

Schroders Strategy Update and Annual Results 2024

6 March 2025

Returning to profitable growth

"Today, we are setting out a clear plan to return to profitable growth, with ambitious new three-year targets.

"We will re-focus on our considerable areas of strength and have a firm grip on our challenges. Our transformation plan is underway, and will benefit not just our shareholders, but also our people and, most importantly, our clients. We have a strong balance sheet and will deploy our resources and capital rigorously.

"In an era of highly-concentrated and volatile markets, our active, forward-thinking and agile approach optimises the risk-return-cost equation. We are unashamed advocates of the power of active management to address our clients' complex needs.

"Schroders is an exceptional company. We have all we need to ensure this business thrives."

Richard Oldfield, Group Chief Executive

Strategy update – simplify, scale and deliver profitable growth

Our focus on clients will be undiminished as we return to earnings growth through both cost and revenue actions. In Public Markets we will invest in our leading capabilities and broaden client access; in Schroders Capital we will drive flows into our differentiated capabilities; and in Wealth Management we will sustain and build on our successful track record.

Over the next three years we will:

- Deliver £150 million of annualised net cost savings, with £20 million of run-rate savings already delivered in the first quarter of 2025
- Stabilise revenues in Public Markets¹
- Generate cumulative net new business (NNB) in Schroders Capital of £20 billion
- Achieve NNB rate in Wealth Management of 5-7% of opening assets under management (AUM) p.a.

This will reduce our adjusted cost:income ratio from 75% to less than 70%.^{1,2}

The Board intends to hold the dividend at its current level as we bring the payout ratio back towards 50%.

Annual results 2024 – ahead of expectations

- AUM including joint ventures (JVs) and associates up 4% to £778.7 billion.
- Improving near-term trend in client investment performance³: 70% of assets outperformed their comparator over one year; 58% over three years; 76% over five years.
- Positive new business inflows into higher margin business areas: Wealth Management, Schroders Capital and Mutual Funds. Outflows from Solutions and Institutional mandates as forecast at Q3.
- Net operating revenue excluding performance fees and net carried interest up 2% to £2,294.3 million: strong performance in Wealth Management and Schroders Capital.
- Cost discipline ensured a less than 2% increase in operating expenses.
- Operating profit of £640.5 million down 3%: higher operating expenses, lower performance fees and reduced returns from joint ventures and associates.
- Statutory profit before tax up 14% to £558.1 million.
- The Board proposes an unchanged final dividend of 15.0 pence per share.

¹ Subject to normal market conditions.

² Refer to page 5 for more information on adjusted cost:income ratio.

³ Refer to page 11 for more information about client investment performance.

Annual results – financial summary

£m	Year ended 31 December 2024	Year ended 31 December 2023	% change
AUM including JVs and associates (£bn)	778.7	750.6	4%
Net new business including JVs and associates (£bn)	(4.7)	1.0	NA
Net operating revenue excluding performance fees and net carried interest	2,294.3	2,250.2	2%
Net operating income	2,426.8	2,419.0	-
Operating expenses	(1,786.3)	(1,758.0)	2%
Operating profit	640.5	661.0	(3%)
Restructuring costs	-	(86.2)	(100%)
Profit before tax	558.1	487.6	14%
Basic earnings per share (pence)	26.4	24.6	7%
Dividend per share (pence)	21.5	21.5	-

Strategy update

As part of today's results presentation, Schroders Executive Directors, Richard Oldfield (Group Chief Executive, CEO), Meagen Burnett (Chief Financial Officer, CFO) and Johanna Kyrklund (Group Chief Investment Officer, CIO) will present an update on the Company's strategy.

Client relevance

In a world of concentrated and volatile public markets, clients need an investment approach that balances risk and reward, that is agile, and that is future-focused. We believe this is only achieved through active management.

We are committed to addressing our clients' needs through active investment management and advice. We have evolved our statement of purpose to "creating prosperity together" to articulate the alignment of our interests with our clients'. Our success in delivering against this purpose lies in addressing individual client needs with our market-leading investment capabilities.

Over the last ten years Schroders has developed into a diversified global group combining active Asset Management and Wealth Management. Much of this expansion has come in areas with strong long-term demand such as Schroders Capital, Solutions, sustainable investment, Wealth Management and high growth markets including India and China.

We have also invested in an operating model to deliver even better client service. For the past seven years, Schroders has sustained its position as a top five global asset management brand. Our trusted brand is underpinned by a strong corporate culture centred on delivering excellent investment outcomes for our clients.

It is clear we have challenges. Our plan addresses these as we move to improving shareholder returns.

Our strategy to deliver profitable growth

As a new management team, we are, above all else, committed to serving our clients. To do this effectively, we will simplify and scale our business, deploy capital rigorously, and focus on growth capabilities in Public Markets, Schroders Capital and Wealth Management where we believe current and future client demand matches our capabilities and expertise. **Our clear and strong intention is to return Schroders to earnings growth.**

Our strategy concentrates on **four** key areas. We will:

- Accelerate pace of improvement and deploy resources and capital effectively
- Invest in leading capabilities and broaden client access in Public Markets
- Drive flows into our differentiated, specialist capabilities in Schroders Capital
- Sustain and build on our successful track record in Wealth Management.

1. Accelerate pace of improvement and deploy resource and capital effectively

To empower our people to initiate change, we have shortened lines of decision-making and created a streamlined Group Executive Committee of nine members to replace the Group Management Committee of 23 people, giving them clear accountability. We recognise that our people underpin both our client relationships and our commercial success and we value them highly. We will strive to ensure Schroders remains a place where they are proud to work.

In November 2024, we established a transformation office, under the responsibility of Meagen Burnett. Work is under way to implement transformation initiatives, to improve the operating leverage across the business. This transformation is expected to deliver £150 million of annualised net cost savings by the end of 2027 with phasing broadly linear over the next three years. The cost to deliver is expected to be weighted primarily to the first two years and to total around £200 million. Our transformation initiatives have a payback period of around two years and will provide a strong platform from which to drive top-line growth.

Key focus areas for transformation include simplification of the business to remove duplication and overlapping processes; a more focused product strategy that targets improvement in speed to market; focused sales and marketing; utilisation of shared services where appropriate; and continued optimisation and innovation of the technology and operating platform.

Cost savings are expected to drive a reduction in the adjusted cost:income ratio to below 70%^{4,5} (2024: 75%). Change delivery will not be at the expense of client focus, nor cost efficiency at the expense of growing our business.

Capital deployment will be handled with rigour, with investment prioritised according to projections of return on tangible equity and economic profit. In the near term, priority will be given to transformation-linked expenditure and increased seed and co-investment alongside partners.

2. Invest in leading capabilities and broaden client access in Public Markets

We have world-class, global, active asset management expertise, with £464.9 billion of AUM. Our strategy in Public Markets is to: 1) focus on our leading investment capabilities, 2) increase client access, and 3) enhance our operating platform.

We will focus on, and invest our resources in, nine market-leading capabilities – four equity, four fixed income and multi-asset and solutions. Together, they account for over 85% of Public Markets revenue and are spearheaded by exceptional investors who cultivate and lead brilliant teams. We are increasing client access to these investment capabilities. For example, the recent creation of our equity solutions team allows us to better customise mandates at scale. We will also be launching active ETFs in Europe later this year, increasing client access to capabilities, such as global equities and fixed income. We are also making changes to enhance our operating platform, for example, by simplifying our product range and streamlining our research capability.

Recent wins such as the £5.2 billion St James's Place mandate, which will fund in the second quarter of 2025, give us confidence that structural outflows can be balanced over time with new business.

Our target is to stabilise revenues in Public Markets by the end of 2027.⁴

3. Drive flows into our differentiated, specialist capabilities in Schroders Capital

Schroders Capital, our private markets business with £70.1 billion of AUM, is differentiated by its focus on specialised growth segments of the market, offering our clients access to unique and diverse return streams.

Our strategy is to: 1) scale and drive flows into our differentiated propositions, 2) establish a dedicated specialist sales team and 3) enhance access to the Wealth segment and to partnerships.

We will invest in and scale our higher-returning, specialist capabilities. For example, in Private Equity, we will focus on venture capital and small and medium sized enterprise buyout solutions, where we are a leading player. In Private Debt & Credit Alternatives, we will focus on our strong and scaled securitised credit franchise, which offers clients flexible returns across the liquidity spectrum. In Infrastructure, we will focus on the renewable energy sector, where we have been operating for over 20 years. And in Real Estate, we will focus on our specialist capabilities in growth sectors such as hospitality, future workspaces and logistics. We will support our ambitions with £500 million for seed and co-investment from our balance sheet.

To create capacity, we will divest from smaller, non-core capabilities where we do not see the required levels of future client demand. We will drive flows into our targeted growth capabilities by building a specialist sales team, with 40 dedicated individuals. Finally, we will continue to leverage the Group's strong position in the Wealth segment, and explore external partnerships which open pathways to long-term sustainable capital flow, for example, with insurance companies and banks.

Our target is to generate cumulative NNB of £20 billion between 2025 and 2027.

4. Sustain and build on our successful track record in Wealth Management

Wealth Management is an important source of value creation for the Group, with three strongly positioned businesses covering the Wealth spectrum: Cazenove Capital, Schroders Personal Wealth, our joint venture with Lloyds Banking Group, and Benchmark.

We were delighted to announce recently the appointment of Oliver Gregson as CEO of Wealth Management. Oliver, who joins us in June, brings deep market experience and will drive the next phase of growth for these businesses, building on our successes to date.

Our strategy for Wealth Management is to: 1) grow our senior client team, 2) make further selective acquisitions, and 3) upgrade our technology platform.

⁴ Subject to normal market conditions.

⁵ For more information on adjusted cost:income ratio refer to page 5.

In order to extend our leadership, we will maintain our focus on exceptional client service and strong investment outcomes. We will continue to grow Cazenove Capital's senior portfolio manager team and Benchmark's adviser network. We will build on our successful M&A track record in Wealth by continuing to make culturally-aligned, selective acquisitions that complement our existing capabilities. And we will upgrade our technology, re-platforming our core operating model in Cazenove Capital, and continuing to support Schroders Personal Wealth in enhancing their operating platform, which has already started to deliver positive results.

We maintain our Wealth Management NNB target of 5-7% of opening AUM per annum (2025 to 2027).

Disclosure changes to improve clarity

We are committed to improving the clarity of our disclosures to aid a better understanding of the Group's performance. As guided in Q3 2024, we will move to quarterly AUM and flow updates. In addition, from H1 2025, we will simplify our statutory income statement. The most significant change under the revised presentation is that central costs, acquisition related items and one off costs are to be included within statutory operating expenses and operating profit. We will separately present an adjusted operating profit measure that excludes acquisition related items and one off costs. This forms the basis for the targets announced today. A summary reconciliation outlining these changes is set out below.

£m	2024 as reported	Acquisition related items	Central costs	Other	New statutory presentation	Acquisition related items	Adjusted measures
Net operating income	2,426.8	(6.7)	-	10.3	2,430.4	6.7	2,437.1
Operating expenses	(1,786.3)	(67.6)	(53.0)	5.3	(1,901.6)	67.6	(1,834.0)
Operating profit	640.5	(74.3)	(53.0)	15.6	528.8	74.3	603.1

Other items principally relates to gains on seed capital and lease finance costs. Refer to page 32 of annual results 2024 data pack for further details.

Outlook

In an increasingly shifting global landscape, the traditional rule book is facing significant challenges. As geopolitical uncertainties rise and economic policies shift, markets are experiencing heightened instability and uncertainty.

Whilst there are many factors outside of our control, Schroders has a clear plan to return the business to profitable growth, and we are already making good progress against it.

We have generated £17.5 billion of gross inflows year to date, with strong flows in Wealth Management, fixed income and securitised credit, and have generated modest positive net flows⁶. We will onboard the recently announced £5.2 billion sustainable equity mandate from St James's Place in the second quarter.

Our transformation programme is underway, with £20 million of run-rate savings already delivered in the first quarter of 2025. We expect to deliver a total of £40 million of run-rate cost savings by the end of 2025.

⁶ Excluding JVs and associates where the data are not yet available.

Management statement: Annual Results 2024

Understanding the drivers of our financial results

Client demand for Schroders' investment expertise remained strong in increasingly complex market conditions, with gross client inflows in 2024 (excluding joint ventures and associates) totalling £129.7 billion (2023: £126.1 billion). We saw demand from clients across a broad range of investment styles and mandates, particularly global equities, corporate bonds, solutions such as fiduciary management, liability driven investment and risk-controlled growth, and securitised credit within Schroders Capital. Wealth Management flow momentum remained strong.

Overall, however, we saw a total net outflow excluding joint ventures and associates of £10.8 billion. The main driver of this, beyond typical levels of client redemptions, was the result of two Scottish Widows mandate changes. We maintain a strong and broad strategic relationship with Lloyds Banking Group.

We continue to invest in our operating platform to innovate, scale and improve delivery for clients. In 2024, we started to realise the benefits of the migration of our Wealth Management operations from Zurich to Horsham, UK. We launched innovative products through our tokenised insurance linked securities (ILS) capability and we are actively integrating AI into the way we do business.

In April 2024, Peter Harrison announced his intention to retire from his position as Group Chief Executive. Richard Oldfield succeeded Peter in November, and was joined on the Board by Meagen Burnett, Chief Financial Officer, and Johanna Kyrklund, Group Chief Investment Officer. The strategy built over the last decade puts us in a sound position today from which to grow earnings. There is more to be done to build operational efficiency, but we have developed complementary capabilities across our Public Markets, Schroders Capital and Wealth Management businesses. Together they make Schroders a world-class specialist in active management – an attribute that both differentiates us and offers unique value to clients.

Public Markets: supporting clients with active management

Our Public Markets business combines deep asset class expertise, exceptional talent and an efficient operating platform to deliver for our clients. In an increasingly uncertain world, with concentrated, volatile markets and growing risks, our clients rely on us more than ever to guide them through the complexities of protecting and growing their capital through active management.

Our Public Markets business has addressed four key themes in clients' portfolios over the last couple of years:

- Global: while clients want to share in the growth seen in the US, they increasingly want to manage the concentration risk associated with very narrow markets. This has led to strong inflows into our global equity strategies.
- Income: in an era of higher interest rates and inflation, clients' capital needs to work harder. We launched a new multi-asset income fund with HSBC Global Private Banking to address this need.
- Decarbonisation: over two thirds of our strategic clients have net zero commitments. We see strong demand for our active portfolio decarbonisation solutions across client segments.
- Insurance and outsourced CIO: these represent large and growing addressable markets, with higher asset longevity. Our operating platform, investment breadth across asset classes and advisory expertise enable us to build scale in these channels.

Only by taking an active approach can we provide solutions that address these themes. In 2024, for example, we developed a multi-billion fundamental global equity solution with a sustainability lens for a European pension fund who moved to an active strategy from their existing passive approach.

In December 2024, we announced our intention to become an early adopter of the Financial Conduct Authority's (FCA) Sustainability Disclosure Requirements (SDR) labels across 10 of our funds, reflecting the integrity and robustness of our sustainable and impact investment approach.

By business area, Mutual Funds finished the year with £1.3 billion of net inflows despite the headwinds to active flows around the time of the US election. In the Institutional business area, net outflows were £6.3 billion, impacted by a net rotation out of regional equity strategies. In the Solutions business area, we saw net outflows of £16.6 billion, largely driven by outflows from Scottish Widows. This masked pension fund inflows, including a substantial cash flow matching mandate.

At an asset class level across Public Markets, fixed income strategies drew £1.4 billion of net inflows, while equities saw £18.2 billion of net outflows.

Schroders Capital: delivering for clients in our chosen specialisms

Our specialised private markets business, Schroders Capital, continues to benefit from our focused approach. We are competing in specialisms where we have deep knowledge of the markets, together with the networks needed to access restricted opportunities.

Gross fundraising increased to £10.8 billion and we delivered positive NNB of £4.5 billion. We recorded positive NNB across all regions and in each of our pillars: private equity, private debt and credit alternatives, infrastructure, and real estate.

Wealth Management: strength of our client proposition

The strength of our Wealth Management business has been a key driver of our resilient results for 2024. Amidst macroeconomic uncertainties including electoral change and the Autumn Budget in the UK, our teams partnered with clients through the provision of advice and/or investment management. As a result of our regional strategy to extend our Cazenove Capital offering to business owners and high-net-worth individuals, we are supporting new clients across the UK market, for example as we partner with entrepreneurs as they complete liquidity events.

We generated NNB of £6.3 billion in the Wealth Management business last year, with Cazenove Capital contributing £4.0 billion. In October, we announced the acquisition of Whitley Asset Management, signalling our continued commitment to extending Cazenove Capital's leading franchise with UK ultra-high-net-worth families, successful business owners and charities.

Joint ventures and associates: accessing global markets through collaboration

We leverage global partnerships to deliver our world-class investment capabilities and broaden our client reach. These businesses are typically more cyclical, and we achieved NNB of £6.1 billion from joint ventures and associates in 2024. We saw positive, albeit volatile, flows into our China ventures where we operate with our long-standing partner, Bank of Communications China. The reduced profitability from these ventures impacted our total share of profit from joint ventures and associates. Pleasingly, our associate in India, Axis Asset Management, and our joint venture in the UK, Schroders Personal Wealth, both saw good momentum, with our share of profits after tax rising to £15.1 million and £9.9 million, respectively.

Cost: disciplined management of our controllable cost base

In 2024, we saw a modest 2% year-on-year increase in operating expenses. This was achieved by limiting non-compensation cost growth to 3% and keeping compensation cost growth to 1%. A portion of our non-compensation costs are related to services where fees are charged as a percentage of the AUM we manage. Our considerable effort to limit cost inflation on our controllable cost base, in part due to the cost measures we undertook in 2023, enabled us to keep cost growth lower than AUM growth in 2024.

Balance sheet: optimising and strengthening our capital position

Last year, we successfully issued our inaugural £250 million Tier 2 debt. This strategic move enhanced the efficiency of our capital stack, reduced our weighted average cost of capital, and further strengthened the Group's overall capital and liquidity positions.

Financial performance

AUM including joint ventures and associates reached £778.7 billion, buoyed by positive markets and investment performance.

Markets generally performed strongly, most notably in the US, supported by positive economic data and lower interest rates. Markets and investment returns contributed £38.3 billion including joint ventures and associates, while the appreciation of sterling reduced AUM by £7.9 billion. Net outflows of £4.7 billion were driven by withdrawals from a small number of clients, most significantly Scottish Widows.

Average AUM excluding joint ventures and associates increased 5% year-on-year, driven by positive investment returns, net of foreign exchange movements. The benefit of this was, however, dampened due to the composition of our NNB, with inflows continuing to be weighted towards lower-margin products, which resulted in lower average fee margins in our Public Markets business. This, coupled with lower performance fees and net carried interest of £63.4 million (2023: £84.2 million), resulted in net operating revenue of £2,357.7 million, up 1% year-on-year (2023: £2,334.4 million).

Our share of profits from joint ventures and associates reduced to £47.6 million (2023: £51.1 million), mainly due to lower profits from our long-standing venture with Bank of Communications in China. This was partly the result of market-wide fee caps that were introduced in China in July 2023, as well as continuing market volatility in the region. Net operating income for the year was £2,426.8 million (2023: £2,419.0 million).

Total operating expenses of £1,786.3 million (2023: £1,758.0 million) were up 2% year-on-year. Within this, operating compensation costs were £1,123.3 million (2023: £1,112.4 million), representing a stable compensation ratio of 46% (2023: 46%). Non-compensation costs were £663.0 million (2023: £645.6 million), principally due to higher platform costs as a result of the increase in average AUM, with favourable foreign exchange movements largely mitigating other inflationary pressures.

Following the impact of both lower performance fees and reduced returns from our joint ventures and associates, operating profit was £640.5 million (2023: £661.0 million). Statutory profit before tax ended the period at £558.1 million (2023: £487.6 million), supported by the non-recurrence of restructuring charges.

The Board has proposed a final dividend of 15.0 pence per share (2023: 15.0 pence per share).

Asset Management segment

Asset Management net operating income for the year was £1,929.1 million (2023: £1,982.2 million). The benefit on income of higher average AUM was partially offset by a softening in the average fee margin as a result of the shift in our asset class composition, as well as lower performance fees and reduced returns from joint ventures and associates.

Operating expenses in Asset Management decreased 1% to £1,461.2 million (2023: £1,471.7 million), reflecting our continued focus on cost control.

Overall, these movements resulted in operating profit of £467.9 million (2023: £510.5 million) for the Asset Management segment.

Public Markets

Mutual Funds saw positive net flows over the period, with total NNB amounting to £1.3 billion (2023: net outflows of £4.2 billion). AUM in Mutual Funds finished the period at £110.8 billion (2023: £103.5 billion), with net operating revenue of £710.5 million (2023: £720.5 million). The net operating revenue margin excluding performance fees reduced by 3 basis points to 66 basis points (2023: 69 basis points), principally due to NNB mix, reflecting a shift in demand in equities from regional to global as well as a rotation into fixed income.

Our Institutional business area saw net outflows of £6.3 billion (2023: £9.2 billion), as a result of withdrawals from a small number of clients. This was more than offset by positive markets and investment performance, resulting in Institutional AUM increasing to £140.6 billion (2023: £134.2 billion). Institutional net operating revenue was £489.1 million (2023: £499.4 million), while the net operating revenue margin excluding performance fees reduced by 1 basis point to 34 basis points (2023: 35 basis points).

Solutions saw net outflows of £16.6 billion (2023: net inflows of £12.0 billion), predominantly driven by withdrawals from Scottish Widows, which accounted for £13.5 billion. A further £4.9 billion was the result of successful buyout activity for pension fund clients looking to derisk. AUM closed at £213.5 billion (2023: £228.3 billion). Solutions net operating revenue was £252.7 million (2023: £268.5 million). The net operating revenue margin excluding performance fees reduced to 11 basis points (2023: 12 basis points).

Schroders Capital

Our private markets business, Schroders Capital, generated gross fundraising of £10.8 billion (2023: £9.3 billion). Just over half of this was generated by the private debt and credit alternatives pillar, with strong fundraising in our Junior Infrastructure Debt Europe III fund. The remainder was diversified across the other three asset class pillars. Non-fee-earning dry powder stood at £4.2 billion at the end of the year (2023: £4.0 billion).

Schroders Capital NNB was £4.5 billion (2023: £4.5 billion), helping increase AUM to £70.1 billion (2023: £66.2 billion). Net operating revenue including performance fees and carried interest grew to £426.7 million (2023: £422.8 million). The net operating revenue margin excluding performance fees and carried interest remained at 57 basis points (2023: 57 basis points).

Asset Management joint ventures and associates

Our total share of profits from Asset Management joint ventures and associates was £37.1 million (2023: £48.7 million), reflecting volatility from our interests in China. Asset Management joint ventures and associates gathered NNB of £5.7 billion, helping increase AUM by 8%, which finished the period at £101.2 billion (2023: £93.9 billion).

Wealth Management segment

Our Wealth Management business continued to perform strongly in 2024. Total NNB was £6.3 billion (2023: £6.6 billion), including £0.4 billion from Schroders Personal Wealth (SPW), our joint venture with Lloyds Banking Group. Total NNB for the segment equates to an annualised growth rate of 5.4% of opening AUM, in line with our target of 5–7% NNB per annum.

Wealth Management AUM excluding joint ventures and associates ended the period at £126.8 billion (2023: £110.2 billion), while AUM including joint ventures and associates ended the period at £142.5 billion (2023: £124.5 billion), up 14%. Net operating revenue increased by 13% to £478.7 million (2023: £423.2 million).

Our share of profits from Wealth Management joint ventures and associates contributed £10.5 million (2023: £2.4 million), with the increase principally driven by SPW. Wealth Management net operating income increased 14% to £497.7 million (2023: £436.8 million), driven by continued strong NNB and higher transaction fees. The net operating revenue margin excluding performance fees reduced to 40 basis points (2023: 41 basis points), mainly because of lower interest rates and flows into gilts.

Operating expenses increased to £325.1 million (2023: £286.3 million). The increase in the year principally reflects our continued investment in the business, both through strategic hires and enhancements to our IT. Despite increased expenses, operating profit for the segment increased by 15% to £172.6 million (2023: £150.5 million). In light of the overall market environment, this represents very strong performance.

Assets under management (AUM)

£bn	1 January 2024	Transfers	Gross inflows	Gross outflows	Net flows	Acquisitions	Markets, FX and investment performance ¹	31 December 2024
Schroders Capital	66.2	(0.2)	10.5	(6.0)	4.5	-	(0.4)	70.1
Solutions	228.3	0.2	34.6	(51.2)	(16.6)	-	1.6	213.5
Mutual Funds	103.5	-	35.3	(34.0)	1.3	-	6.0	110.8
Institutional	134.2	-	28.5	(34.8)	(6.3)	-	12.7	140.6
Asset Management	532.2	-	108.9	(126.0)	(17.1)	-	19.9	535.0
Advised	68.7	-	13.7	(9.4)	4.3	2.4	5.0	80.4
Platform	18.9	-	3.3	(2.1)	1.2	-	1.5	21.6
Managed	22.6	-	3.8	(3.0)	0.8	-	1.4	24.8
Wealth Management	110.2	-	20.8	(14.5)	6.3	2.4	7.9	126.8
Total excl. JVs and Associates	642.4	-	129.7	(140.5)	(10.8)	2.4	27.8	661.8
JVs and Associates	108.2	-	448.8	(442.7)	6.1	-	2.6	116.9
Group total	750.6	-	578.5	(583.2)	(4.7)	2.4	30.4	778.7

¹ Includes markets, foreign exchange and investment performance. Foreign exchange decreased AUM including joint ventures and associates by around £7.9 billion (2023: decrease of £25.8 billion) and decreased AUM excluding joint ventures and associates by £6.9 billion (2023: decrease of £18.6 billion).

Revenue margins

Net operating revenue margin excluding performance fees and carried interest (bps)	2024	2023
Schroders Capital	57	57
Solutions	11	12
Mutual Funds	66	69
Institutional	34	35
Wealth Management	40	41

Client investment performance

Client investment performance over one year shows a clear improving trend, with 70% of assets across the Group outperforming in 2024.

With a strong 2021 rolling out of the three-year performance calculation, for 2024, 58% of assets outperformed their relevant comparator over three years. In 2022 and 2023, some strategies with interest rate or cash benchmarks faced higher hurdles as rates rose. This is reflected in the three-year performance figure.

Finally, five-year performance remains strong, with 76% of assets outperforming, in line with the long-term average.

	Percentage of assets outperforming		
	One year	Three years	Five years
To 31 December 2024	70%	58%	76%
To 31 December 2023	56%	60%	77%

Calculation methodology

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 with 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.

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 does not include our joint ventures and associates and excludes £87.1 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 71% 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 11% 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 13% of assets in the calculation.
- Assets with no specific outperformance objective, including those with a buy and maintain objective, are measured against a cash alternative, if applicable. This applies to 5% of assets in the calculation.

For further information, please contact:

Investors

Ed Houghton	Strategy and Investor Relations	Tel: +44 (0)20 7658 3314	Edward.Houghton@Schroders.com
Katie Wagstaff	Investor Relations	Tel: +44 (0)20 7658 1985	Katie.Wagstaff@Schroders.com

Press

Julie Foster	Global Corporate Communications	Tel: +44 (0)20 7658 4953	Julie.Foster@Schroders.com
Andy Pearce	Media Relations	Tel: +44 (0)20 7658 2203	Andy.Pearce@Schroders.com
Simone Selzer	Brunswick	Tel: +44 (0)20 7404 5959	Schroders@Brunswickgroup.com

Copies of this announcement are available on the Schroders website: www.schroders.com. Richard Oldfield, Group Chief Executive, and Meagen Burnett, Chief Financial Officer, are hosting a presentation for the investment community to discuss the Group's full-year results at 9.00 a.m. GMT on Thursday, 6 March 2025. Once registered on <https://www.schroders.events/Results2024> a link to the call will be shared via email. A replay will be available from midday on Friday, 7 March 2025 at <https://www.schroders.com/en/global/individual/investors/>. Please visit <https://www.schroders.com/en/investor-relations/> 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 '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 in the Annual Report and Accounts or on the Schroders website should be construed as a forecast, estimate or projection of future financial performance.

Consolidated income statement

for the year ended 31 December 2024

	Notes	2024 £m	2023 £m
Revenue		2,970.0	2,936.7
Cost of sales		(612.3)	(602.3)
Net operating revenue	2	2,357.7	2,334.4
<i>Of which: Performance fees</i>		33.7	37.3
<i>Net carried interest income</i>		29.7	46.9
Net operating revenue excluding performance-based revenues		2,294.3	2,250.2
Share of profit of associates and joint ventures	9	47.6	51.1
Other operating income		21.5	33.5
Net operating income		2,426.8	2,419.0
Operating expenses	3	(1,786.3)	(1,758.0)
Operating profit		640.5	661.0
Central costs	3	(53.0)	(52.9)
Net gain on financial instruments and other income		13.1	32.1
Interest income		31.8	23.6
Acquisition costs and related items	3	(74.3)	(90.0)
Restructuring costs	3	-	(86.2)
Profit before tax		558.1	487.6
Tax	4(a)	(125.1)	(85.0)
Profit after tax		433.0	402.6
Attributable to:			
Equity holders of Schroders plc		417.0	388.2
Non-controlling interest holders		16.0	14.4
Profit after tax		433.0	402.6
Earnings per share			
Basic	5	26.4p	24.6p
Diluted	5	26.0p	24.2p
Operating earnings per share			
Basic	5	30.1p	32.5p
Diluted	5	29.6p	31.9p

Consolidated statement of comprehensive income

for the year ended 31 December 2024

	Notes	2024 £m	2023 £m
Profit after tax		433.0	402.6
Items that may be reclassified to the income statement:			
Net exchange differences on translation of foreign operations after hedging		(56.1)	(52.0)
Net gain on financial assets at fair value through other comprehensive income		0.4	0.3
		(55.7)	(51.7)
Items that have been reclassified to the income statement:			
		0.6	(4.2)
Items that will not be reclassified to the income statement:			
Net actuarial loss on defined benefit pension schemes	13	(7.4)	(4.2)
Tax on items taken directly to other comprehensive income	4(b)	1.9	1.0
		(5.5)	(3.2)
Other comprehensive income for the year, net of tax		(60.6)	(59.1)
Total comprehensive income for the year		372.4	343.5
Attributable to:			
Equity holders of Schroders plc		356.4	329.1
Non-controlling interest holders		16.0	14.4
Total comprehensive income for the year		372.4	343.5

Consolidated statement of financial position

at 31 December 2024

		2024	2023
	Notes	£m	£m
Assets			
Cash and cash equivalents		4,066.4	3,649.9
Trade and other receivables	7	1,026.4	920.4
Financial assets	7	3,227.9	2,827.1
Associates and joint ventures	9	550.0	531.7
Property, plant and equipment	10, 11	488.6	464.3
Goodwill and intangible assets	12	1,840.5	1,885.2
Deferred tax		160.4	203.9
Retirement benefit scheme surplus	13	131.0	138.3
		11,491.2	10,620.8
Assets backing unit-linked liabilities			
Cash and cash equivalents		148.3	453.1
Financial assets		9,310.4	9,555.0
	7	9,458.7	10,008.1
Total assets		20,949.9	20,628.9
Liabilities			
Trade and other payables	7	1,063.0	1,087.5
Financial liabilities	7	5,113.6	4,578.2
Current tax		29.0	12.6
Issued debt	8	256.0	-
Lease liabilities	11	345.7	318.7
Provisions		60.3	23.0
Deferred tax		120.3	128.3
Retirement benefit scheme deficits		7.9	8.8
		6,995.8	6,157.1
Unit-linked liabilities	7	9,458.7	10,008.1
Total liabilities		16,454.5	16,165.2
Net assets		4,495.4	4,463.7
Total equity excluding non-controlling interest		4,410.3	4,390.6
Non-controlling interest		85.1	73.1
Total equity		4,495.4	4,463.7

Consolidated statement of changes in equity

for the year ended 31 December 2024

	Attributable to owners of the parent									
		Share capital	Share premium	Own shares	Net exchange differences reserve	Associates and joint ventures reserve	Profit and loss reserve	Total	Non-controlling interest	Total equity
	Notes	£m	£m	£m	£m	£m	£m	£m	£m	£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 year		-	-	-	-	42.1	374.9	417.0	16.0	433.0
Other comprehensive income ¹		-	-	-	(56.1)	-	(4.5)	(60.6)	-	(60.6)
Total comprehensive income for the year		-	-	-	(56.1)	42.1	370.4	356.4	16.0	372.4
Own shares purchased	15	-	-	(59.8)	-	-	-	(59.8)	-	(59.8)
Share-based payments		-	-	-	-	-	30.4	30.4	-	30.4
Tax in respect of share schemes	4(c)	-	-	-	-	-	0.7	0.7	-	0.7
Other movements ²		-	-	-	-	-	26.2	26.2	2.9	29.1
Dividends	6	-	-	-	-	-	(334.2)	(334.2)	(6.9)	(341.1)
Transactions with shareholders		-	-	(59.8)	-	-	(276.9)	(336.7)	(4.0)	(340.7)
Transfers		-	-	72.0	-	(23.5)	(48.5)	-	-	-
At 31 December 2024		322.4	84.3	(159.9)	178.8	233.8	3,750.9	4,410.3	85.1	4,495.4

¹Other comprehensive income reported in the net exchange differences reserve comprises the net foreign exchange loss on the translation of foreign operations net of hedging and any recycling on realisations. 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.

²Other movements in the profit and loss reserve principally relate 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

for the year ended 31 December 2023

	Notes	Attributable to owners of the parent								Total equity
		Share capital	Share premium	Own shares	Net exchange differences reserve	Associates and joint ventures reserve	Profit and loss reserve	Total	Non-controlling interest	
		£m	£m	£m	£m	£m	£m	£m	£m	
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 year		-	-	-	-	40.5	347.7	388.2	14.4	402.6
Other comprehensive income ¹		-	-	-	(56.3)	-	(2.8)	(59.1)	-	(59.1)
Total comprehensive income for the year		-	-	-	(56.3)	40.5	344.9	329.1	14.4	343.5
Own shares purchased	15	-	-	(66.6)	-	-	-	(66.6)	-	(66.6)
Share-based payments		-	-	-	-	-	62.8	62.8	-	62.8
Tax in respect of share schemes	4(c)	-	-	-	-	-	1.4	1.4	-	1.4
Other movements ²		-	-	-	-	-	41.0	41.0	(49.6)	(8.6)
Dividends	6	-	-	-	-	-	(333.0)	(333.0)	(15.5)	(348.5)
Transactions with shareholders		-	-	(66.6)	-	-	(227.8)	(294.4)	(65.1)	(359.5)
Transfers		-	-	79.6	-	(28.9)	(50.7)	-	-	-
At 31 December 2023		322.4	84.3	(172.1)	234.9	215.2	3,705.9	4,390.6	73.1	4,463.7

¹Other comprehensive income reported in the net exchange differences reserve comprises the net foreign exchange loss on the translation of foreign operations net of hedging and any recycling on realisations. 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.

²Other movements in the profit and loss reserve principally relate to financial liabilities in respect of options to purchase the remaining non-controlling interest in certain subsidiaries (see note 7). Other movements in the non-controlling interest reserve principally comprise the derecognition of BOCOM Wealth Management Company Limited on reclassification from a subsidiary to an associate (see note 9).

Consolidated cash flow statement

for the year ended 31 December 2024

	Notes	2024 £m	2023 £m
Net cash from/(used in) operating activities¹	16	1,048.2	(238.1)
Cash flows from investing activities			
Net acquisition/disposal of businesses, associates and joint ventures ²		(49.6)	(125.1)
Net acquisition of property, plant and equipment and software		(70.5)	(79.9)
Acquisition of financial assets		(3,703.9)	(1,882.1)
Disposal of financial assets		3,077.2	1,787.8
Non-banking interest received		39.8	24.7
Distributions received from associates and joint ventures		12.2	49.6
Net cash used in investing activities		(694.8)	(225.0)
Cash flows from financing activities			
Issuance of loan notes	8	248.8	-
Purchase of subsidiary shares from non-controlling interest holders		(9.9)	(10.5)
Lease payments	11	(46.0)	(52.3)
Acquisition of own shares	15	(59.8)	(66.6)
Dividends paid	6	(341.1)	(348.5)
Other		(5.0)	(1.6)
Net cash used in financing activities		(213.0)	(479.5)
Net increase/(decrease) in cash and cash equivalents		140.4	(942.6)
Opening cash and cash equivalents		4,103.0	5,045.3
Net increase/(decrease) in cash and cash equivalents		140.4	(942.6)
Effect of exchange rate changes		(28.7)	0.3
Closing cash and cash equivalents		4,214.7	4,103.0
Closing cash and cash equivalents consists of:			
Cash and cash equivalents available for use by the Group		4,054.0	3,644.2
Cash held in consolidated pooled investment vehicles		12.4	5.7
Cash and cash equivalents presented within assets		4,066.4	3,649.9
Cash and cash equivalents presented within assets backing unit-linked liabilities		148.3	453.1
Closing cash and cash equivalents		4,214.7	4,103.0

¹Includes Wealth Management interest income received of £227.6 million (2023: £191.6 million) and interest paid of £182.6 million (2023: £151.6 million).

²2023 includes the derecognition of cash on reclassification of BOCOM Wealth Management Company Limited from a subsidiary to an associate (see note 9).

Explanatory notes to the financial statements

1 Presentation of the financial statements

(a) Basis of preparation

The consolidated financial information included in this statement does not constitute the Group's statutory accounts within the meaning of Section 434 of the Companies Act 2006. The statutory accounts for 2023 have been delivered to the Registrar of Companies and the auditor's opinion on those accounts was unqualified and did not contain a statement made under Section 498(2) or Section 498(3) of the Act. An unqualified auditor's opinion has also been issued on the statutory accounts for the year ended 31 December 2024, which will be delivered to the Registrar of Companies in due course.

The consolidated financial statements are prepared in accordance with UK-adopted international accounting standards and in conformity with the requirements of the Companies Act 2006.

(b) Future accounting 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 year-end date. No standards or interpretations have been issued that are expected to have a material impact on the consolidated 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 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 included on the income statement.

2 Segmental reporting (continued)

(a) Operating segments

	Asset Management	Wealth Management	Total
	£m	£m	£m
Year ended 31 December 2024			
Revenue	2,295.1	674.9	2,970.0
Cost of sales	(416.1)	(196.2)	(612.3)
Net operating revenue	1,879.0	478.7	2,357.7
<i>Of which: Performance fees</i>	33.2	0.5	33.7
<i>Net carried interest income</i>	29.7	-	29.7
Net operating revenue excluding performance-based revenues	1,816.1	478.2	2,294.3
Share of profit of associates and joint ventures	37.1	10.5	47.6
Other operating income	13.0	8.5	21.5
Net operating income	1,929.1	497.7	2,426.8
Operating expenses	(1,461.2)	(325.1)	(1,786.3)
Operating profit	467.9	172.6	640.5

	Asset Management	Wealth Management	Total
	£m	£m	£m
Year ended 31 December 2023			
Revenue	2,349.3	587.4	2,936.7
Cost of sales	(438.1)	(164.2)	(602.3)
Net operating revenue	1,911.2	423.2	2,334.4
<i>Of which: Performance fees</i>	36.7	0.6	37.3
<i>Net carried interest income</i>	46.9	-	46.9
Net operating revenue excluding performance-based revenues	1,827.6	422.6	2,250.2
Share of profit of associates and joint ventures	48.7	2.4	51.1
Other operating income	22.3	11.2	33.5
Net operating income	1,982.2	436.8	2,419.0
Operating expenses	(1,471.7)	(286.3)	(1,758.0)
Operating profit	510.5	150.5	661.0

2 Segmental reporting (continued)

(b) Net operating revenue by segment

	Asset Management	Wealth Management	Total
	£m	£m	£m
Year ended 31 December 2024			
Management fees	2,208.7	391.0	2,599.7
Performance fees	33.2	0.5	33.7
Carried interest	35.2	-	35.2
Other fees	18.0	38.8	56.8
Wealth Management interest income	-	244.6	244.6
Revenue	2,295.1	674.9	2,970.0
Fee expense	(410.6)	(13.9)	(424.5)
Cost of financial obligations in respect of carried interest	(5.5)	-	(5.5)
Wealth Management interest expense	-	(182.3)	(182.3)
Cost of sales	(416.1)	(196.2)	(612.3)
Net operating revenue	1,879.0	478.7	2,357.7

	Asset Management	Wealth Management	Total
	£m	£m	£m
Year ended 31 December 2023			
Management fees	2,230.6	340.6	2,571.2
Performance fees	36.7	0.6	37.3
Carried interest	64.8	-	64.8
Other fees	17.2	31.8	49.0
Wealth Management interest income	-	214.4	214.4
Revenue	2,349.3	587.4	2,936.7
Fee expense	(420.2)	(13.1)	(433.3)
Cost of financial obligations in respect of carried interest	(17.9)	-	(17.9)
Wealth Management interest expense	-	(151.1)	(151.1)
Cost of sales	(438.1)	(164.2)	(602.3)
Net operating revenue	1,911.2	423.2	2,334.4

2 Segmental reporting (continued)

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

Year ended 31 December 2024	UK	Continental Europe & Middle East	Asia Pacific	Americas	Total
	£m	£m	£m	£m	£m
Management fees	918.8	795.0	541.7	344.2	2,599.7
Performance fees	8.4	8.9	9.9	6.5	33.7
Carried interest	-	35.2	-	-	35.2
Other fees	36.4	14.1	6.3	-	56.8
Wealth Management interest income	227.6	14.1	2.9	-	244.6
Revenue	1,191.2	867.3	560.8	350.7	2,970.0
Fee expense	(52.2)	(196.9)	(139.6)	(35.8)	(424.5)
Cost of financial obligations in respect of carried interest	-	(5.5)	-	-	(5.5)
Wealth Management interest expense	(180.8)	(0.6)	(0.9)	-	(182.3)
Cost of sales	(233.0)	(203.0)	(140.5)	(35.8)	(612.3)
Net operating revenue	958.2	664.3	420.3	314.9	2,357.7

Year ended 31 December 2023	UK	Continental Europe & Middle East	Asia Pacific	Americas	Total
	£m	£m	£m	£m	£m
Management fees	870.6	785.4	560.9	354.3	2,571.2
Performance fees	6.6	14.0	5.4	11.3	37.3
Carried interest	-	64.8	-	-	64.8
Other fees	29.6	13.4	6.0	-	49.0
Wealth Management interest income	191.2	19.9	3.3	-	214.4
Revenue	1,098.0	897.5	575.6	365.6	2,936.7
Fee expense	(54.3)	(181.5)	(149.9)	(47.6)	(433.3)
Cost of financial obligations in respect of carried interest	-	(17.9)	-	-	(17.9)
Wealth Management interest expense	(149.1)	(1.2)	(0.8)	-	(151.1)
Cost of sales	(203.4)	(200.6)	(150.7)	(47.6)	(602.3)
Net operating revenue	894.6	696.9	424.9	318.0	2,334.4

2 Segmental reporting (continued)

Estimates and judgements – revenue

The principle estimates and judgements for revenue relate to carried interest. Carried interest represents the Group's contractual right to a share of the profits of 141 private asset investment vehicles (2023: 133 vehicles), if certain performance hurdles are met. It is recognised as the services are provided and it is highly probable that a significant reversal will not occur.

The amount of carried interest that will ultimately be received by the Group is dependent on the cash flows realised by the respective investment vehicles when the underlying investments are successfully disposed of. The resultant cash flows are assessed against the applicable performance hurdle, which is dependent on the capital invested and the timing and quantum of distributions. For accounting purposes, the outcome is discounted to determine the present value of the carried interest to be recognised. The actual amount receivable at maturity will depend on the realised value and may differ from the projected value.

The Group estimates the cash flows that will be received by the investment vehicles with reference to the current fair value of the underlying investments. Judgement is applied to determine certain assumptions used in the estimate. Those assumptions principally relate to the future growth and the timing of distributions. No future growth is assumed, reflecting the uncertainty of future investment returns. The timing of distributions to clients is based on individual investment managers' expectations as to the realisation of cash flows from the successful disposal of the underlying securities.

The Group assesses the nature and maturity of the respective investment vehicles. This helps the Group to understand whether a significant risk of reversal exists and to determine whether the revenue should be recognised or further constrained in accordance with the accounting standards.

Estimates and judgements – cost of sales

The principle estimates and judgements for cost of sales relate to carried interest. The crystallisation of associated financial obligations in respect of carried interest (carried interest payable, see note 7) is contingent on the Group receiving the related revenue. The areas of estimates and judgements are the same as those used to determine the present value of the carried interest receivable, adjusted to reflect the portion that is payable to third parties. The actual amount payable at maturity will depend on the realised value of the carried interest receivable and may differ from the projected value. An increase in the growth rate of 3% would increase cost of sales by £3.4 million (2023: £3.9 million), although this would be smaller than the corresponding increase in revenue. An average acceleration/delay in crystallisation dates of one year would increase/reduce cost of sales by £5.0 million/£5.0 million (2023: £3.3 million/£3.2 million) and this amount would be lower than the corresponding increase/reduction in revenue.

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.

3 Total expenses (continued)

	2024	2023
Year ended 31 December	£m	£m
Operating expenses	1,786.3	1,758.0
Central costs	53.0	52.9
Acquisition costs and related items	74.3	90.0
Restructuring costs	-	86.2
Total expenses	1,913.6	1,987.1

	2024	2023
Year ended 31 December	£m	£m
Salaries, wages and other remuneration	1,011.9	1,058.7
Social security costs	98.2	104.9
Pension costs	75.1	72.0
Employee benefits expense	1,185.2	1,235.6
Net gain on financial instruments held to hedge deferred cash awards	(24.6)	(13.7)
Employee benefits expense - net of hedging	1,160.6	1,221.9

The employee benefits expense net of hedging includes £26.7 million (2023: £27.9 million) that is presented within central costs, £10.6 million (2023: £19.7 million) presented within acquisition costs and related items and nil (2023: £61.9 million) presented within restructuring costs.

4 Tax expense

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

	2024	2023
Year ended 31 December	£m	£m
UK current year charge	27.0	59.2
Rest of the world current year charge	72.3	64.5
Global minimum top-up tax	2.7	-
Prior year adjustments	(7.8)	(6.2)
Total current tax	94.2	117.5
Origination and reversal of temporary differences	33.0	(30.9)
Prior year adjustments	(2.7)	2.1
Effect of changes in corporation tax rates	0.6	(3.7)
Total deferred tax	30.9	(32.5)
Tax charge reported in the income statement	125.1	85.0

On 1 January 2024, the Group became 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, Guernsey and Jersey, 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.

4 Tax expense (continued)

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

	2024	2023
Year ended 31 December	£m	£m
Deferred tax credit on actuarial gains and losses on defined benefit pension schemes	(1.9)	(1.0)
Tax credit reported in other comprehensive income	(1.9)	(1.0)

(c) Analysis of tax credit reported in equity

	2024	2023
Year ended 31 December	£m	£m
Current tax credit on Deferred Award Plan and other share-based remuneration	(0.8)	(2.1)
Deferred tax charge on Deferred Award Plan and other share-based remuneration	0.1	0.7
Tax credit reported in equity	(0.7)	(1.4)

(d) Factors affecting tax charge for the year

The UK rate of corporation tax applicable for 2024 is a standard rate of 25% (2023: blended rate of 23.5%). The tax charge for the year is lower (2023: lower) than a charge based on the UK rate. The differences are explained below:

	2024	2023
Year ended 31 December	£m	£m
Profit before tax	558.1	487.6
Less share of profit of associates and joint ventures after amortisation	(42.1)	(40.5)
Profit before tax of Group entities	516.0	447.1
Profit before tax of consolidated Group entities multiplied by corporation tax at the UK rate	129.0	105.1
Effects of:		
Different statutory tax rates of overseas jurisdictions	(15.2)	(17.3)
Global minimum top-up tax	2.7	-
Permanent differences including non-taxable income and non-deductible expenses	16.7	3.4
Net movement in temporary differences for which no deferred tax is recognised	1.8	1.6
Deferred tax adjustments in respect of changes in corporation tax rates	0.6	(3.7)
Prior year adjustments	(10.5)	(4.1)
Tax charge reported in the income statement	125.1	85.0

4 Tax expense (continued)

Estimates and judgements

The calculation of the Group's tax charge involves a degree of estimation and judgement. Liabilities relating to open and judgemental matters, including those in relation to deferred taxes, are based on the Group's assessment of the most likely outcome based on the information available. As a result, certain tax amounts are based on estimates using factors that are relevant to the specific judgement. The Group engages constructively and transparently with tax authorities with a view to early resolution of any uncertain tax matters. Where the final tax outcome of these matters is different from the amounts provided, such differences will impact the tax charge in a future period. Such estimates are based on assumptions made on the probability of potential challenge within certain jurisdictions and the possible outcome based on relevant facts and circumstances, including local tax laws. There was no individual judgemental component of the tax expense that was material to the Group results when taking into account the likely range of potential outcomes (2023: none).

5 Earnings per share

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

	2024	2023
	Number	Number
Year ended 31 December	Millions	Millions
Weighted average number of shares used in the calculation of basic earnings per share	1,578.6	1,575.9
Effect of dilutive potential shares – share options	26.1	28.0
Effect of dilutive potential shares – contingently issuable shares	0.4	0.3
Weighted average number of shares used in the calculation of diluted earnings per share	1,605.1	1,604.2

Earnings per share calculations are based on profit after tax of £433.0 million (2023: £402.6 million) less non-controlling interest earnings of £16.0 million (2023: £14.4 million).

Operating earnings per share calculations are based on operating profit after tax of £496.2 million (2023: £533.0 million) less non-controlling interest operating earnings of £20.5 million (2023: £21.3 million).

6 Dividends

	2025		2024		2023	
	£m	Pence per share	£m	Pence per share	£m	Pence per share
Prior year final dividend paid			233.0	15.0	232.2	15.0
Interim dividend paid			101.2	6.5	100.8	6.5
Total dividends paid			334.2	21.5	333.0	21.5
Current year final dividend recommended	233.0	15.0				

Dividends of £12.4 million (2023: £13.6 million) on shares held by employee benefit trusts have been waived. The Board has recommended a 2024 final dividend of 15.0 pence per share (2023: 15.0 pence), amounting to £233.0 million (2023: £233.0 million). The dividend will be paid on 8 May 2025 to shareholders on the register at 28 March 2025 and will be accounted for in 2025.

The Group paid £6.9 million of dividends to holders of non-controlling interests in subsidiaries of the Group during 2024 (2023: £15.5 million), resulting in total dividends paid of £341.1 million (2023: £348.5 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 final dividend is 14 April 2025. 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, national government debt and exchange-traded derivatives.
- Level 2 fair value measurements are those derived from inputs that are directly or indirectly observable from market data, other than quoted prices included in level 1. The Group's level 2 financial instruments principally comprise holdings in pooled investment vehicles, foreign exchange contracts, corporate and non-national government 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, holdings in property investment vehicles that operate hotel businesses, and direct investments held via consolidated funds. The pooled investment vehicles and direct investments 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. Information about the estimates and judgements made in determining the fair value of carried interest payable is set out in note 2. 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 14% have been used to discount these liabilities. An increase/decrease in the discount rate of 1% would decrease/increase the financial liability by £2 million/£2 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:

	2024				Total £m
	Level 1 £m	Level 2 £m	Level 3 £m	Not at fair value £m	
Financial assets at amortised cost:					
Loans and advances to banks	-	-	-	286.5	286.5
Loans and advances to clients	-	-	-	390.0	390.0
Debt securities	-	-	-	311.8	311.8
	-	-	-	988.3	988.3
Financial assets at fair value through other comprehensive income:					
Debt securities	1,103.7	2.0	9.5	-	1,115.2
	1,103.7	2.0	9.5	-	1,115.2
Financial assets at fair value through profit or loss:					
Debt securities	13.4	40.5	-	-	53.9
Pooled investment vehicles	663.6	19.1	206.5	-	889.2
Equities	117.5	0.3	55.5	-	173.3
Derivative contracts	0.7	7.3	-	-	8.0
	795.2	67.2	262.0	-	1,124.4
Total financial assets	1,898.9	69.2	271.5	988.3	3,227.9
Trade and other receivables	2.5	-	-	1,023.9	1,026.4
Assets backing unit-linked liabilities	7,198.8	1,915.4	145.8	198.7	9,458.7
	9,090.3	1,984.6	417.3	2,210.9	13,703.1
Financial liabilities at amortised cost:					
Client accounts	-	-	-	4,725.0	4,725.0
Deposits by banks	-	-	-	30.1	30.1
	-	-	-	4,755.1	4,755.1
Financial liabilities at fair value through profit or loss:					
Derivative contracts	-	11.4	-	-	11.4
Other financial liabilities	101.8	-	104.6	-	206.4
	101.8	11.4	104.6	-	217.8
Liabilities to purchase subsidiary shares	-	-	140.7	-	140.7
Total financial liabilities	101.8	11.4	245.3	4,755.1	5,113.6
Trade and other payables	221.2	-	-	841.8	1,063.0
Unit-linked liabilities	9,399.8	43.9	-	15.0	9,458.7
	9,712.9	55.3	245.3	5,611.9	15,625.4

7 Fair value measurement disclosures (continued)

	2023				
	Level 1	Level 2	Level 3	Not at fair value	Total
	£m	£m	£m	£m	£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 £20.8 million (2023: gain of £19.9 million). A net gain on financial instruments at fair value through other comprehensive income of £0.6 million (2023: loss of £0.1 million) has been transferred to the income statement.

7 Fair value measurement disclosures (continued)

The fair value of financial assets and liabilities at amortised cost approximates their carrying value. No financial assets or liabilities were transferred between levels during 2024 (2023: none).

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

	2024			
	Financial assets at FVTPL	Assets backing unit-linked liabilities	Financial liabilities at FVTPL	Liabilities to purchase subsidiary shares
	£m	£m	£m	£m
At 1 January	228.1	18.3	96.9	177.6
Exchange translation adjustments	(3.8)	(0.1)	(1.7)	-
Net gain/(loss) recognised in the income statement	2.7	(3.5)	8.7	-
Remeasurements	-	-	-	(36.7)
Additions	56.4	138.3	8.6	3.7
Disposals and settlements	(21.4)	(7.2)	(7.9)	(3.9)
At 31 December	262.0	145.8	104.6	140.7

	2023			
	Financial assets at FVTPL	Assets backing unit-linked liabilities	Financial liabilities at FVTPL	Liabilities to purchase subsidiary shares
	£m	£m	£m	£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

	2024	2023
	£m	£m
Subordinated debt in issue	256.0	-

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 31 December 2024 was £259.4 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	Joint ventures	Total	Associates	Joint ventures	Total
	£m	£m	£m	£m	£m	£m
At 1 January	348.2	183.5	531.7	304.8	192.9	497.7
Exchange translation adjustments	(2.4)	(0.7)	(3.1)	(25.9)	(0.3)	(26.2)
Additions ¹	17.6	1.0	18.6	51.9	2.0	53.9
Disposals	(8.0)	-	(8.0)	(1.1)	(3.3)	(4.4)
Profit/(loss) for the year after tax ²	36.5	5.6	42.1	47.4	(6.9)	40.5
Impairment	(8.0)	-	(8.0)	-	-	-
Distributions of profit	(15.0)	(8.3)	(23.3)	(28.9)	(0.9)	(29.8)
At 31 December	368.9	181.1	550.0	348.2	183.5	531.7

¹51% 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 derecognised from the statement of financial position. £51.8 million was subsequently recognised as an addition to investments in associates and joint ventures.

²Share of profit of associates and joint ventures as presented on the income statement excludes acquisition costs and related items of £5.5 million (2023: £5.9 million) and restructuring costs of nil (2023: £4.7 million), net of tax.

10 Property, Plant and Equipment

	2024			
	Leasehold improvements	Land and buildings	Other assets	Total
	£m	£m	£m	£m
Cost				
At 1 January	210.7	19.7	166.4	396.8
Exchange translation adjustments	(1.3)	-	(1.0)	(2.3)
Additions	15.8	-	8.0	23.8
Disposals	(9.3)	-	(15.5)	(24.8)
At 31 December	215.9	19.7	157.9	393.5
Accumulated depreciation				
At 1 January	(89.3)	(2.6)	(118.7)	(210.6)
Exchange translation adjustments	0.7	-	0.8	1.5
Depreciation charge	(13.6)	(0.4)	(9.3)	(23.3)
Disposals	9.3	-	14.9	24.2
At 31 December	(92.9)	(3.0)	(112.3)	(208.2)
Net book value at 31 December	123.0	16.7	45.6	185.3
Right-of-use assets (see note 11)				303.3
Property, plant and equipment net book value at 31 December				488.6

10 Property, Plant and Equipment (continued)

	2023			
	Leasehold improvements	Land and buildings	Other assets	Total
	£m	£m	£m	£m
Cost				
At 1 January	207.0	19.7	169.0	395.7
Exchange translation adjustments	(2.1)	-	(2.5)	(4.6)
Additions	7.6	-	4.9	12.5
Disposals	(1.8)	-	(5.0)	(6.8)
At 31 December	210.7	19.7	166.4	396.8
Accumulated depreciation				
At 1 January	(75.7)	(2.2)	(112.0)	(189.9)
Exchange translation adjustments	1.3	-	1.8	3.1
Depreciation charge	(15.7)	(0.4)	(10.9)	(27.0)
Disposals	0.8	-	2.4	3.2
At 31 December	(89.3)	(2.6)	(118.7)	(210.6)
Net book value at 31 December	121.4	17.1	47.7	186.2
Right-of-use assets (see note 11)				278.1
Property, plant and equipment net book value at 31 December				464.3

11 Leases

	2024		2023	
	Right-of-use assets	Lease liabilities	Right-of-use assets	Lease liabilities
	£m	£m	£m	£m
At 1 January	278.1	318.7	318.3	361.0
Exchange translation adjustments	(0.9)	(0.6)	(4.3)	(6.5)
Additions and remeasurements of lease obligations	64.6	63.9	7.7	7.2
Lease payments	-	(46.0)	-	(52.3)
Depreciation charge	(38.5)	-	(43.6)	-
Interest expense	-	9.7	-	9.3
At 31 December	303.3	345.7	278.1	318.7

The depreciation charge and interest expense relating to leases are recorded within operating expenses (see note 3).

12 Goodwill and intangible assets

	2024			
	Goodwill	Acquired intangible assets	Software	Total
	£m	£m	£m	£m
Cost				
At 1 January	1,255.0	730.6	632.7	2,618.3
Exchange translation adjustments	(17.3)	(6.5)	(2.8)	(26.6)
Additions	31.9	26.5	46.7	105.1
Disposals	-	-	(20.6)	(20.6)
At 31 December	1,269.6	750.6	656.0	2,676.2
Accumulated amortisation				
At 1 January	-	(367.7)	(365.4)	(733.1)
Exchange translation adjustments	-	4.4	1.7	6.1
Amortisation charge	-	(55.7)	(73.6)	(129.3)
Disposals	-	-	20.6	20.6
At 31 December	-	(419.0)	(416.7)	(835.7)
Carrying amount at 31 December	1,269.6	331.6	239.3	1,840.5
	2023			
	Goodwill	Acquired intangible assets	Software	Total
	£m	£m	£m	£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	-	(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

The Group completed two business combinations during the year ended 31 December 2024, resulting in £22.0 million of identifiable intangible assets and £30.7 million of Wealth Management goodwill. The Group acquired £4.5 million of customer contracts through Benchmark Capital that were not considered to be business combinations.

12 Goodwill and intangible assets (continued)

Estimates and judgements

The Group estimates the fair value of identifiable intangible assets acquired at the acquisition date based on forecast profits, taking account of synergies, derived from existing contractual arrangements. This assessment involves judgement in determining assumptions relating to potential future revenues, profit margins, appropriate discount rates and the expected duration of client relationships. The difference between the fair value of the consideration and the value of the identifiable assets and liabilities acquired, including intangible assets, is accounted for as goodwill.

At each reporting date, the Group applies judgement to determine whether there is any indication that an acquired intangible asset may be impaired. If any indication exists, a full assessment is undertaken. Goodwill is assessed for impairment on an annual basis. If the assessment of goodwill or an acquired intangible asset determines that the carrying value exceeds the estimated recoverable amount at that time, the assets are written down to their recoverable amount.

The recoverable amount of goodwill is determined using a discounted cash flow model. Any impairment is recognised in the income statement and cannot be reversed. Goodwill acquired in a business combination is allocated to the CGUs that are expected to benefit from that business combination. For all relevant acquisitions, the Group has determined that the lowest level CGU for Asset Management acquisitions is the segment. The Benchmark Capital business within Wealth Management is assessed separately from the rest of Wealth Management. Of the total goodwill, £995.2 million (2023: £1,012.3 million) is allocated to Asset Management and £274.4 million (2023: £242.7 million) is allocated to Wealth Management, of which £93.8 million (2023: £81.4 million) relates to Benchmark Capital.

The recoverable amounts of the CGUs are determined from value-in-use calculations applying a discounted cash flow model using the Group's five-year strategic business plan cash flows. The key assumptions on which the Group's cash flow projections are based include long-term market growth rates of 2% per annum (2023: 2%), a pre-tax discount rate of 13% (2023: 13%), expected flows and expected changes to revenue margins. The results of the calculations indicate that goodwill is not impaired.

Reasonable movements (1%) in the growth rate and/or the discount rate would not lead to any impairment. This is due to the amount of goodwill allocated to the relevant CGU relative to the size of the relevant future profitability estimate. A comparison of actual results to the projected results used to assess goodwill impairment in prior years shows that the Group would have recognised no changes (2023: nil) to its goodwill asset in the year as a result of inaccurate projections.

The recoverable amount of acquired intangible assets is the greater of fair value less costs to sell and the updated discounted valuation of the remaining net residual income stream. Any impairment is recognised in the income statement but may be reversed if relevant conditions improve.

13 Retirement benefit obligations

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

	2024	2023
	£m	£m
At 1 January	713.4	706.5
Interest income	31.4	33.2
Remeasurement of assets	(64.1)	2.9
Benefits paid	(30.2)	(27.5)
Contribution by employer ¹	(3.8)	-
Administrative expenses	(2.0)	(1.7)
Fair value of plan assets	644.7	713.4
At 1 January	(575.1)	(570.2)
Interest cost	(25.2)	(26.7)
Actuarial gains due to change in demographic assumptions	6.9	11.1
Actuarial gains/(losses) due to change in financial assumptions	58.6	(12.7)
Actuarial losses due to experience	(9.1)	(4.1)
Benefits paid	30.2	27.5
Present value of funded obligations	(513.7)	(575.1)
Net assets	131.0	138.3

¹In July 2024, the trustees of the Scheme agreed that certain employer contributions due to the Defined Contribution section could be met by assets allocated to the Defined Benefit section. The arrangement is subject to a monthly cap, is conditional on certain funding levels being maintained and will be monitored by the trustees.

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. As the assessment of any potential impact is ongoing, with the expectation of further legal cases in early 2025 and the possibility of government intervention, no adjustment has been made to the Scheme's liabilities as at 31 December 2024.

The amount recognised in the statement of comprehensive income includes a gain of £0.3 million (2023: loss £1.4 million) in respect of other defined benefit schemes.

13 Retirement benefit obligations (continued)

The principal financial assumptions used for the Scheme are:

	2024	2023
	%	%
Discount rate	5.4	4.5
RPI inflation rate	3.1	3.0
CPI inflation rate	2.5	2.3
Future pension increases (for benefits earned before 13 August 2007)	2.9	2.9
Future pension increases (for benefits earned after 13 August 2007)	2.0	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 2023. The funding level at that date was 115% on the technical provisions basis and no contribution to the Scheme was required. The next triennial valuation is due as at 31 December 2026 and will be performed in 2027.

Estimates and judgements

The Group estimates the carrying value of the Scheme by applying judgement to determine the assumptions used to calculate the valuation of the pension obligation using member data and applying the Scheme rules. The Scheme assets are mainly quoted in an active market. The sensitivity to those assumptions is set out below. The most significant judgemental assumption relates to mortality rates, which are inherently uncertain. The Group's mortality assumptions are based on standard mortality tables with Continuous Mortality Investigation core projection factors and a long-term rate of mortality improvement of 1.0% (2023: 1.0%) per annum. An additional adjustment, an "A parameter" set to 0.25% (2023: 0.25%) per annum, allows for the typically higher rate of mortality improvement among members of the Scheme compared with general population statistics. The latest base mortality tables have been adopted with no scaling (2023: nil) following a Scheme specific review of the membership data.

The Group reviews its assumptions annually in conjunction with its independent actuaries and considers this adjustment appropriate given the geographic and demographic profile of Scheme members. Other assumptions for pension obligations are based in part on current market conditions.

14 Share capital and share premium

	2024		
	Number of shares	Total ordinary shares	Share premium
	Millions	£m	£m
At 1 January	1,612.1	322.4	84.3
At 31 December	1,612.1	322.4	84.3

	2023		
	Number of shares	Total ordinary shares	Share premium
	Millions	£m	£m
At 1 January	1,612.1	322.4	84.3
At 31 December	1,612.1	322.4	84.3

15 Own shares

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

Movements in own shares during the year were as follows:

	2024 £m	2023 £m
At 1 January	(172.1)	(185.1)
Own shares purchased	(59.8)	(66.6)
Awards vested	72.0	79.6
At 31 December	(159.9)	(172.1)

During the year, 10.4 million own shares (2023: 14.4 million own shares) were purchased and held for hedging share-based awards. 6.4 million shares (2023: nil) were purchased and are held in treasury. 15.0 million shares (2023: 15.9 million shares) awarded to employees vested in the period and were transferred out of own shares.

The total number of shares in the Company held within the Group's employee benefit trusts comprise:

	2024			2023		
	Number of vested shares	Number of unvested shares	Total	Number of vested shares	Number of unvested shares	Total
	Millions	Millions	Millions	Millions	Millions	Millions
Total ordinary shares	22.0	37.5	59.5	23.0	35.8	58.8

16 Reconciliation of net cash from operating activities

	2024	2023
	£m	£m
Profit before tax	558.1	487.6
Adjustments for income statement non-cash movements:		
Depreciation of property, plant and equipment and amortisation of intangible assets	191.1	212.2
Net gain on financial instruments	(18.1)	(19.1)
Share-based payments	30.4	62.8
Net charge/(release) for provisions	38.8	(2.0)
Other non-cash movements ¹	(39.0)	(26.8)
	203.2	227.1
Adjustments for which the cash effects are investing or financing activities:		
Interest income	(31.8)	(23.6)
Interest expense on lease liabilities	9.7	9.3
Share of profit of associates and joint ventures after amortisation	(42.1)	(40.5)
	(64.2)	(54.8)
Adjustments for statement of financial position movements:		
Decrease/(increase) in loans and advances within Wealth Management	271.3	(100.8)
Increase in trade and other receivables	(88.0)	(40.7)
Increase/(decrease) in deposits and client accounts within Wealth Management	576.3	(413.0)
(Decrease)/increase in trade and other payables, other financial liabilities and provisions	(26.4)	27.9
	733.2	(526.6)
Adjustments for Life Company and consolidated pooled investment vehicles movements:		
Net decrease/(increase) in financial assets backing unit-linked liabilities	244.6	(105.9)
Net decrease in unit-linked liabilities	(549.4)	(46.0)
Net increase/(decrease) in cash within consolidated pooled investment vehicles	6.7	(24.8)
	(298.1)	(176.7)
Tax paid	(84.0)	(194.7)
Net cash from/(used in) operating activities	1,048.2	(238.1)

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

Directors' responsibility statement

To the best of their knowledge and belief, each of the Directors listed below confirms that:

- The consolidated financial statements of Schroders plc, prepared in accordance with UK-adopted international accounting standards and in conformity with the requirements of Companies Act, which give a true and fair view of the assets, liabilities, financial position and profit of Schroders plc and the undertakings included in the consolidation taken as a whole;
- The announcement includes a fair summary of the development and performance of the business and the position of Schroders plc and the undertakings included in the consolidation taken as a whole and a description of the principal risks and uncertainties that they face;
- So far as each Director is aware, there is no relevant audit information of which Schroders plc's auditors are unaware; and
- They have each taken all the steps that ought to have been taken by them as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors:

Dame Elizabeth Corley	Chair
Richard Oldfield	Group Chief Executive
Meagen Burnett	Chief Financial Officer
Johanna Kyrklund	Group Chief Investment Officer
Ian King	Senior Independent Director
Claire Fitzalan Howard	Non-executive Director
Rakhi Goss-Custard	Independent non-executive Director
Iain Mackay	Independent non-executive Director
Leonie Schroder	Non-executive Director
Annette Thomas	Independent non-executive Director
Frederic Wakeman	Independent non-executive Director
Deborah Waterhouse	Independent non-executive Director
Matthew Westerman	Independent non-executive Director

5 March 2025

Five year consolidated financial summary (unaudited)

	2024	2023	2022	2021	2020
	£m	£m	£m	£m	£m
Operating profit before tax	640.5	661.0	723.0	841.0	698.5
Tax	(144.3)	(128.0)	(123.6)	(147.4)	(134.9)
Operating profit after tax	496.2	533.0	599.4	693.6	563.6
	2024	2023	2022	2021	2020
	£m	£m	£m	£m	£m
Profit before tax	558.1	487.6	586.9	764.1	610.5
Tax	(125.1)	(85.0)	(100.7)	(140.3)	(124.5)
Profit after tax	433.0	402.6	486.2	623.8	486.0
	2024	2023	2022	2021	2020
Operating earnings per share	Pence	Pence	Pence	Pence	Pence
Basic earnings per share ¹	30.1	32.5	37.4	43.0	34.9
Diluted earnings per share ¹	29.6	31.9	36.7	42.2	34.3
	2024	2023	2022	2021	2020
Earnings per share	Pence	Pence	Pence	Pence	Pence
Basic earnings per share ¹	26.4	24.6	30.4	38.7	30.2
Diluted earnings per share ¹	26.0	24.2	29.9	38.1	29.7
Dividends	2024	2023	2022	2021	2020
Cost (£m)	334.2	333.0	332.1	318.6	311.7
Pence per share ²	21.5	21.5	21.4	20.4	20.0
Total equity (£m)	4,495.4	4,463.7	4,479.7	4,425.7	4,085.9
Net assets per share (pence)³	279	277	278	275	253

¹See note 5 for the basis of this calculation. Prior year comparatives have been restated following the simplification of the Company's dual share class structure in 2022.

²Dividends per share are those amounts approved by the shareholders to be paid within the year on a per share basis to the shareholders on the register at the specified dates. Prior year comparatives have been restated following the simplification of the Company's dual share class structure in 2022.

³Net assets per share are calculated by using the actual number of shares in issue at the year-end date. Prior year comparatives have been restated following the simplification of the Company's dual share class structure in 2022.

Exchange rates – closing

31 December	2024	2023	2022	2021	2020
Sterling:					
Euro	1.21	1.15	1.13	1.19	1.12
US dollar	1.25	1.27	1.20	1.35	1.37
Swiss franc	1.13	1.07	1.11	1.23	1.21
Australian dollar	2.02	1.87	1.77	1.86	1.77
Hong Kong dollar	9.73	9.95	9.39	10.56	10.60
Japanese yen	196.83	179.72	158.72	155.97	141.13
Singaporean dollar	1.71	1.68	1.61	1.83	1.81
Chinese renminbi	9.14	9.04	8.36	8.63	8.89

Glossary

Adjusted operating profit/adjusted operating EPS	In 2025 we will redefine the structure of our income statement and associated performance measures. The most significant change under the revised presentation is that central costs, acquisition related items and one-off costs are to be included within statutory operating expenses and operating profit. We will separately present an adjusted operating profit measure that excludes acquisition related items and one-off costs.
Adjusted cost:income ratio	See adjusted operating profit/adjusted operating EPS. This is adjusted operating expenses as a ratio of adjusted net operating income.
Assets under management (AUM)	<p>AUM represents the aggregate value of client assets managed, advised or otherwise contracted, from which the Group, including joint ventures and associates, earns operating revenue.</p> <p>Asset Management AUM includes investment management, OCIO, fiduciary management and liability management services. For Schroders Capital Private Equity, the aggregate value of assets managed includes client commitments on which we earn fees. This is changed to the lower of committed funds and net asset value, typically after seven years from the initial investment, in line with the fee basis.</p> <p>Wealth Management AUM comprises the aggregate value of assets where Schroders provides advice or discretionary management (Advised AUM), platform services (Platform AUM) and investment management services (Managed AUM). Advised AUM comprises assets where Schroders provides discretionary or advisory management services including assets where the client independently makes investment decisions. Platform AUM represents the value of assets on the Benchmark Fusion platform. The Fusion platform enables financial advisers to administer and manage their clients' accounts by providing dealing and settlement services, valuation statements and custody services through a third party. Managed AUM includes assets where the client invests in Schroders' funds.</p>
Dry powder and non-fee-earning dry powder	Within Schroders Capital, fundraising comprises new funds invested into our products and contractual commitments from clients to invest their capital in the future. These commitments are called upon once relevant investments have been identified and the capital is to be deployed. Uncalled commitments are referred to as dry powder. Depending on the applicable fee arrangements, dry powder may or may not attract management fees. Uncalled commitments that do not attract fees are referred to as non-fee-earning dry powder.
Fundraising	This is a term used in Schroders Capital comprising new funds invested into our products and contractual commitments from clients to invest their capital in the future.
Group ExCo	The Group ExCo comprises senior management who have primary responsibility for the delivery and execution of the Group's strategy, and for operational performance. It is an advisory committee to the Group Chief Executive.
Net new business (NNB)	New funds from clients less funds withdrawn by clients. This is also described as net inflows (when positive) or net outflows (when negative).
Operating compensation ratio	Operating compensation costs divided by net operating income. By targeting an operating compensation ratio, we align the interests of shareholders and employees.
Operating earnings per share	Operating profit after tax excluding non-controlling operating earnings divided by the relevant weighted average number of shares (see note 5). The presentation of operating earnings per share provides transparency as to our operational activities to aid understanding of the financial performance.
Operating profit	Operating profit represents the profit before tax generated by the Group's Asset Management and Wealth Management operating segments. It excludes central costs, gains and losses from capital management activities, as well as acquisition and restructuring related costs.
Other operating income	Other operating income primarily relates to gains and losses on co-investments and foreign exchange.
Payout ratio	The total dividend per share in respect of the year (see note 6) divided by the basic operating earnings per share.