during the period were as follows:

	2024 £m	2023 £m
At 1 January	(172.1)	(185.1)
Own shares purchased	(35.9)	(61.8)
Awards vested	64.0	72.2
At 30 June	**(144.0)**	**(174.7)**

During the period 9.3 million own shares (H1 2023: 13.3 million own shares) were purchased and held for hedging share-based awards. 13.3 million shares (H1 2023: 14.3 million shares) awarded to employees vested during the period and were transferred out of own shares.

14. Reconciliation of net cash from operating activities

	30 June 2024 £m	30 June 2023 £m
Profit before tax	276.3	275.6
Adjustments for income statement non-cash movements:		
Depreciation of property, plant and equipment and amortisation of intangible assets	95.2	100.2
Net (gain)/loss on financial instruments	(11.8)	20.8
Share-based payments	13.6	30.2
Net charge for provisions	1.2	0.2
Other non-cash movements[1]	(19.1)	(22.5)
	79.1	**128.9**
Adjustments for which the cash effects are investing activities:		
Interest income	(15.8)	(9.4)
Interest expense on lease liabilities	4.6	4.8
Share of profit of associates and joint ventures after amortisation	(21.2)	(30.8)
	(32.4)	**(35.4)**
Adjustments for statement of financial position movements:		
Decrease/(increase) in loans and advances within Wealth Management	60.0	(9.7)
Increase in trade and other receivables	(397.4)	(272.4)
Increase/(decrease) in deposits and client accounts within Wealth Management	307.2	(401.5)
Increase in trade and other payables, other financial liabilities and provisions	315.9	116.5
	285.7	**(567.1)**
Adjustments for Life Company and consolidated pooled investment vehicles movements:		
Net increase in financial assets backing unit-linked liabilities	(269.5)	(933.8)
Net increase in unit-linked liabilities	386.0	763.2
Net increase/(decrease) in cash within consolidated pooled investment vehicles	4.0	(14.1)
	120.5	**(184.7)**
Tax paid	(28.4)	(110.4)
Net cash from/(used in) operating activities	**700.8**	**(493.1)**

[1]Other non-cash movements primarily consist of discount unwind within the net interest margin and exchange translation adjustments, before hedging activities.

Principal risks

Consistent with other asset management and wealth management businesses, we are exposed to a range of risks. These risks, if not managed properly, increase the possibility of the Group not being able to meet its objectives and may lead to losses. Other risks, such as those inherent in taking active investment decisions on behalf of clients, are the risks we are in business to take.

We have assessed our key risks and the principal risks disclosed in the Group's 2023 Annual Report and Accounts (Risk management). The principal risks to which the Group will be exposed in the second half of 2024 are expected to be substantially the same as those described in the 2023 Annual Report and Accounts. They comprise strategic risks, business risks and operational risks.

We believe that we remain well-positioned to manage the challenges that may arise from these principal risks and from the current market environment.

Directors' responsibility statement

On behalf of the Directors, I confirm to the best of my knowledge that the Half-year results:

– Have been prepared in accordance with UK-adopted International Accounting Standard 34, which provides a true and fair view of the assets, liabilities, financial position and profit of the Group;

– Include a fair review of the information required by Disclosure Guidance and Transparency Rule 4.2.7, namely important events that have occurred during the first six months of the financial period and their impact on the Half-year financial statements, as well as a description of the principal risks and uncertainties faced by the Group and the undertakings included in the consolidation taken as a whole for the remaining six months of the financial year; and

– Include, as required by Disclosure Guidance and Transparency Rule 4.2.8, a fair review of material related party transactions that have taken place in the first six months of the financial period and any material changes to the related party transactions described in the last Annual Report and Accounts.

A list of current Directors is maintained on the Schroders plc website: www.schroders.com.

On behalf of the Board

Richard Oldfield

Chief Financial Officer
31 July 2024

Independent review report to Schroders plc

Conclusion

We have been engaged by Schroders plc (the ‘Company’) to review the condensed consolidated financial statements for the half-year ended 30 June 2024 (‘Half-year financial statements’), which comprise the Consolidated income statement, Consolidated statement of comprehensive income, Consolidated statement of financial position, Consolidated statement of changes in equity, Consolidated cash flow statement and Explanatory notes to the Half-year financial statements. We have read the other information contained in the Half-year results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the Half-year financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the Half-year financial statements in the Half-year results for the six months ended 30 June 2024 are not prepared, in all material respects, in accordance with UK-adopted International Accounting Standard 34, "Interim Financial Reporting", and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (‘ISRE 2410’), issued by the Financial Reporting Council. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with UK-adopted international accounting standards. The Half-year financial statements included in the Half-year results have been prepared in accordance with UK-adopted International Accounting Standard 34, "Interim Financial Reporting”.

Conclusions Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis of Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE, however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the Directors

The directors are responsible for preparing the Half-year results in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

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

Auditor’s Responsibilities for the review of financial information

In reviewing the Half-year results, we are responsible for expressing to the Company a conclusion on the Half-year financial statements in the Half-year results. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the ‘Basis for Conclusion’ paragraph of this report.

Use of our report

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Financial Reporting Council. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Ernst & Young LLP
London

31 July 2024