

# St. James's Place UK plc

**Annual PRA Insurance Returns for the year ended  
31st December 2013**



**BANK OF ENGLAND  
PRUDENTIAL REGULATION  
AUTHORITY**

(Appendices 9.1, 9.3, 9.4, 9.6)

# St. James's Place UK plc

Year ended 31st December 2013

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**Statement of solvency - long-term insurance business**

**Form 2**

Name of insurer **St. James's Place UK plc**

Global business

Financial year ended **31st December 2013**

Adjusted solo solvency calculation

	Company registration number	GL/UK/CM	Period ended			units
			day	month	year	
<b>R2</b>	<b>2628062</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2013</b>	<b>£000</b>
			As at end of this financial year		As at end of the previous year	
			<b>1</b>		<b>2</b>	

**Capital resources**

Capital resources arising within the long-term insurance fund	<b>11</b>	136610	99105
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	<b>12</b>	7121	20621
Capital resources available to cover long-term insurance business capital resources requirement (11+12)	<b>13</b>	143731	119726

**Guarantee fund**

Guarantee fund requirement	<b>21</b>	13102	11847
Excess (deficiency) of available capital resources to cover guarantee fund requirement	<b>22</b>	130629	107879

**Minimum capital requirement (MCR)**

Long-term insurance capital requirement	<b>31</b>	39305	35541
Resilience capital requirement	<b>32</b>	2363	5019
Base capital resources requirement	<b>33</b>	3146	2984
Individual minimum capital requirement	<b>34</b>	41668	40560
Capital requirements of regulated related undertakings	<b>35</b>		
Minimum capital requirement (34+35)	<b>36</b>	41668	40560
Excess (deficiency) of available capital resources to cover 50% of MCR	<b>37</b>	122897	99446
Excess (deficiency) of available capital resources to cover 75% of MCR	<b>38</b>	112480	89306

**Enhanced capital requirement**

With-profits insurance capital component	<b>39</b>		
Enhanced capital requirement	<b>40</b>	41668	40560

**Capital resources requirement (CRR)**

Capital resources requirement (greater of 36 and 40)	<b>41</b>	41668	40560
Excess (deficiency) of available capital resources to cover long-term insurance business CRR (13-41)	<b>42</b>	102063	79166

**Contingent liabilities**

Quantifiable contingent liabilities in respect of long-term insurance business as shown in a supplementary note to Form 14	<b>51</b>		
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**Components of capital resources**
**Form 3  
(Sheet 1)**

 Name of insurer **St. James's Place UK plc**

Global business

 Financial year ended **31st December 2013**

	Company registration number	GL/UK/CM	Period ended			units	
			day	month	year		
	<b>R3</b>	<b>2628062</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2013</b>	<b>£000</b>
	General insurance business	Long-term insurance business	Total as at the end of this financial year	Total as at the end of the previous year			
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>			

**Core tier one capital**

Permanent share capital	<b>11</b>		110000	110000	110000
Profit and loss account and other reserves	<b>12</b>		529616	529616	542402
Share premium account	<b>13</b>				
Positive valuation differences	<b>14</b>		105743	105743	216692
Fund for future appropriations	<b>15</b>				
Core tier one capital in related undertakings	<b>16</b>				18888
Core tier one capital (sum of 11 to 16)	<b>19</b>		745359	745359	887982

**Tier one waivers**

Unpaid share capital / unpaid initial funds and calls for supplementary contributions	<b>21</b>				
Implicit items	<b>22</b>				
Tier one waivers in related undertakings	<b>23</b>				
Total tier one waivers as restricted (21+22+23)	<b>24</b>				

**Other tier one capital**

Perpetual non-cumulative preference shares as restricted	<b>25</b>				
Perpetual non-cumulative preference shares in related undertakings	<b>26</b>				
Innovative tier one capital as restricted	<b>27</b>				
Innovative tier one capital in related undertakings	<b>28</b>				

<b>Total tier one capital before deductions</b> (19+24+25+26+27+28)	<b>31</b>		745359	745359	887982
Investments in own shares	<b>32</b>				
Intangible assets	<b>33</b>				
Amounts deducted from technical provisions for discounting	<b>34</b>				
Other negative valuation differences	<b>35</b>				
Deductions in related undertakings	<b>36</b>				
Deductions from tier one (32 to 36)	<b>37</b>				
<b>Total tier one capital after deductions</b> (31-37)	<b>39</b>		745359	745359	887982

**Components of capital resources**
**Form 3  
(Sheet 2)**

 Name of insurer **St. James's Place UK plc**

Global business

 Financial year ended **31st December 2013**

	Company registration number	GL/UK/CM	Period ended			units
			day	month	year	
<b>R3</b>	<b>2628062</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2013</b>	<b>£000</b>
	General insurance business <b>1</b>	Long-term insurance business <b>2</b>	Total as at the end of this financial year <b>3</b>	Total as at the end of the previous year <b>4</b>		

**Tier two capital**

Implicit items, (tier two waivers and amounts excluded from line 22)	<b>41</b>				
Perpetual non-cumulative preference shares excluded from line 25	<b>42</b>				
Innovative tier one capital excluded from line 27	<b>43</b>				
Tier two waivers, innovative tier one capital and perpetual non-cumulative preference shares treated as tier two capital (41 to 43)	<b>44</b>				
Perpetual cumulative preference shares	<b>45</b>				
Perpetual subordinated debt and securities	<b>46</b>				
Upper tier two capital in related undertakings	<b>47</b>				
<b>Upper tier two capital (44 to 47)</b>	<b>49</b>				

Fixed term preference shares	<b>51</b>				
Other tier two instruments	<b>52</b>				
Lower tier two capital in related undertakings	<b>53</b>				
<b>Lower tier two capital (51+52+53)</b>	<b>59</b>				

<b>Total tier two capital before restrictions (49+59)</b>	<b>61</b>				
Excess tier two capital	<b>62</b>				
Further excess lower tier two capital	<b>63</b>				
<b>Total tier two capital after restrictions, before deductions (61-62-63)</b>	<b>69</b>				

**Components of capital resources**
**Form 3  
(Sheet 3)**

 Name of insurer **St. James's Place UK plc**

Global business

 Financial year ended **31st December 2013**

	Company registration number	GL/UK/CM	Period ended			units	
			day	month	year		
	<b>R3</b>	<b>2628062</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2013</b>	<b>£000</b>
	General insurance business	Long-term insurance business	Total as at the end of this financial year	Total as at the end of the previous year			
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>			

**Total capital resources**

Positive adjustments for regulated non-insurance related undertakings	<b>71</b>				
<b>Total capital resources before deductions (39+69+71)</b>	<b>72</b>		745359	745359	887982
Inadmissible assets other than intangibles and own shares	<b>73</b>		601628	601628	768256
Assets in excess of market risk and counterparty limits	<b>74</b>				
Deductions for related ancillary services undertakings	<b>75</b>				
Deductions for regulated non-insurance related undertakings	<b>76</b>				
Deductions of ineligible surplus capital	<b>77</b>				
<b>Total capital resources after deductions (72-73-74-75-76-77)</b>	<b>79</b>		143731	143731	119726

**Available capital resources for GENPRU/INSRU tests**

Available capital resources for guarantee fund requirement	<b>81</b>		143731	143731	119726
Available capital resources for 50% MCR requirement	<b>82</b>		143731	143731	119726
Available capital resources for 75% MCR requirement	<b>83</b>		143731	143731	119726

**Financial engineering adjustments**

Implicit items	<b>91</b>				
Financial reinsurance – ceded	<b>92</b>				
Financial reinsurance – accepted	<b>93</b>				
Outstanding contingent loans	<b>94</b>				
Any other charges on future profits	<b>95</b>				
<b>Sum of financial engineering adjustments (91+92-93+94+95)</b>	<b>96</b>				

Name of insurer **St. James's Place UK plc**

Global business

Financial year ended **31st December 2013**

Long-term insurance business

	Company registration number	GL/UK/CM	Period ended			units
			day	month	year	
R11	2628062	GL	31	12	2013	£000
			This financial year		Previous year	
			1		2	
Gross premiums written		11	10403		11201	
Premiums taxes and levies (included in line 11)		12				
Premiums written net of taxes and levies (11-12)		13	10403		11201	
Premiums for classes 11, 12 or 13 (included in line 13)		14				
Premiums for "actuarial health insurance" (included in line 13)		15	10403		11201	
<b>Sub-total A</b> (13 + 1/2 14 - 2/3 15)		16	3468		3734	
Gross premiums earned		21	10403		11201	
Premium taxes and levies (included in line 21)		22				
Premiums earned net of taxes and levies (21-22)		23	10403		11201	
Premiums for classes 11, 12 or 13 (included in line 23)		24				
Premiums for "actuarial health insurance" (included in line 23)		25	10403		11201	
<b>Sub-total H</b> (23 + 1/2 24 - 2/3 25)		26	3468		3734	
<b>Sub-total I</b> (higher of sub-total A and sub-total H)		30	3468		3734	
<b>Adjusted sub-total I</b> if financial year is not a 12 month period to produce an annual figure		31				
Division of gross adjusted premiums amount: sub-total I (or adjusted sub-total I if appropriate)	x 0.18	32	624		672	
	Excess (if any) over 61.3M EURO x 0.02	33				
<b>Sub-total J</b> (32-33)		34	624		672	
Claims paid in period of 3 financial years		41	36859		36691	
Claims outstanding carried forward at the end of the 3 year period	For insurance business accounted for on an underwriting year basis	42	22658		25468	
	For insurance business accounted for on an accident year basis	43				
Claims outstanding brought forward at the beginning of the 3 year period	For insurance business accounted for on an underwriting year basis	44	24581		22550	
	For insurance business accounted for on an accident year basis	45				
<b>Sub-total C</b> (41+42+43-44-45)		46	34936		39609	
Amounts recoverable from reinsurers in respect of claims included in Sub-total C		47	28661		31924	
<b>Sub-total D</b> (46-47)		48	6275		7685	
<b>Reinsurance ratio</b> (Sub-total D / sub-total C or, if more, 0.50 or, if less, 1.00)		49	0.50		0.50	
<b>Premiums amount</b> (Sub-total J x reinsurance ratio)		50	312		336	
Provisions for claims outstanding (before discounting and net of reinsurance)		51	5147		6665	
Provisions for claims outstanding (before discounting and gross of reinsurance) if both 51.1 and 51.2 are zero, otherwise zero		52				
Brought forward amount (see instruction 4)		53	488		632	
Greater of lines 50 and 53		54	488		632	

**Calculation of general insurance capital requirement - claims amount and result**
**Form 12**

 Name of insurer **St. James's Place UK plc**

Global business

 Financial year ended **31st December 2013**

Long-term insurance business

		Company registration number	GL/UK/CM	Period ended			units	
		R12	2628062	GL	31	12	2013	£000
				This financial year		Previous year		
				1		2		
Reference period (No. of months) See <i>INSPRU</i> 1.1.63R		11			36		36	
Claims paid in reference period		21			36859		36691	
Claims outstanding carried forward at the end of the reference period	For insurance business accounted for on an underwriting year basis	22			22658		25468	
	For insurance business accounted for on an accident year basis	23						
Claims outstanding brought forward at the beginning of the reference period	For insurance business accounted for on an underwriting year basis	24			24581		22550	
	For insurance business accounted for on an accident year basis	25						
Claims incurred in reference period (21+22+23-24-25)		26			34936		39609	
Claims incurred for classes 11, 12 or 13 (included in 26)		27						
Claims incurred for "actuarial health insurance" (included in 26)		28			34936		39609	
<b>Sub-total E</b> (26 + 1/2 27 - 2/3 28)		29			11645		13203	
<b>Sub-total F</b> - Conversion of sub-total E to annual figure (multiply by 12 and divide by number of months in the reference period)		31			3882		4401	
Division of sub-total F (gross adjusted claims amount)	X 0.26	32			1009		1144	
	Excess (if any) over 42.9M EURO x 0.03	33						
<b>Sub-total G</b> (32 - 33)		39			1009		1144	
<b>Claims amount</b> Sub-total G x <b>reinsurance ratio</b> (11.49)		41			505		572	
Higher of <b>premiums amount</b> and <b>brought forward amount</b> (11.54)		42			488		632	
<b>General insurance capital requirement</b> (higher of lines 41 and 42)		43			505		632	



**Analysis of admissible assets**
**Form 13  
(Sheet 1)**

 Name of insurer **St. James's Place UK plc**

Global business

 Financial year ended **31st December 2013**

 Category of assets **Total other than Long-term insurance business assets**

	Company registration number	GL/UK/CM	Period ended			units	Category of assets	
			day	month	year			
	<b>R13</b>	<b>2628062</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2013</b>	<b>£000</b>	<b>1</b>
							As at end of this financial year	As at end of the previous year
					<b>1</b>			<b>2</b>
Land and buildings			<b>11</b>					

**Investments in group undertakings and participating interests**

UK insurance dependants	shares	<b>21</b>	46364	18888
	debts and loans	<b>22</b>		
Other insurance dependants	shares	<b>23</b>		
	debts and loans	<b>24</b>		
Non-insurance dependants	shares	<b>25</b>		
	debts and loans	<b>26</b>		
Other group undertakings	shares	<b>27</b>		
	debts and loans	<b>28</b>		
Participating interests	shares	<b>29</b>		
	debts and loans	<b>30</b>		

**Other financial investments**

Equity shares	<b>41</b>		
Other shares and other variable yield participations	<b>42</b>		
Holdings in collective investment schemes	<b>43</b>	60637	31613
Rights under derivative contracts	<b>44</b>		
Fixed interest securities	Approved	<b>45</b>	
	Other	<b>46</b>	
Variable interest securities	Approved	<b>47</b>	
	Other	<b>48</b>	
Participation in investment pools	<b>49</b>		
Loans secured by mortgages	<b>50</b>		
Loans to public or local authorities and nationalised industries or undertakings	<b>51</b>		
Loans secured by policies of insurance issued by the company	<b>52</b>		
Other loans	<b>53</b>		
Bank and approved credit & financial institution deposits	One month or less withdrawal	<b>54</b>	
	More than one month withdrawal	<b>55</b>	
Other financial investments	<b>56</b>		

**Analysis of admissible assets**
**Form 13  
(Sheet 2)**

 Name of insurer **St. James's Place UK plc**

Global business

 Financial year ended **31st December 2013**

 Category of assets **Total other than Long-term insurance business assets**

	Company registration number	GL/UK/CM	Period ended			units	Category of assets	
			day	month	year			
	<b>R13</b>	<b>2628062</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2013</b>	<b>£000</b>	<b>1</b>
							As at end of this financial year	As at end of the previous year
							<b>1</b>	<b>2</b>
Deposits with ceding undertakings				<b>57</b>				
Assets held to match linked liabilities		Index linked		<b>58</b>				
		Property linked		<b>59</b>				

**Reinsurers' share of technical provisions**

Provision for unearned premiums	<b>60</b>		
Claims outstanding	<b>61</b>		
Provision for unexpired risks	<b>62</b>		
Other	<b>63</b>		

**Debtors and salvage**

Direct insurance business	Policyholders	<b>71</b>		
	Intermediaries	<b>72</b>		
Salvage and subrogation recoveries		<b>73</b>		
Reinsurance	Accepted	<b>74</b>		
	Ceded	<b>75</b>		
Dependants	due in 12 months or less	<b>76</b>		
	due in more than 12 months	<b>77</b>		
Other	due in 12 months or less	<b>78</b>		
	due in more than 12 months	<b>79</b>		

**Other assets**

Tangible assets	<b>80</b>		
Deposits not subject to time restriction on withdrawal with approved institutions	<b>81</b>	120	120
Cash in hand	<b>82</b>		
Other assets (particulars to be specified by way of supplementary note)	<b>83</b>		
Accrued interest and rent	<b>84</b>		
Deferred acquisition costs (general business only)	<b>85</b>		
Other prepayments and accrued income	<b>86</b>		

Deductions from the aggregate value of assets	<b>87</b>		
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Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	<b>89</b>	107121	50621
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**Analysis of admissible assets**
**Form 13  
(Sheet 3)**

 Name of insurer **St. James's Place UK plc**

Global business

 Financial year ended **31st December 2013**

 Category of assets **Total other than Long-term insurance business assets**

R13	Company registration number 2628062	GL/UK/CM GL	Period ended			units £000	Category of assets 1
			day	month	year		
			31	12	2013		
			As at end of this financial year			As at end of the previous year	
			1			2	

**Reconciliation to asset values determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting**

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	91	107121	50621
Admissible assets in excess of market and counterparty limits	92		
Inadmissible assets directly held	93		
Capital resources requirement deduction of regulated related undertakings	94		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	95		
Inadmissible assets of regulated related undertakings	96		
Book value of related ancillary services undertakings	97		
Other differences in the valuation of assets (other than for assets not valued above)	98		(18888)
Deferred acquisition costs excluded from line 89	99		
Reinsurers' share of technical provisions excluded from line 89	100		
Other asset adjustments (may be negative)	101		
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	102	107121	31733
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	103		

**Analysis of admissible assets**
**Form 13  
(Sheet 1)**

 Name of insurer **St. James's Place UK plc**

Global business

 Financial year ended **31st December 2013**

 Category of assets **Total Long-term insurance business assets**

	Company registration number	GL/UK/CM	Period ended			units	Category of assets	
			day	month	year			
	<b>R13</b>	<b>2628062</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2013</b>	<b>£000</b>	<b>10</b>
							As at end of this financial year	As at end of the previous year
					<b>1</b>			<b>2</b>
Land and buildings				<b>11</b>				

**Investments in group undertakings and participating interests**

UK insurance dependants	shares	<b>21</b>		
	debts and loans	<b>22</b>		
Other insurance dependants	shares	<b>23</b>		
	debts and loans	<b>24</b>		
Non-insurance dependants	shares	<b>25</b>		
	debts and loans	<b>26</b>		
Other group undertakings	shares	<b>27</b>		
	debts and loans	<b>28</b>		
Participating interests	shares	<b>29</b>		
	debts and loans	<b>30</b>		

**Other financial investments**

Equity shares	<b>41</b>		
Other shares and other variable yield participations	<b>42</b>		
Holdings in collective investment schemes	<b>43</b>	251707	84265
Rights under derivative contracts	<b>44</b>		
Fixed interest securities	Approved	<b>45</b>	15232
	Other	<b>46</b>	
Variable interest securities	Approved	<b>47</b>	32489
	Other	<b>48</b>	
Participation in investment pools	<b>49</b>		
Loans secured by mortgages	<b>50</b>		
Loans to public or local authorities and nationalised industries or undertakings	<b>51</b>		
Loans secured by policies of insurance issued by the company	<b>52</b>		
Other loans	<b>53</b>		
Bank and approved credit & financial institution deposits	One month or less withdrawal	<b>54</b>	
	More than one month withdrawal	<b>55</b>	
Other financial investments	<b>56</b>		

**Analysis of admissible assets**
**Form 13  
(Sheet 2)**

 Name of insurer **St. James's Place UK plc**

Global business

 Financial year ended **31st December 2013**

 Category of assets **Total Long-term insurance business assets**

	Company registration number	GL/UK/CM	Period ended			units	Category of assets	
			day	month	year			
	<b>R13</b>	<b>2628062</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2013</b>	<b>£000</b>	<b>10</b>
							As at end of this financial year	As at end of the previous year
							<b>1</b>	<b>2</b>
Deposits with ceding undertakings				<b>57</b>				
Assets held to match linked liabilities		Index linked		<b>58</b>				
		Property linked		<b>59</b>		29707621		23772419

**Reinsurers' share of technical provisions**

Provision for unearned premiums	<b>60</b>		
Claims outstanding	<b>61</b>		
Provision for unexpired risks	<b>62</b>		
Other	<b>63</b>		

**Debtors and salvage**

Direct insurance business	Policyholders	<b>71</b>	16458	17678
	Intermediaries	<b>72</b>	52531	20227
Salvage and subrogation recoveries		<b>73</b>		
Reinsurance	Accepted	<b>74</b>		
	Ceded	<b>75</b>	1518	
Dependants	due in 12 months or less	<b>76</b>		
	due in more than 12 months	<b>77</b>		
Other	due in 12 months or less	<b>78</b>	125516	14075
	due in more than 12 months	<b>79</b>		

**Other assets**

Tangible assets	<b>80</b>		
Deposits not subject to time restriction on withdrawal with approved institutions	<b>81</b>	45710	74123
Cash in hand	<b>82</b>		
Other assets (particulars to be specified by way of supplementary note)	<b>83</b>		
Accrued interest and rent	<b>84</b>	277	320
Deferred acquisition costs (general business only)	<b>85</b>		
Other prepayments and accrued income	<b>86</b>	22297	20496

Deductions from the aggregate value of assets	<b>87</b>		
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Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	<b>89</b>	30256124	24052272
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**Analysis of admissible assets**
**Form 13  
(Sheet 3)**

 Name of insurer **St. James's Place UK plc**

Global business

 Financial year ended **31st December 2013**

 Category of assets **Total Long-term insurance business assets**

	Company registration number	GL/UK/CM	Period ended			units	Category of assets	
			day	month	year			
	<b>R13</b>	<b>2628062</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2013</b>	<b>£000</b>	<b>10</b>
				As at end of this financial year		As at end of the previous year		
				<b>1</b>		<b>2</b>		

**Reconciliation to asset values determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting**

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	<b>91</b>	30256124	24052272
Admissible assets in excess of market and counterparty limits	<b>92</b>		
Inadmissible assets directly held	<b>93</b>		143974
Capital resources requirement deduction of regulated related undertakings	<b>94</b>		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	<b>95</b>		
Inadmissible assets of regulated related undertakings	<b>96</b>		
Book value of related ancillary services undertakings	<b>97</b>		
Other differences in the valuation of assets (other than for assets not valued above)	<b>98</b>		
Deferred acquisition costs excluded from line 89	<b>99</b>	620085	682762
Reinsurers' share of technical provisions excluded from line 89	<b>100</b>	62260	43332
Other asset adjustments (may be negative)	<b>101</b>		
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	<b>102</b>	30938469	24922340
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	<b>103</b>		

**Long-term insurance business liabilities and margins**
**Form 14**

Name of insurer **St. James's Place UK plc**

Global business

Financial year ended **31st December 2013**

Fund **Total Long-term insurance business**

Units **£000**

		As at the end of this financial year	As at the end of the previous year
		<b>1</b>	<b>2</b>
Mathematical reserves, after distribution of surplus	<b>11</b>	29589567	23834018
Cash bonuses which had not been paid to policyholders prior to end of the financial year	<b>12</b>		
Balance of surplus / (valuation deficit)	<b>13</b>	136610	99105
Long term insurance business fund carried forward (11 to 13)	<b>14</b>	29726177	23933123
Claims outstanding	Gross	<b>15</b>	60697
	Reinsurers' share	<b>16</b>	1771
	Net (15-16)	<b>17</b>	58926
Provisions	Taxation	<b>21</b>	78339
	Other risks and charges	<b>22</b>	
Deposits received from reinsurers	<b>23</b>		
Creditors	Direct insurance business	<b>31</b>	16238
	Reinsurance accepted	<b>32</b>	
	Reinsurance ceded	<b>33</b>	18257
Debenture loans	Secured	<b>34</b>	
	Unsecured	<b>35</b>	
Amounts owed to credit institutions	<b>36</b>		
Creditors	Taxation	<b>37</b>	246558
	Other	<b>38</b>	73138
Accruals and deferred income	<b>39</b>	38491	9107
Provision for "reasonably foreseeable adverse variations"	<b>41</b>		
Total other insurance and non-insurance liabilities (17 to 41)	<b>49</b>	529947	119149
Excess of the value of net admissible assets	<b>51</b>		
Total liabilities and margins	<b>59</b>	30256124	24052272
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	<b>61</b>	65095	13865
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	<b>62</b>	29629282	23748986
Total liabilities (11+12+49)	<b>71</b>	30119514	23953167
Increase to liabilities – DAC related	<b>72</b>	120029	157035
Reinsurers' share of technical provisions	<b>73</b>	62260	43332
Other adjustments to liabilities (may be negative)	<b>74</b>	104171	148137
Capital and reserves and fund for future appropriations	<b>75</b>	532495	620669
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (71 to 75)	<b>76</b>	30938469	24922340

**Liabilities (other than long-term insurance business)**
**Form 15**

 Name of insurer **St. James's Place UK plc**

Global business

 Financial year ended **31st December 2013**

	Company registration number	GL/UK/CM	Period ended			units
			day	month	year	
<b>R15</b>	<b>2628062</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2013</b>	<b>£000</b>
			As at the end of this financial year		As at the end of the previous year	
			<b>1</b>		<b>2</b>	

**Technical provisions (gross amount)**

Provision for unearned premiums		<b>11</b>		
Claims outstanding		<b>12</b>		
Provision for unexpired risks		<b>13</b>		
Equalisation provisions	Credit business	<b>14</b>		
	Other than credit business	<b>15</b>		
Other technical provisions		<b>16</b>		
Total gross technical provisions (11 to 16)		<b>19</b>		

**Provisions and creditors**

Provisions	Taxation	<b>21</b>		
	Other risks and charges	<b>22</b>		
Deposits received from reinsurers		<b>31</b>		
Creditors	Direct insurance business	<b>41</b>		
	Reinsurance accepted	<b>42</b>		
	Reinsurance ceded	<b>43</b>		
Debenture loans	Secured	<b>44</b>		
	Unsecured	<b>45</b>		
Amounts owed to credit institutions		<b>46</b>		
Creditors	Taxation	<b>47</b>		
	Foreseeable dividend	<b>48</b>	100000	30000
	Other	<b>49</b>		
Accruals and deferred income		<b>51</b>		
Total (19 to 51)		<b>59</b>	100000	30000
Provision for "reasonably foreseeable adverse variations"		<b>61</b>		
Cumulative preference share capital		<b>62</b>		
Subordinated loan capital		<b>63</b>		
Total (59 to 63)		<b>69</b>	100000	30000

Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance		<b>71</b>		
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Amounts deducted from technical provisions for discounting		<b>82</b>		
Other adjustments (may be negative)		<b>83</b>	(100000)	(30000)
Capital and reserves		<b>84</b>	107121	31733
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (69-82+83+84)		<b>85</b>	107121	31733



**Profit and loss account (non-technical account)**
**Form 16**

 Name of insurer **St. James's Place UK plc**

Global business

 Financial year ended **31st December 2013**

		Company registration number	GL/UK/CM	Period ended			units	
		R16	2628062	GL	31	12	2013	£000
				This financial year		Previous year		
				1		2		
Transfer (to) / from the general insurance business technical account	From Form 20	11						
	Equalisation provisions	12						
Transfer from the long term insurance business revenue account		13			59000		30000	
Investment income	Income	14			24		35	
	Value re-adjustments on investments	15			46364			
	Gains on the realisation of investments	16						
Investment charges	Investment management charges, including interest	17						
	Value re-adjustments on investments	18						
	Loss on the realisation of investments	19						
Allocated investment return transferred to the general insurance business technical account		20						
Other income and charges (particulars to be specified by way of supplementary note)		21					(216)	
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)		29			105388		29819	
Tax on profit or loss on ordinary activities		31						
Profit or loss on ordinary activities after tax (29-31)		39			105388		29819	
Extraordinary profit or loss (particulars to be specified by way of supplementary note)		41						
Tax on extraordinary profit or loss		42						
Other taxes not shown under the preceding items		43						
Profit or loss for the financial year (39+41-(42+43))		49			105388		29819	
Dividends (paid or foreseeable)		51			100000		30000	
Profit or loss retained for the financial year (49-51)		59			5388		(181)	

**Long-term insurance business: Revenue account**

**Form 40**

Name of insurer **St. James's Place UK plc**

Name and number of fund/Summary **Total Long-term insurance business**

Financial year ended **31st December 2013**

Units **£000**

	Financial year	Previous year
	<b>1</b>	<b>2</b>

**Income**

Earned premiums	<b>11</b>	3823608	3852082
Investment income receivable before deduction of tax	<b>12</b>	777676	657436
Increase (decrease) in the value of non-linked assets brought into account	<b>13</b>	141023	(39089)
Increase (decrease) in the value of linked assets	<b>14</b>	3500749	1981276
Other income	<b>15</b>	2203	1845
<b>Total income</b>	<b>19</b>	8245259	6453550

**Expenditure**

Claims incurred	<b>21</b>	1802776	1378989
Expenses payable	<b>22</b>	296051	375966
Interest payable before deduction of tax	<b>23</b>		
Taxation	<b>24</b>	280379	40678
Other expenditure	<b>25</b>	13999	11487
Transfer to (from) non technical account	<b>26</b>	59000	30000
<b>Total expenditure</b>	<b>29</b>	2452205	1837120

Business transfers-in	<b>31</b>		
Business transfers-out	<b>32</b>		
Increase (decrease) in fund in financial year (19-29+31-32)	<b>39</b>	5793054	4616430
Fund brought forward	<b>49</b>	23933123	19316693
Fund carried forward (39+49)	<b>59</b>	29726177	23933123

**Long-term insurance business: Analysis of premiums**

**Form 41**

Name of insurer **St. James's Place UK plc**  
 Total business / subfund **Total Long-term insurance business**  
 Financial year ended **31st December 2013**  
 Units **£000**

	UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
	1	2	3	4	5

**Gross**

Regular premiums	11	36894	324326		361220	331006
Single premiums	12	1842849	1964615		3807464	3602051

**Reinsurance - external**

Regular premiums	13	45025	736		45761	18517
Single premiums	14					

**Reinsurance - intra-group**

Regular premiums	15					
Single premiums	16		299315		299315	62458

**Net of reinsurance**

Regular premiums	17	(8131)	323590		315459	312489
Single premiums	18	1842849	1665300		3508149	3539593

**Total**

Gross	19	1879743	2288941		4168684	3933057
Reinsurance	20	45025	300051		345076	80975
Net	21	1834718	1988890		3823608	3852082

**Long-term insurance business: Analysis of claims**

**Form 42**

Name of insurer **St. James's Place UK plc**  
 Total business / subfund **Total Long-term insurance business**  
 Financial year ended **31st December 2013**  
 Units **£000**

	UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
	1	2	3	4	5

**Gross**

Death or disability lump sums	11	90883	15365		106248	95899
Disability periodic payments	12	2332			2332	2311
Surrender or partial surrender	13	810959	827550		1638509	1293995
Annuity payments	14					
Lump sums on maturity	15	8534	144249		152783	101757
<b>Total</b>	<b>16</b>	<b>912708</b>	<b>987164</b>		<b>1899872</b>	<b>1493962</b>

**Reinsurance - external**

Death or disability lump sums	21	14368	1170		15538	13784
Disability periodic payments	22	1644			1644	1679
Surrender or partial surrender	23	578			578	614
Annuity payments	24					
Lump sums on maturity	25					
<b>Total</b>	<b>26</b>	<b>16590</b>	<b>1170</b>		<b>17760</b>	<b>16077</b>

**Reinsurance - intra-group**

Death or disability lump sums	31					
Disability periodic payments	32					
Surrender or partial surrender	33		79336		79336	98896
Annuity payments	34					
Lump sums on maturity	35					
<b>Total</b>	<b>36</b>		<b>79336</b>		<b>79336</b>	<b>98896</b>

**Net of reinsurance**

Death or disability lump sums	41	76515	14195		90710	82115
Disability periodic payments	42	688			688	632
Surrender or partial surrender	43	810381	748214		1558595	1194485
Annuity payments	44					
Lump sums on maturity	45	8534	144249		152783	101757
<b>Total</b>	<b>46</b>	<b>896118</b>	<b>906658</b>		<b>1802776</b>	<b>1378989</b>

**Long-term insurance business: Analysis of expenses**

**Form 43**

Name of insurer **St. James's Place UK plc**  
 Total business / subfund **Total Long-term insurance business**  
 Financial year ended **31st December 2013**  
 Units **£000**

	UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
	1	2	3	4	5

**Gross**

Commission - acquisition	11	3650	2281	5931	119922
Commission - other	12	95860	35630	131490	78975
Management - acquisition	13	31227	33938	65165	102983
Management - maintenance	14	42056	45707	87763	74368
Management - other	15	2868	3117	5985	
<b>Total</b>	<b>16</b>	<b>175661</b>	<b>120673</b>	<b>296334</b>	<b>376248</b>

**Reinsurance - external**

Commission - acquisition	21				
Commission - other	22				
Management - acquisition	23				
Management - maintenance	24				
Management - other	25				
<b>Total</b>	<b>26</b>				

**Reinsurance - intra-group**

Commission - acquisition	31		283	283	282
Commission - other	32				
Management - acquisition	33				
Management - maintenance	34				
Management - other	35				
<b>Total</b>	<b>36</b>		<b>283</b>	<b>283</b>	<b>282</b>

**Net of reinsurance**

Commission - acquisition	41	3650	1998	5648	119640
Commission - other	42	95860	35630	131490	78975
Management - acquisition	43	31227	33938	65165	102983
Management - maintenance	44	42056	45707	87763	74368
Management - other	45	2868	3117	5985	
<b>Total</b>	<b>46</b>	<b>175661</b>	<b>120390</b>	<b>296051</b>	<b>375966</b>

**Long-term insurance business: Linked funds balance sheet**

**Form 44**

Name of insurer **St. James's Place UK plc**

Total business

Financial year ended **31st December 2013**

Units **£000**

	Financial year	Previous year
	<b>1</b>	<b>2</b>

**Internal linked funds (excluding cross investment)**

Directly held assets (excluding collective investment schemes)	<b>11</b>	5093354	5537073
Directly held assets in collective investment schemes of connected companies	<b>12</b>	24709128	18692997
Directly held assets in other collective investment schemes	<b>13</b>	137966	33177
<b>Total assets (excluding cross investment) (11+12+13)</b>	<b>14</b>	29940448	24263247
Provision for tax on unrealised capital gains	<b>15</b>	78339	23433
Secured and unsecured loans	<b>16</b>		
Other liabilities	<b>17</b>	228065	488670
<b>Total net assets (14-15-16-17)</b>	<b>18</b>	29634044	23751144

**Directly held linked assets**

Value of directly held linked assets	<b>21</b>		
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**Total**

Value of directly held linked assets and units held (18+21)	<b>31</b>	29634044	23751144
Surplus units	<b>32</b>	4954	3994
Deficit units	<b>33</b>	192	1836
<b>Net unit liability (31-32+33)</b>	<b>34</b>	29629282	23748986

Long-term insurance business: revenue account for internal linked funds

Form 45

Name of insurer **St. James's Place UK plc**

Total business

Financial year ended **31st December 2013**

Units **£000**

	Financial year	Previous year
	1	2

**Income**

Value of total creation of units	11	3383950	3630555
Investment income attributable to the funds before deduction of tax	12	461983	423345
Increase (decrease) in the value of investments in the financial year	13	3889177	2420178
Other income	14		
<b>Total income</b>	<b>19</b>	<b>7735110</b>	<b>6474078</b>

**Expenditure**

Value of total cancellation of units	21	954132	1178474
Charges for management	22	444466	505697
Charges in respect of tax on investment income	23	47270	56462
Taxation on realised capital gains	24	202402	49908
Increase (decrease) in amount set aside for tax on capital gains not yet realised	25	54908	4211
Other expenditure	26	149032	120923
<b>Total expenditure</b>	<b>29</b>	<b>1852210</b>	<b>1915675</b>

Increase (decrease) in funds in financial year (19-29)	39	5882900	4558403
Internal linked fund brought forward	49	23751144	19192741
Internal linked funds carried forward (39+49)	59	29634044	23751144

**Long-term insurance business: Summary of new business**

**Form 46**

Name of insurer **St. James's Place UK plc**

Total business

Financial year ended **31st December 2013**

Units **£000**

	UK Life <b>1</b>	UK Pension <b>2</b>	Overseas <b>3</b>	Total Financial year <b>4</b>	Total Previous year <b>5</b>
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**Number of new policyholders / scheme members for direct insurance business**

Regular premium business	<b>11</b>	18	12954		12972	9024
Single premium business	<b>12</b>	16561	32284		48845	51011
<b>Total</b>	<b>13</b>	16579	45238		61817	60035

**Amount of new regular premiums**

Direct insurance business	<b>21</b>	1236	86083		87319	84973
External reinsurance	<b>22</b>					
Intra-group reinsurance	<b>23</b>					
<b>Total</b>	<b>24</b>	1236	86083		87319	84973

**Amount of new single premiums**

Direct insurance business	<b>25</b>	1842849	1964615		3807464	3602051
External reinsurance	<b>26</b>					
Intra-group reinsurance	<b>27</b>					
<b>Total</b>	<b>28</b>	1842849	1964615		3807464	3602051



**Long-term insurance business: Analysis of new business**

**Form 47  
(Sheet 1)**

Name of insurer **St. James's Place UK plc**

Total business

Financial year ended **31st December 2013**

Units **£000**

UK Life / Direct insurance business

Product code number	Product description	Regular premium business		Single premium business	
		Number of policyholders / scheme members	Amount of premiums	Number of policyholders / scheme members	Amount of premiums
1	2	3	4	5	6
300	Regular premium non-profit WL/EA OB		61		
325	Level term assurance	11	12		
335	Decreasing term assurance (rider benefits)		1		
345	Accelerated critical illness (reviewable premiums)	6	15		
355	Stand-alone critical illness (reviewable premiums)	1	218		
365	Income protection non-profit (reviewable premiums)		93		
380	Miscellaneous protection rider		6		
700	Life property linked single premium			16561	1842849
710	Life property linked whole life regular premium		508		
775	Accelerated critical illness rider		83		
780	Stand-alone critical illness rider		214		
785	Income protection rider		25		

**Long-term insurance business: Analysis of new business**

**Form 47  
(Sheet 2)**

Name of insurer **St. James's Place UK plc**

Total business

Financial year ended **31st December 2013**

Units **£000**

UK Pension / Direct insurance business

Product code number	Product description	Regular premium business		Single premium business	
		Number of policyholders / scheme members	Amount of premiums	Number of policyholders / scheme members	Amount of premiums
1	2	3	4	5	6
725	Individual pensions property linked	12449	78480	29861	1526162
730	Individual pensions property linked - increments		4724		
735	Group money purchase pensions property linked	505	1618	281	5729
740	Group money purchase pensions property linked - increments		1046		
745	DWP National Insurance rebates property linked				57
750	Income drawdown property linked			2102	402031
755	Trustee investment plan			40	30636
790	Miscellaneous protection rider		215		

**Long-term insurance business: Assets not held to match linked liabilities**

**Form 48**

Name of insurer **St. James's Place UK plc**  
 Financial year ended **31st December 2013**  
 Category of assets **Total Long-term insurance business assets**  
 Units **£000**

	Unadjusted assets	Economic exposure	Expected income from assets in column 2	Yield before adjustment	Return on assets in financial year
	1	2	3	4	5

**Assets backing non-profit liabilities and non-profit capital requirements**

Land and buildings	11				
Approved fixed interest securities	12				
Other fixed interest securities	13				
Variable interest securities	14	32766	32766	632	2.40
UK listed equity shares	15				
Non-UK listed equity shares	16				
Unlisted equity shares	17				
Other assets	18	515737	515737	1778	0.34
<b>Total</b>	<b>19</b>	<b>548503</b>	<b>548503</b>	<b>2410</b>	<b>0.46</b>

**Assets backing with-profits liabilities and with-profits capital requirements**

Land and buildings	21				
Approved fixed interest securities	22				
Other fixed interest securities	23				
Variable interest securities	24				
UK listed equity shares	25				
Non-UK listed equity shares	26				
Unlisted equity shares	27				
Other assets	28				
<b>Total</b>	<b>29</b>				

**Overall return on with-profits assets**

Post investment costs but pre-tax	31				
Return allocated to non taxable 'asset shares'	32				
Return allocated to taxable 'asset shares'	33				

**Long-term insurance business: Fixed and variable interest assets**

**Form 49**

Name of insurer **St. James's Place UK plc**  
 Financial year ended **31st December 2013**  
 Category of assets **Total Long-term insurance business assets**  
 Units **£000**

		Value of assets <b>1</b>	Mean term <b>2</b>	Yield before adjustment <b>3</b>	Yield after adjustment <b>4</b>
<b>UK government approved fixed interest securities</b>	<b>11</b>				
<b>Other approved fixed interest securities</b>	<b>21</b>				
<b>Other fixed interest securities</b>					
AAA/Aaa	<b>31</b>				
AA/Aa	<b>32</b>				
A/A	<b>33</b>				
BBB/Baa	<b>34</b>				
BB/Ba	<b>35</b>				
B/B	<b>36</b>				
CCC/Caa	<b>37</b>				
Other (including unrated)	<b>38</b>				
<b>Total other fixed interest securities</b>	<b>39</b>				
<b>Approved variable interest securities</b>	<b>41</b>	32766	9.20	2.40	2.40
<b>Other variable interest securities</b>	<b>51</b>				
<b>Total (11+21+39+41+51)</b>	<b>61</b>	32766	9.20	2.40	2.40

**Long-term insurance business: Summary of mathematical reserves**

**Form 50**

Name of insurer **St. James's Place UK plc**  
 Total business / subfund **Total Long-term insurance business**  
 Financial year ended **31st December 2013**  
 Units **£000**

	UK Life <b>1</b>	UK Pension <b>2</b>	Overseas <b>3</b>	Total Financial Year <b>4</b>	Total Previous Year <b>5</b>
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**Gross**

Form 51 - with-profits	<b>11</b>				
Form 51 - non-profit	<b>12</b>	52006		52006	61527
Form 52	<b>13</b>				
Form 53 - linked	<b>14</b>	14281104	15348178	29629282	23748986
Form 53 - non-linked	<b>15</b>	(25272)	(5959)	(31231)	65267
Form 54 - linked	<b>16</b>				
Form 54 - non-linked	<b>17</b>				
<b>Total</b>	<b>18</b>	14307838	15342219	29650057	23875780

**Reinsurance - external**

Form 51 - with-profits	<b>21</b>				
Form 51 - non-profit	<b>22</b>	47176		47176	23043
Form 52	<b>23</b>				
Form 53 - linked	<b>24</b>				
Form 53 - non-linked	<b>25</b>	12237	1077	13314	12676
Form 54 - linked	<b>26</b>				
Form 54 - non-linked	<b>27</b>				
<b>Total</b>	<b>28</b>	59413	1077	60490	35719

**Reinsurance - intra-group**

Form 51 - with-profits	<b>31</b>				
Form 51 - non-profit	<b>32</b>				
Form 52	<b>33</b>				
Form 53 - linked	<b>34</b>				
Form 53 - non-linked	<b>35</b>				6043
Form 54 - linked	<b>36</b>				
Form 54 - non-linked	<b>37</b>				
<b>Total</b>	<b>38</b>				6043

**Net of reinsurance**

Form 51 - with-profits	<b>41</b>				
Form 51 - non-profit	<b>42</b>	4830		4830	38484
Form 52	<b>43</b>				
Form 53 - linked	<b>44</b>	14281104	15348178	29629282	23748986
Form 53 - non-linked	<b>45</b>	(37509)	(7036)	(44545)	46548
Form 54 - linked	<b>46</b>				
Form 54 - non-linked	<b>47</b>				
<b>Total</b>	<b>48</b>	14248425	15341142	29589567	23834018

**Long-term insurance business : Valuation summary of non-linked contracts** (other than accumulating with-profit contracts)

**Form 51**  
**(Sheet 1)**

Name of insurer **St. James's Place UK plc**

Total business / subfund **Total Long-term insurance business**

Financial year ended **31st December 2013**

Units **£000**

**UK Life / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
300	Regular premium non-profit WL/EA OB	688	148976	4337	n/a	n/a	n/a	16408
325	Level term assurance	4484	877272	3148	n/a	n/a	n/a	9408
330	Decreasing term assurance	1378	122160	646	n/a	n/a	n/a	879
335	Decreasing term assurance (rider benefits)	1562	112156	831	n/a	n/a	n/a	983
345	Accelerated critical illness (reviewable premiums)	1827	205958	1337	n/a	n/a	n/a	3347
355	Stand-alone critical illness (reviewable premiums)	3325	437758	3668	n/a	n/a	n/a	7469
365	Income protection non-profit (reviewable premiums)	2905	58852	2279	n/a	n/a	n/a	2166
780	Stand-alone critical illness rider		78615		n/a	n/a	n/a	
785	Income protection rider		11189		n/a	n/a	n/a	
380	Miscellaneous protection rider		4394		n/a	n/a	n/a	
385	Income protection claims in payment				n/a	n/a	n/a	11346

**Long-term insurance business : Valuation summary of non-linked contracts** (other than accumulating with-profit contracts)

**Form 51  
(Sheet 2)**

Name of insurer **St. James's Place UK plc**

Total business / subfund **Total Long-term insurance business**

Financial year ended **31st December 2013**

Units **£000**

**UK Life / Reinsurance ceded external**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
300	Regular premium non-profit WL/EA OB		148976	4230	n/a	n/a	n/a	15818
325	Level term assurance		877272	2927	n/a	n/a	n/a	9143
330	Decreasing term assurance		122010	399	n/a	n/a	n/a	832
335	Decreasing term assurance (rider benefits)		111691	710	n/a	n/a	n/a	952
345	Accelerated critical illness (reviewable premiums)		205958	1166	n/a	n/a	n/a	3233
355	Stand-alone critical illness (reviewable premiums)		437719	3303	n/a	n/a	n/a	7391
365	Income protection non-profit (reviewable premiums)		58850	1664	n/a	n/a	n/a	2145
780	Stand-alone critical illness rider		78615		n/a	n/a	n/a	
785	Income protection rider		11189		n/a	n/a	n/a	
380	Miscellaneous protection rider		4394		n/a	n/a	n/a	
385	Income protection claims in payment				n/a	n/a	n/a	7662

**Long-term insurance business: Valuation summary of property linked contracts**

**Form 53  
(Sheet 1)**

Name of insurer **St. James's Place UK plc**

Total business / subfund **Total Long-term insurance business**

Financial year ended **31st December 2013**

Units **£000**

**UK Life / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
700	Life property linked single premium	152696	14442167		14331661	14077300	(7921)	14069379
710	Life property linked whole life regular premium	5454	1357336	9281	46978	46978	(303)	46675
715	Life property linked endowment regular premium - savings	407	19358	647	19373	19373	16	19389
720	Life property linked endowment regular premium – target cash	3738	165192	4044	90804	90804	94	90898
775	Accelerated critical illness rider (reviewable)	2415	231705	1869	6792	6792	203	6995
780	Stand-alone critical illness rider (reviewable)	1209	185763	2261	3585	3585	1069	4654
785	Income protection rider (reviewable)	1412	30409	1082	95	95	2005	2100
770	Level term assurance rider	2704	186880	668	4213	4213	173	4386
775	Accelerated critical illness rider		83732					
785	Income protection rider		6525					
790	Miscellaneous protection rider		8393					
800	Income protection claims in payment						11356	11356
800	Additional reserves property linked				31964	31964	(31964)	



**Long-term insurance business: Valuation summary of property linked contracts**

**Form 53  
(Sheet 2)**

Name of insurer **St. James's Place UK plc**

Total business / subfund **Total Long-term insurance business**

Financial year ended **31st December 2013**

Units **£000**

**UK Life / Reinsurance ceded external**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
710	Life property linked whole life regular premium		1310338	5201			(387)	(387)
715	Life property linked endowment regular premium - savings			2				
720	Life property linked endowment regular premium – target cash		62095	409			44	44
775	Accelerated critical illness (reviewable)		224926	1461			183	183
780	Stand-alone critical illness (reviewable)		182164	1863			1038	1038
785	Income protection rider (reviewable)		30297	977			1961	1961
770	Level term assurance (life)		182656	481			164	164
775	Accelerated critical illness rider		83716					
785	Income protection rider		6509					
790	Miscellaneous protection rider		8376					
800	Income protection claims in payment						9234	9234

**Long-term insurance business: Valuation summary of property linked contracts**

**Form 53  
(Sheet 3)**

Name of insurer **St. James's Place UK plc**

Total business / subfund **Total Long-term insurance business**

Financial year ended **31st December 2013**

Units **£000**

**UK Pension / Gross**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
725	Individual pensions property linked	292117	12786685	332759	12853196	12652667	(5924)	12646743
735	Group money purchase pensions property linked	13805	477776	19159	461864	456355	1199	457554
750	Income drawdown property linked	9653	1554538		1556645	1544152	(1643)	1542509
755	Trustee investment plan	1315			696298	695004	(261)	694743
800	Income protection claims in payment						946	946
770	Term assurance rider		216371					
790	Miscellaneous protection rider		12741					
800	Additional reserves property linked						(276)	(276)

**Long-term insurance business: Valuation summary of property linked contracts**

**Form 53  
(Sheet 4)**

Name of insurer **St. James's Place UK plc**

Total business / subfund **Total Long-term insurance business**

Financial year ended **31st December 2013**

Units **£000**

**UK Pension / Reinsurance ceded external**

Product code number <b>1</b>	Product description <b>2</b>	Number of policyholders / scheme members <b>3</b>	Amount of benefit <b>4</b>	Amount of annual office premiums <b>5</b>	Nominal value of units <b>6</b>	Discounted value of units <b>7</b>	Other liabilities <b>8</b>	Amount of mathematical reserves <b>9</b>
725	Individual pensions property linked			653			413	413
735	Group money purchase pensions property linked			47			25	25
800	Income protection claims in payment						639	639
790	Miscellaneous protection rider		169657					
800	Additional reserves property linked		8676					

Long-term insurance business: Unit prices for internal linked funds

Form 55

Name of insurer **St. James's Place UK plc**

Total business

Financial year ended **31st December 2013**

Units **£000**

Fund name 1	Type of fund 2	Net assets 3	Main series 4	Unit mgmt charge 5	Price at previous valuation date 6	Price at current valuation date 7	Change in price during year 8
NET GLOBAL EQUITY MANAGED	04 - life - other managed fund	1632769	Accumulation	1.50	4.4614	5.0867	14.02
INVESCO NET MANAGED	02 - life - balanced managed fund	1135514	Accumulation	1.50	3.0810	3.4625	12.38
NET INTERNATIONAL EQUITY	04 - life - other managed fund	705870	Accumulation	1.50	1.9100	2.3050	20.68
SCHRODER NET MANAGED	02 - life - balanced managed fund	908757	Accumulation	1.50	1.9452	2.2325	14.77
ARTISAN NET MANAGED	04 - life - other managed fund	987052	Accumulation	1.50	1.2862	1.5693	22.01
AXA NET MANAGED	02 - life - balanced managed fund	786083	Accumulation	1.50	1.3094	1.4862	13.50
NET WORLDWIDE MANAGED	04 - life - other managed fund	717761	Accumulation	1.50	1.0410	1.2492	20.00
NET UK EQUITY	05 - life - UK equity	232427	Accumulation	1.50	4.1396	5.1072	23.37
NET FAR EAST	06 - life - overseas equity	283282	Accumulation	1.50	3.6492	3.5410	(2.97)
NET CONTINENTAL EUROPE	06 - life - overseas equity	100183	Accumulation	1.50	4.3770	5.4869	25.36
NET GILTS	03 - life - defensive managed fund	124644	Accumulation	1.50	2.3867	2.2842	(4.29)
NET EQUITY INCOME	05 - life - UK equity	501133	Accumulation	1.50	1.0125	1.1846	17.00
NET DIVERSIFIED INCOME	04 - life - other managed fund	439626	Accumulation	1.50	0.9677	1.1691	20.81
NET ALTERNATIVE ASSETS	04 - life - other managed fund	256087	Accumulation	1.50	1.1438	1.1396	(0.37)
NET INV GRADE CORP BOND	04 - life - other managed fund	370258	Accumulation	1.50	1.4191	1.4039	(1.07)
NET EMERGING MARKETS	04 - life - other managed fund	169106	Accumulation	1.50	1.1936	1.1703	(1.95)
NET INT CORPORATE BOND	04 - life - other managed fund	529834	Accumulation	1.50	1.2082	1.2847	6.33
NET ABSOLUTE RETURN	04 - life - other managed fund	126825	Accumulation	1.50	0.9338	0.9536	2.12
NET UK AND GENERAL PROGRESSIVE	05 - life - UK equity	199181	Accumulation	1.50	1.1412	1.3325	16.76
NET CORPORATE BOND	04 - life - other managed fund	535934	Accumulation	1.50	1.4212	1.5220	7.09
NET UK AND INTERNATIONAL	05 - life - UK equity	412204	Accumulation	1.50	1.1472	1.3633	18.84
NET GLOBAL EQUITY INCOME	04 - life - other managed fund	241729	Accumulation	1.50	1.0721	1.2881	20.15
NET MULTI ASSET	04 - life - other managed fund	369264	Accumulation	1.50	0.9855	0.9061	(8.06)
NET PROPERTY	07 - life - property	568480	Accumulation	1.50	0.9797	1.0189	4.00
NET DISTRIBUTION BOND	05 - life - UK equity	1517929	Accumulation	1.50	2.2345	2.6426	18.26
EX GLOBAL EQUITY MANAGED	14 - individual pension - other managed fund	2378780	Accumulation	0.75	7.3433	8.5540	16.49
INVESCO EX MANAGED	12 - individual pension - balanced managed fund	1732633	Accumulation	0.75	4.4227	5.1257	15.90
EX INTERNATIONAL EQUITY	14 - individual pension - other managed fund	822022	Accumulation	0.75	2.3712	2.9322	23.66
SCHRODER EX MANAGED	12 - individual pension - balanced managed fund	1424293	Accumulation	0.75	2.5058	2.9803	18.94
ARTISAN EX MANAGED	14 - individual pension - other managed fund	1649333	Accumulation	0.75	1.4085	1.8188	29.13
AXA FRAM EX MANAGED	12 - individual pension - balanced managed fund	1309826	Accumulation	0.75	1.4177	1.6644	17.40

Long-term insurance business: Unit prices for internal linked funds

Form 55  
(continuation sheet)

Name of insurer **St. James's Place UK plc**

Total business

Financial year ended **31st December 2013**

Units **£000**

Fund name 1	Type of fund 2	Net assets 3	Main series 4	Unit mgmt charge 5	Price at previous valuation date 6	Price at current valuation date 7	Change in price during year 8
EX WORLDWIDE MANAGED	14 - individual pension - other managed fund	1217424	Accumulation	0.75	1.1250	1.4146	25.74
EX UK EQUITY	15 - individual pension - UK equity	388786	Accumulation	0.75	5.9317	7.5566	27.39
EX NORTH AMERICAN	16 - individual pension - overseas equity	184856	Accumulation	0.75	2.9969	3.8363	28.01
EX FAR EAST	16 - individual pension - overseas equity	530598	Accumulation	0.75	4.8361	4.6997	(2.82)
EX CONTINENTAL EUROPE	16 - individual pension - overseas equity	133894	Accumulation	0.75	6.5176	8.3299	27.81
EX DEPOSIT	13 - individual pension - defensive managed fund	235886	Accumulation	0.75	2.1211	2.1135	(0.36)
EX EQUITY INCOME	15 - individual pension - UK equity	239208	Accumulation	0.75	1.2380	1.4989	21.07
EX DIVERSIFIED INCOME	14 - individual pension - other managed fund	149200	Accumulation	0.75	1.0220	1.2858	25.81
EX ALTERNATIVE ASSETS	14 - individual pension - other managed fund	211777	Accumulation	0.75	1.1881	1.1962	0.68
EX INV GRADE CORP BOND	14 - individual pension - other managed fund	201249	Accumulation	0.75	1.5904	1.5877	(0.17)
EX EMERGING MARKETS	14 - individual pension - other managed fund	332385	Accumulation	0.75	1.2938	1.2752	(1.44)
EX INT CORPORATE BOND	14 - individual pension - other managed fund	347775	Accumulation	0.75	1.3028	1.4200	9.00
EX UK AND GENERAL PROGRESSIVE	15 - individual pension - UK equity	213168	Accumulation	0.75	1.1979	1.4544	21.41
EX GREATER EUROPEAN	16 - individual pension - overseas equity	119869	Accumulation	0.75	1.2374	1.5711	26.97
EX CORPORATE BOND	14 - individual pension - other managed fund	265000	Accumulation	0.75	1.7315	1.9029	9.90
EX UK AND INTERNATIONAL	15 - individual pension - UK equity	224121	Accumulation	0.75	1.1824	1.4588	23.38
EX GLOBAL EQUITY INCOME	14 - individual pension - other managed fund	149256	Accumulation	0.75	1.0845	1.3595	25.36
EX MULTI ASSET	14 - individual pension - other managed fund	204928	Accumulation	0.75	0.9947	0.9216	(7.35)
EX PROPERTY	17 - individual pension - property	299952	Accumulation	0.75	1.2126	1.2740	5.06

**Long-term insurance business: distribution of surplus**

**Form 58**

Name of insurer **St. James's Place UK plc**  
 Total business / subfund **Total Long-term insurance business**  
 Financial year ended **31st December 2013**  
 Units **£000**

	Financial year <b>1</b>	Previous year <b>2</b>
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**Valuation result**

Fund carried forward	<b>11</b>	29726177	23933123
Bonus payments in anticipation of a surplus	<b>12</b>		
Transfer to non-technical account	<b>13</b>	59000	30000
Transfer to other funds / parts of funds	<b>14</b>		
Subtotal (11 to 14)	<b>15</b>	29785177	23963123
Mathematical reserves	<b>21</b>	29589567	23834018
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	<b>29</b>	195610	129105

**Composition of surplus**

Balance brought forward	<b>31</b>	99105	81004
Transfer from non-technical account	<b>32</b>		
Transfer from other funds / parts of fund	<b>33</b>		
Surplus arising since the last valuation	<b>34</b>	96505	48101
Total	<b>39</b>	195610	129105

**Distribution of surplus**

Bonus paid in anticipation of a surplus	<b>41</b>		
Cash bonuses	<b>42</b>		
Reversionary bonuses	<b>43</b>		
Other bonuses	<b>44</b>		
Premium reductions	<b>45</b>		
Total allocated to policyholders (41 to 45)	<b>46</b>		
Net transfer out of fund / part of fund	<b>47</b>	59000	30000
Total distributed surplus (46+47)	<b>48</b>	59000	30000
Surplus carried forward	<b>49</b>	136610	99105
Total (48+49)	<b>59</b>	195610	129105

**Percentage of distributed surplus allocated to policyholders**

Current year	<b>61</b>		
Current year - 1	<b>62</b>		
Current year - 2	<b>63</b>		
Current year - 3	<b>64</b>		

**Long-term insurance capital requirement**

**Form 60**

Name of insurer **St. James's Place UK plc**

Global business

Financial year ended **31st December 2013**

Units **£000**

	LTICR factor	Gross reserves / capital at risk	Net reserves / capital at risk	Reinsurance factor	LTICR Financial year	LTICR Previous year
	1	2	3	4	5	6

**Insurance death risk capital component**

Life protection reinsurance	11	0.0%				
Classes I (other), II and IX	12	0.1%	55	11		
Classes I (other), II and IX	13	0.15%	13438	2188	0.50	10
Classes I (other), II and IX	14	0.3%	1424136	(1275)		2136
Classes III, VII and VIII	15	0.3%	2558228	607259	0.50	3837
<b>Total</b>	<b>16</b>		<b>3995857</b>	<b>608183</b>		<b>5983</b>

**Insurance health risk and life protection reinsurance capital component**

Class IV, supplementary classes 1 and 2 and life protection reinsurance	21					505
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**Insurance expense risk capital component**

Life protection and permanent health reinsurance	31	0%				
Classes I (other), II and IX	32	1%	31025	1047	0.85	264
Classes III, VII and VIII (investment risk)	33	1%	(13697)	(14779)	1.08	(148)
Classes III, VII and VIII (expenses fixed 5 yrs +)	34	1%				
Classes III, VII and VIII (other)	35	25%				31024
Class IV (other)	36	1%	39090	9660	0.85	332
Class V	37	1%				
Class VI	38	1%				
<b>Total</b>	<b>39</b>					<b>31472</b>

**Insurance market risk capital component**

Life protection and permanent health reinsurance	41	0%				
Classes I (other), II and IX	42	3%	31025	1047	0.85	791
Classes III, VII and VIII (investment risk)	43	3%	(13697)	(14779)	1.08	(443)
Classes III, VII and VIII (expenses fixed 5 yrs +)	44	0%				
Classes III, VII and VIII (other)	45	0%	29625602	29593639		
Class IV (other)	46	3%	39090	9660	0.85	997
Class V	47	0%				
Class VI	48	3%				
<b>Total</b>	<b>49</b>		<b>29682020</b>	<b>29589567</b>		<b>1345</b>

<b>Long term insurance capital requirement</b>	<b>51</b>					<b>39305</b>
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## ABSTRACT OF VALUATION REPORT

### 1 Introduction

- 1.1 Date of this actuarial investigation: 31 December 2013
- 1.2 Date of the previous valuation: 31 December 2012
- 1.3 Interim valuations Not applicable

### 2 Product Range

There were no changes made to the product range during the year.

### 3 Discretionary charges and benefits

- 3.1 Market Value Reductions: Not applicable
- 3.2 Reviewable Non-Linked Protection Business

The following non-linked premiums have been reviewed during the year:

<u>Product Type</u>	<u>% of in-force cases reviewed with a premium change</u>	<u>% of in-force cases reviewed with no premium change</u>	<u>Range of change to premium (%)</u>	
			<u>Minimum</u>	<u>Maximum</u>
Accelerated critical illness	11.1%	13.3%	0%	4%
Stand alone critical illness	11.5%	9.8%	(30)%	210%
Income protection	25.7%	1.5%	(37)%	67%

- 3.3 Non-Profit Deposit Admin Contracts: Not applicable
- 3.4 Service Charges on Linked Contracts

The service charges on linked policies were increased by 1.8% during 2013, in line with the increase in the Average Weekly Earnings Index.

- 3.5 Benefit Charges on Linked Business

There have been no changes to the level of benefit charges during the year.



### 3.6 Unit Management Charges

The level of the Investment Management Fees on the following funds was changed during the year:

<u>Fund</u>	<u>Fund size at 31/12/2013 (£bn)</u>	<u>Investment Management Fee at 31/12/2012</u>	<u>Investment Management Fee at 31/12/2013</u>
International Equity	1.53	0.78% pa	0.42% pa
Global Equity	4.01	0.28% pa	0.27% pa
Worldwide Managed	1.94	0.78% pa	0.60% pa
Greater European	0.16	0.63% pa	0.53% pa
International Corporate Bond	0.88	0.53% pa	0.51% pa
Investment Grade Corporate Bond	0.57	0.21% pa	0.20% pa
UK & General Progressive	0.41	0.63% pa	0.60% pa
UK Absolute Return	0.21	0.98% pa	0.88% pa
UK Growth	0.13	0.76% pa	0.78% pa

### 3.7 Unit Pricing

- (a) The methods used for creating and cancelling units in the various internal linked funds and for determining the prices at which units of those funds are allocated to and cancelled from policies are as follows:

#### Creation of units

For each unit created, an amount equal to the creation price of a unit at the time of creation is paid into the fund. The creation price is calculated as the offer value of the fund divided by the number of units in issue.

The offer value of the fund is deemed to be the value of the fund's assets at market offered prices together with notional acquisition costs and non-invested assets including accrued income attributable to the fund, reduced by a provision for unrealised capital gains tax attributable to the fund.

#### Cancellation of units

For each unit cancelled, an amount equal to the cancellation price of a unit at the time of cancellation is paid out of the fund. The cancellation price is calculated as the bid value of the fund divided by the number of units in issue.

The bid value of the fund is deemed to be the value of the fund's assets at market bid prices less notional disposal costs, together with non-invested assets including accrued income attributable to the fund, reduced by a provision for unrealised capital gains tax attributable to the fund.

### Prices for allocating and cancelling units from policies

The Company adopts a policy of forward pricing i.e. any transaction will receive the next available price.

The prices at which units may be allocated to and cancelled from policies are determined at the start of each working day. All funds are priced at the absolute discretion of the Company.

A fund will be priced on an offer basis where there is a trend of net inflows to the fund or where on any one day there is a significant cash inflow.

For a fund priced on an offer basis the unit offer price is determined as the unit creation price divided by 0.95. The result is rounded to the nearer 0.1p. The unit bid price is determined as the unit creation price rounded to the nearer 0.1p.

A fund will be priced on a bid basis where there is a trend of net outflows from the fund or where on any one day there is a significant cash outflow.

For a fund priced on a bid basis the unit bid price is determined as the unit cancellation price rounded to the nearer 0.1p. The unit offer price is determined as the unit cancellation price divided by 0.95. The result is rounded to the nearer 0.1p.

- (b) The unit pricing basis is the same for all policies.
- (c) Collective investment scheme assets are valued at the price ruling on the valuation date.

### 3.8 Tax Deductions and Tax Provisions in Internal Linked Funds

All taxation calculations are performed on a calendar year basis and are performed as though each unit fund were an independent entity subject to tax. The cumulative provision for tax on Income less expenses, Realised capital gains and Deemed disposals is cleared by payment to/from non-linked funds monthly.

Pension funds – No allowance is made for UK tax, although overseas tax may be deducted at source.

Life funds – The methods and rates for tax used during the report period were as follows:

#### Income less expenses

Where the total “income” of the fund (including notional income on the “marked to market” adjustments for gilts and bonds) exceeded the management expenses, a tax provision of 20% is applied. This takes into account any taxation at source already deducted on the income.

Where the total cumulative year to date income is exceeded by the total year to date expenses no tax charge is applied, and the excess expenses are used to offset realised gains with any surplus being carried forward to offset future income.

#### Realised capital gains

In respect of each asset sold, a separate assessment for capital gains tax is made.

On a year to date basis, where there are cumulative realised capital gains in excess of realised capital losses and allowances, a tax provision is made, currently at a tax rate of 20%. Where there are cumulative realised losses, no provision is made and the loss is carried forward to offset against future realised capital gains.

### Deemed disposals

Any actual disposal of unit trusts is dealt with as a realised capital gain or loss as above.

At the end of each calendar year, any holdings in unit trusts are “deemed” to have been disposed of and a “deemed” gain (or loss) is calculated. 1/7<sup>th</sup> of the deemed gain taxed is assessed for tax in the current year with other realised capital gains (see above). The remaining gain is assessed over the following 6 years, with other carried forward deemed gains, and a provision calculated taking into account a market interest rate of a suitable term. Where the overall assessment for tax on future gains is negative no provision is made.

### Unrealised capital gains

To the extent that capital gains and losses exist in a fund, and have not been realised, a provision for unrealised capital gains tax may be established.

If the total unrealised capital gain (net of allowances) exceeds the total unrealised capital loss plus any excess realised losses, a provision is made at a rate of 19.5% (17.5% for the property fund) on the excess. If the balance is negative then no provision is made.

#### 3.10 Internal Linked Fund Investments in other Unit Holdings

Where units in permitted scheme interests are held by an internal linked fund, such units are bought on behalf of the Company at creation price and sold at cancellation price. In addition, any annual management charges on such units held by internal linked funds are fully rebated as cash to the internal linked fund to avoid any double charging.

In valuing the property of the internal linked fund any units, as described above, will be valued at their most recently calculated price.

## **4 Valuation basis (other than for special reserves)**

### 4.1 Basis and Method of the Valuation

A prospective valuation basis has been used for all business.

For prudence, any negative liability for a non-linked policy has been limited to 33% of the calculated net liability.

PHI claims in payment are valued with due allowance made for claims escalation and the recovery rates assumed are based on internal and industry experience. Allowance is also made for a level of mortality. Claims under consideration are treated as being in payment.

For investment-linked contracts, the reserve held is the cancellation value of units allocated, multiplied by the appropriate funding factor, together with a sterling reserve sufficient to cover the future cash flows for each policy without recourse to additional capital. Where the sterling reserve for a policy is negative, it has been restricted so that the total reserve for the policy is not less than the surrender value.

#### 4.2 Interest Rates

The following parameters were used in the valuation:

	<u>Dec-13</u>	<u>Dec-12</u>
Conventional business:		
Interest (net of tax)	2.5% per annum	1.8% per annum
<i>Unit-linked business:</i>		
Interest (gross of tax)	3.2% per annum	1.7% per annum
Interest (net of tax)	2.6% per annum	1.3% per annum

#### 4.3 Risk Adjusted Yield

No adjustment was made to the yield on approved securities. Only stocks rated as AAA and issued or guaranteed by approved financial institutions were held at the valuation date.

#### 4.4 Mortality Bases

No changes have been made since the previous year.

The mortality tables used for Investment Bond business are:

Males:	90% of AM92 ult
Females:	90% of AF92 ult

The mortality tables used for all other business are as follows:

Males:	72% of TM92 sel
Females:	72% of TF92 sel

A loading of 75% was applied for smokers in respect of all business except Investment Bond.

#### 4.5 Morbidity Rates

##### A) Critical Illness Rates

No changes have been made since the previous year.

The morbidity tables used for all contracts were non-standard and example rates are set out below.

##### Stand Alone Critical Illness Rates

Sample annual rates per £1,000 benefit are as follows:

<u>Age next birthday</u>	<u>Males</u>		<u>Females</u>	
	<u>Non smoker</u>	<u>Smoker</u>	<u>Non smoker</u>	<u>Smoker</u>
25	0.760	1.180	0.790	0.924
35	1.334	2.064	2.122	2.632
45	3.189	6.578	4.565	8.165
55	9.189	20.235	8.832	18.726

**Accelerated Critical Illness Rates**

Sample annual rates per £1,000 benefit are as follows:

<u>Age next birthday</u>	<u>Males</u>		<u>Females</u>	
	<u>Non smoker</u>	<u>Smoker</u>	<u>Non smoker</u>	<u>Smoker</u>
25	1.094	1.698	0.726	0.848
35	1.313	2.031	1.584	1.964
45	2.831	5.840	3.263	5.836
55	7.221	15.900	6.313	13.384

The above rates apply to lives in Occupation Classes 1 and 2. For other occupation classes a multiplicative factor of 1.5 is applied to each set of rates.

During the first plan year, the rates for stand-alone benefits are reduced by 10% and the rates for accelerated benefits are reduced by 25%.

**B) Permanent Health Insurance Rates**

A modified CMIR12 table has been used for Permanent Health Insurance business. No changes have been made since the previous year.

Sample annual risk premium rates per £100 per annum income benefit are as follows:

<u>Male age next birthday</u>	<u>Expiry age 65: Deferred period</u>			
	<u>4 weeks</u>	<u>13 weeks</u>	<u>26 weeks</u>	<u>52 weeks</u>
25	0.849	0.477	0.247	0.160
35	2.304	1.258	0.672	0.617
45	4.667	2.729	1.843	2.232
55	8.154	5.225	3.978	4.396

<u>Male age next birthday</u>	<u>Expiry age 60: Deferred period</u>			
	<u>4 weeks</u>	<u>13 weeks</u>	<u>26 weeks</u>	<u>52 weeks</u>
25	0.808	0.449	0.233	0.150
35	2.088	1.127	0.600	0.547
45	3.816	2.197	1.472	1.762
55	4.588	2.804	2.053	2.109

<u>Male age next birthday</u>	<u>Expiry age 55: Deferred period</u>			
	<u>4 weeks</u>	<u>13 weeks</u>	<u>26 weeks</u>	<u>52 weeks</u>
25	0.760	0.417	0.215	0.138
35	1.841	0.978	0.518	0.469
45	2.843	1.593	1.052	1.228
55	0.515	0.186	0.060	0.000

The above rates apply to males in Occupation Class 1. For other categories multiplicative factors are applied as follows:

<u>Category</u>	<u>Smokers</u>	<u>Females</u>	<u>Occupation class</u>		
			<u>2</u>	<u>3</u>	<u>4</u>
Factor	1.33	1.5	1.75	3.0	4.0

For claims in payment, specimen recovery rates per week per 1,000 claims, assumed at durations 2 and 5 years, are as follows:

<u>Age next birthday</u> <u>at claim</u>	<u>Duration 2</u>	<u>Duration 5</u>
25	7.959	1.365
35	6.037	0.998
45	4.110	0.630
55	2.180	0.262

### C) Waiver of Contribution Benefits

Sample waiver of contribution rates used in the sterling reserve calculations for business written up to 30 September 1996 for male lives are as follows. For business written between 1 October 1996 and 3 November 2003, the rates applicable are 80% of the rates shown. Female rates are 150% of the male rates.

No changes have been made since the previous year.

Waiver of Contribution Rates (annual rates per £100 per month benefit)

<u>Age next birthday</u>	<u>Males</u>	
	<u>Level</u>	<u>Escalating</u>
25	0.250	0.256
35	0.490	0.544
45	1.190	1.328
55	2.790	2.712

For business written on or after 3 November 2003 sample waiver of contribution rates used in the sterling reserve calculations are as follows. Female rates are 175% of the male rates, and a multiplicative factor of 1.33 is also applied to the rates for smokers.

Waiver of Contribution Rates (annual rates per £100 per month benefit)

<u>Age next birthday</u>	<u>Males, Non-smokers</u>	
	<u>Level</u>	<u>Escalating</u>
25	0.149	0.230
35	0.416	0.645
45	1.119	1.614
55	2.926	3.650

## 4.6 Expense Assumptions

Renewal expenses per annum for the main classes of business, in addition to commission, were:

	<u>Dec-13</u> <u>Renewal</u>	<u>Dec-12</u> <u>Renewal</u>
<b>Life business</b>		
Protection plans	£34.49	£34.29
Investment bonds	£22.15	£22.02
<b>Pension business</b>		
All pension plans	£43.24	£42.97

Tax relief at 20% is assumed on non-pensions business.

#### 4.7 Unit Growth Rates and Inflation

The parameters used in the valuation were as follows:

		<u>December 2013</u>	<u>December 2012</u>
Unit Growth (gross of tax and before management charges)		4.4% pa	2.90%
Unit Growth (net of tax and before management charges)		3.5% pa	2.10%
Expense Inflation		3.7% pa	3.10%
Investment expenses:	UK contracts	0.42% p.a. of fund	0.42% p.a. of fund
	Swedish contracts	1.0% p.a. of fund	1.0% p.a. of fund
Policy fee inflation		4.7% pa	4.0% pa

#### 4.8 Bonus Rates

Not applicable

#### 4.9 Lapse, Surrender and Paid-up Assumptions

<u>Product</u>		<u>Average lapse /surrender / paid-up rate for the policy</u>			
		<u>years</u>			
		<u>1-5</u>	<u>6-10</u>	<u>11-15</u>	<u>16-20</u>
Level Term	Lapse	10%	8%	7%	7%
Decreasing Term	Lapse	10%	8%	7%	7%
Accelerated Critical Illness	Lapse	10%	8%	7%	7%
Income Protection	Lapse	10%	8%	7%	7%
UL bond	Surrender	3%	5%	5%	5%
UL bond	Automatic withdrawals		100% of current		
UL indiv pension regular premium	PUP	100% where this gives a higher reserve, 0% otherwise			
UL indiv pension regular premium	Surrender	3%	3%	4%	6%
UL group pension regular premium	PUP	100% where this gives a higher reserve, 0% otherwise			
UL group pension regular premium	Surrender	3%	3%	4%	6%
UL indiv pension single premium	Surrender	3%	4%	4%	7%

Lapses as described above apply to all business.

#### 4.10 Other Material Assumptions

For single premium life, pensions and drawdown business the following funding factors were used to derive the discounted value of units attaching to the contracts.

<u>Policy Year</u>	<u>Life contracts</u>	<u>Pension contracts</u>
1	95.2%	94.1%
2	95.9%	95.1%
3	96.6%	96.0%
4	97.4%	97.0%
5	98.2%	98.0%
6	99.1%	99.0%
7	100.0%	100.0%

For regular premium Personal Retirement Plan (Series 4), Additional Retirement Plan (Series 4) and Executive Retirement Plan (Series 4), the single premium funding scale shown above is applied to the premiums paid in the 6 year period prior to the valuation date.

For pensions business where advice was given before 31 December 2012, the funding term is restricted to the period up to age 55, and reduced where necessary to allow for a shorter funding term.

The funding term may also be restricted and reduced as necessary on any business where a reduced initial advice fee has been agreed.

#### 4.11 Allowance for Derivative Contracts

No derivatives or contracts or assets having the effect of derivatives were held outside the internal funds.

#### 4.12 Impact of INSPRU Rules Changes

Changes to the valuation methodology were implemented at the valuation on 31 December 2006.

## 5 Options and Guarantees

### 5.1 Guaranteed Annuity Rates

There are no guaranteed annuity options.

### 5.2 Guaranteed Surrender and Maturity Values

There are no investment performance guarantees, guaranteed surrender values or guaranteed maturity values.

### 5.3 Guaranteed Insurability Options

Allowance is made for possible adverse mortality experience arising from the exercise of guaranteed insurability options under non-linked term assurance contracts. This is achieved by the application of loadings of at least 3% on the mortality rates used, 15% on the critical illness rates used and 20% on the PHI morbidity rates used in the calculation of the reserves.

### 5.4 Other Guarantees and Options

There are no other guarantees or options.

## 6 Expense reserves

### 6.1 Aggregate Amount of Expense Loadings

The aggregate amount of expense loadings arising during the twelve months after the valuation date from the release of the explicit per policy expense allowances made in the valuation to meet expenses in fulfilling contracts in force at the valuation date is as follows, figures in £m:

<u>Homogenous risk group</u>	<u>Implicit allowances</u>	<u>Explicit allowances (investment)*</u>	<u>Explicit allowances (other)</u>	<u>Non-attributable expenses</u>	<u>Total</u>
Investment Business	£0.0m	£31.4m	£3.4m	£2.0m	£36.9m
Pension Business	£0.0m	£34.7m	£8.0m	£4.7m	£47.4m
Protection Business	£0.0m	£0.4m	£1.1m	£0.7m	£2.1m
All expenses attributable	N/A	N/A	N/A	N/A	N/A
Total	£0.0m	£66.5m	£12.5m	£7.4m	£86.4m

\* Explicit allowances (investment) includes only investment advisor fees charged directly to the Company. Investment advisor fees met by the underlying unit trusts are excluded.

### 6.2 Basis of Calculating Implicit Allowances: Not applicable



### 6.3 Reconciliation to Line 14 of Form 43:

The expenses projected for 2014 (£86.4m – see table in 6.1) are less than the actual level of expense reported for 2013 (£87.8m – see Line 14 of Form 43), since the level of expenses emerging from the projection of existing business is reduced by expected lapses during 2014.

The Company believes that the expense loadings in the valuation remain prudent.

### 6.4 New Business Expense Overrun Reserve

The requirement in respect of expenses of continuing to transact new business in the twelve months following the valuation dates has been assessed by comparing the total acquisition expenses likely to be incurred with a prudent assessment of the economic value of new sales during the same period and no provision is required.

### 6.5 Maintenance Expense Overrun Reserve

No additional allowance was held to provide for the costs of the Company ceasing to transact new business twelve months after the valuation date as such costs (including redundancy costs and the costs of terminating management agreements) would be more than covered by a prudent assessment of the profits emerging from the business in force at that time.

### 6.6 Non-attributable Expense Reserve

A reserve for non-attributable expenses has been calculated by considering the level of ongoing expense compared to a prudent assessment of the profits emerging from the business in each category. Since the profits are expected to exceed the expenses the reserve has been set at zero.

<u>Homogenous risk group</u>	<u>Reserve for non-attributable expenses</u>
Investment Business	0
Pension Business	0
Protection Business	0
Total	0

## 7 Mismatching reserves

7.1 Deposits Received from Reinsurers: Not applicable

7.2 Not applicable

7.3 Currency Mismatching

All assets and liabilities held in respect of mathematical reserves (other than liabilities for property linked benefits) are denominated in sterling.

7.4 Most Onerous Resilience Requirement Scenario (UK)

In accordance with INSPRU 3.1.16, the amount of long-term liabilities has been tested against two scenarios. These are the combination of an immediate fall in the value of unit prices of 10% and a reduction or increase in fixed-interest yields of 20% of the long-term gilt yield.

The most onerous requirement was produced by a fall in fixed-interest yields.

7.5 Overseas Resilience Requirement Scenario: Not applicable.

## 7.6 Resilience Capital Requirement

In respect of the scenario described under 7.4 above:

- (a) the amount of the resilience capital requirement was £2,363,000.
- (b) the aggregate amount of the long term insurance liabilities increased by £8,214,000.
- (c) the aggregate amount of the assets allocated to match the liabilities increased by £5,851,000.

## 8 Other Special Reserves

A reserve of £1,047,000 was set up to meet the potential liability in the event of Swiss Re defaulting on the reinsurance treaty that commenced in January 2013. The reserve has been determined based on the probability of the reinsurer defaulting, taken to be 25% of the spread on five year AA rated bonds, and the amount of the additional per policy reserves that would have to be set up, net of any outstanding payments due to the reinsurer and assuming a recovery rate of 50%.

## 9 Reinsurance

### 9.1 Reinsurance on a Facultative Basis to a Reinsurer Not Authorised in the UK

No facultative reinsurance premiums were payable by the Company during the year to reinsurers who are not permitted to carry on business in the United Kingdom.

### 9.2 Significant Treaty Reinsurance

The treaty with St James's Place Reassurance (2009) Ltd was terminated during 2013 and as a result no further liability remains under this treaty.

The Company has two other significant reinsurance treaties. The details are as follows.

#### **Risk benefit reinsurance**

- (d) Munich Reinsurance Company
- (e) This treaty covers contracts that were sold before 19 March 2003. Life-cover only conventional term assurances sold after 1 July 2001 are covered on an original terms basis and all other products on a risk premium basis.

For death and critical illness policies the Company's typical retention is 20% of each policy subject to a maximum of £150,000 initial sum insured on any one life.

For PHI benefits the typical retention is 50% of each policy subject to a maximum of £5,000 p.a. on any one life.

- (f) The premiums payable by the Company under this treaty during the year were £12,507,000.
- (g) There are no deposit back arrangements.
- (h) The treaty is closed to new business.
- (i) There is no un-discharged obligation.
- (j) The amount of mathematical reserves held has reduced by £22,505,000 as a result of this treaty.
- (k) New business retention: Not applicable

- (l) The reinsurer is authorised to carry on insurance business in the UK.
- (m) The reinsurer is not a connected company of SJPUK.
- (n) This treaty is not subject to any material contingencies.
- (o) No reinsurance commission is payable under this treaty.

**Risk benefit reinsurance**

- (d) Swiss Re Europe S.A., UK branch.
- (e) The treaty commenced on 1st January 2013 and covers Term Life, Whole of Life, Accelerated Critical Illness, Standalone Critical Illness and Waiver of Premium Rider Benefit contracts sold after 1 January 1992.

The claims ceded under this treaty are set at the Company's retention amount after allowing for the amount ceded to other third party reinsurers. It therefore supplements the existing treaties such that the Company's typical overall retention on this business is now 0%.

For non-linked business the premiums payable by the Company under this treaty are the policyholder premiums received, net of the Company's administration expenses and premiums due to other third party reinsurers.

For unit-linked business the premiums payable by the Company are the amount of the policyholder premiums that are not allocated to the unit fund and any unit deductions chargeable from the unit fund, net of the Company's administration expenses and premiums due to other third party reinsurers.

- (f) The premiums payable by the Company under this treaty during the year were £8,604,000.
- (g) There are no deposit back arrangements.
- (h) The treaty is closed to new business.
- (ii) There is no un-discharged obligation.
- (j) The amount of mathematical reserves held has reduced by £33,317,000 as a result of this treaty.
- (k) New business retention: Not applicable
- (l) The reinsurer is authorised to carry on insurance business in the UK.
- (m) The reinsurer is not a connected company of SJPUK.
- (n) This treaty is not subject to any material contingencies.
- (o) No reinsurance commission is payable under this treaty.

**10 Reversionary (or annual) bonus**

The Company has no with profit policies.

**ST. JAMES'S PLACE UK plc**

**Financial year ended 31 December 2013**

**DIRECTORS' CERTIFICATE REQUIRED BY RULE 9.34 OF THE ACCOUNTS AND STATEMENTS RULES**

We certify:

- 1 (a) that the return has been properly prepared in accordance with the requirements in IPRU(INS), GENPRU and INSPRU; and  
(b) we are satisfied that:
  - (i) throughout the financial year, the insurer has complied in all material respects with the requirements of SYSC and PRIN as well as the provisions of IPRU (INS), GENPRU and INSPRU; and
  - (ii) it is reasonable to believe that the insurer has continued so to comply subsequently and will continue so to comply in future.
- 2 (a) that in our opinion premiums for contracts entered into during the financial year and the resulting income earned are sufficient, under reasonable actuarial methods and assumptions, and taking into account the other financial resources of the insurer that are available for the purpose, to enable the insurer to meet its obligations in respect of those contracts and, in particular, to establish adequate mathematical reserves;  
(b) that the sum of the mathematical reserves and the deposits received from reinsurers as shown in Form 14 constitute proper provision at the end of the financial year in question for the long-term insurance liabilities (including all liabilities arising from deposit back arrangements, but excluding other liabilities which had fallen due before the end of the financial year) including any increase in those liabilities arising from a distribution of surplus as a result of an actuarial investigation as at that date into the financial condition of the long-term insurance business;  
(c) that we have, in preparing the return, taken and paid due regard to advice from every actuary appointed by the insurer to perform the actuarial function in accordance with SUP 4.3.13R.
- 3 a) that the directors are responsible for:
  - (i) ensuring that all publications properly present the financial information and any auditors' report, and
  - (ii) the maintenance and integrity of the website  
b) that legislation in the UK governing the preparation and dissemination of regulatory solvency returns may differ from legislation in other jurisdictions

D C Bellamy, Chief Executive

A M Croft, Chief Financial Officer

D J Lamb, Managing Director

31 March 2014

## **ST. JAMES'S PLACE UK PLC**

### **Global business**

#### **Financial year ended 31 December 2013**

#### **Independent auditors' report to the directors pursuant to rule 9.35 of the Interim Prudential Sourcebook for Insurers**

We have audited the following documents prepared by the insurer pursuant to the Accounts and Statements Rules set out in Part I and Part IV of Chapter 9 to IPRU(INS) the Interim Prudential Sourcebook for Insurers, GENPRU the General Prudential Sourcebook and INSPRU the Prudential Sourcebook for Insurers ('the Rules') made by the Financial Services Authority under section 138 of the Financial Services and Markets Act 2000:

- Forms 2, 3, 11 to 16, 40 to 45, 48, 49, 58 and 60 (including the supplementary notes) on pages 1 to 37 and 54 to 60, ('the Forms');
- the statement required by IPRU(INS) rule 9.29 on page 61 ('the statement'); and
- the valuation report required by IPRU(INS) rule 9.31(a) on pages 38 to 49 ('the valuation report').

We are not required to audit and do not express an opinion on:

- Forms 46, 47, 50, 51, 53 and 55 (including the supplementary notes) on pages 22 to 35 and 60;
- the statements required by IPRU(INS) rules 9.30 on page 62; and
- the certificate required by IPRU(INS) rule 9.34(1) on pages 50 to 51.

#### **Respective responsibilities of the insurer and its auditors**

The insurer is responsible for the preparation of an annual return (including the Forms, the statement and the valuation report) under the provisions of the Rules. The requirements of the Rules have been modified by a direction treated as being issued under section 138A of the Financial Services and Markets Act 2000 on 31 December 2008. Under IPRU(INS) rule 9.11 the Forms, the statement and the valuation report are required to be prepared in the manner specified by the Rules and to state fairly the information provided on the basis required by the Rules. The methods and assumptions determined by the insurer and used to perform the actuarial investigation as set out in the valuation report are required to reflect appropriately the requirements of INSPRU 1.2.

It is our responsibility to form an independent opinion as to whether the Forms, the statement and the valuation report meet these requirements, and to report our opinion to you. We also report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Forms, the statement and the valuation report are not in agreement with the accounting records and returns; or
- we have not received all the information we require for our audit.

This report has been prepared for the directors of the insurer to comply with their obligations under IPRU(INS) rule 9.35 and for no other purpose. We do not, in providing this report, accept or assume responsibility for any other purpose save where expressly agreed by our prior consent in writing.

### **Basis of opinion**

We conducted our work in accordance with Practice Note 20 'The audit of insurers in the United Kingdom (Revised)' issued by the Auditing Practices Board. Our work included examination, on a test basis, of evidence relevant to the amounts and disclosures in the Forms, the statement and the valuation report. The evidence included that previously obtained by us relating to the audit of the financial statements of the insurer for the financial year. It also included an assessment of the significant estimates and judgements made by the insurer in the preparation of the Forms, the statement and the valuation report.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Forms, the statement and the valuation report are free from material misstatement, whether caused by fraud or other irregularity or error and comply with IPRU(INS) rule 9.11.

In accordance with IPRU(INS) rule 9.35(1A), to the extent that any document, Form, statement, analysis or report to be examined under IPRU(INS) rule 9.35(1) contains amounts or information abstracted from the actuarial investigation performed pursuant to IPRU(INS) rule 9.4, we have obtained and paid due regard to advice from a suitably qualified actuary who is independent of the insurer.

### **Opinion**

In our opinion:

- (i) the Forms, the statement and the valuation report fairly state the information provided on the basis required by the Rules as modified and have been properly prepared in accordance with the provisions of those Rules; and
- (ii) the methods and assumptions determined by the insurer and used to perform the actuarial investigation as set out in the valuation report appropriately reflect the requirements of INSPRU 1.2.

PricewaterhouseCoopers LLP  
Chartered Accountants

31 March 2014

## ST. JAMES'S PLACE UK plc

Financial year ended 31 December 2013

### NOTES TO THE RETURN

#### \*0201\* Effect of Direction under Section 148 of the Act

The Financial Services Authority, on the application of the firm, made a direction in December 2008 with effect on 1 January 2009, under section 148 of the Financial Services and Markets Act 2000. The effect of the direction was to allow the firm to:

(i) take full credit when calculating its mathematical reserves in accordance with INSPRU 1.2 for its reinsurance with the intra-group ISPV, St. James's Place Reassurance (2009) Limited, under the reinsurance agreement dated 31 December 2008 (as amended);

(ii) to allow the reinsurance debts owed to the firm by the ISPV to be admissible; and

(iii) to require the firm, when calculating its capital resources, to value the contingent loan to St. James's Place Reassurance (2009) Limited under the contract with the firm, dated 31 December 2008, at zero.

In accordance with The Financial Services Act 2012 (Transitional Provisions) (Rules and Miscellaneous Provisions) Order 2013, from 1 April 2013 this direction is treated as if it had been given by the Prudential Regulation Authority under section 138A(1) of the Financial Services and Markets Act 2000.

#### \*0301\* Reconciliation of net admissible assets to total capital resources after deductions

	2013	2012
	£'000	£'000
Admissible assets – other than long-term insurance	107,121	50,621
Admissible assets – long-term insurance	30,256,124	24,052,272
Mathematical reserves	(29,589,567)	(23,834,018)
Other insurance and non-insurance liabilities	(529,947)	(119,149)
Foreseeable dividend	(100,000)	(30,000)
	—————	—————
Net admissible assets	143,731	119,726
Adjustments to capital resources	-	-
	—————	—————
Total capital resources after deductions	143,731	119,726
	=====	=====



**ST. JAMES'S PLACE UK plc**

**Financial year ended 31 December 2013**

**NOTES TO THE RETURN**

\*0310\* Details of positive valuation differences (line 14)

	2013	2012
	£'000	£'000
Deferred income	196,815	264,282
Tax on deferred income	(11,153)	(27,241)
Investment reserves	(11,155)	(9,865)
Deferred tax for transitional arrangement (on investment reserves)	3,128	-
Other deferred tax differences	-	840
Difference in valuation of policyholder liabilities	28,108	18,676
Foreseeable dividend	(100,000)	(30,000)
	<hr/>	<hr/>
Total positive valuation difference	105,743	216,692
	=====	=====

\*0311\* Details of inadmissible assets (line 73)

	2013	2012
	£'000	£'000
Deferred acquisition costs	620,085	682,762
Tax on deferred acquisition costs	(120,029)	(157,035)
Deferred tax assets	101,572	98,555
Contingent loan to SJP Reassurance (2009) Limited	-	143,974
	<hr/>	<hr/>
Total inadmissible assets	601,628	768,256
	=====	=====

**ST. JAMES'S PLACE UK plc****Financial year ended 31 December 2013****NOTES TO THE RETURN**

\*0313\* Reconciliation of profit and loss account and other reserves (Form 3 line 12) to profit and loss retained (Form 16 line 59)

	2013	2012
	£'000	£'000
Profit and loss account and other reserves – Form 3 line 12	529,616	542,402
Prior year profit and loss account and other reserves	(542,402)	(439,189)
Prior year foreseeable dividend	30,000	20,000
Decrease/(increase) in deferred acquisition costs (net of tax)	25,671	(72,542)
(Decrease)/increase in deferred income (net of tax)	(51,379)	36,645
Decrease/(increase) in net investment reserve	1,838	(5,660)
Decrease/(increase) in contingent loan to SJP Reassurance (2009) Limited	143,974	(38,474)
(Increase)/decrease in deferred tax asset movements not recognised	(25,692)	7,897
Other deferred tax differences	(840)	840
Net impact of change in allowance for future tax recoveries on policyholder liabilities	32,107	(3,999)
Increase in surplus retained within the long-term insurance fund	(37,505)	(18,101)
Current year foreseeable dividend	(100,000)	(30,000)
	—————	—————
Profit and loss retained – Form 16 line 59	5,388	(181)
	=====	=====

\*1305\* OLTB: Maximum Counterparty limit

The maximum counterparty limit in respect of deposits held by the company in any one approved credit institution is £40 million.

The maximum counterparty limit in respect of investments held by the company in any one collective investment scheme regulated under the UCITS directive, which are represented by AAA rated money market funds, is unlimited subject to the St. James's Place plc group not holding in aggregate more than 5% of any one money market fund.

The maximum counterparty limit in respect of other assets is £1,950,000 for companies outside the St. James's Place plc group.

## ST. JAMES'S PLACE UK plc

Financial year ended 31 December 2013

### NOTES TO THE RETURN

\*1319\* LTB: Maximum Counterparty limit

The maximum counterparty limit in respect of deposits held by the company in any one approved credit institution is £40 million.

The maximum counterparty limit in respect of investments held by the company in any one collective investment scheme regulated under the UCITS directive, which are represented by AAA rated money market funds, is unlimited subject to the St. James's Place plc group not holding in aggregate more than 5% of any one money market fund.

The maximum counterparty limit in respect of other assets is £1,950,000 for companies outside the St. James's Place plc group.

\*1401\* Provision for reasonably foreseeable adverse variations (F14 L41)

The company was not party to any contract at any time during the year which could require a provision for adverse variations.

\*1402\* Additional information in relation to IPRU (INS) Appendix 9.1 paragraph 13 (1)

No charge has been made on the assets of the company to secure the liabilities of other persons.

The potential capital gains tax liability is £78,339,000.

There were no other contingent liabilities, guarantees, indemnities or other contractual commitments effected other than in the normal course of business and in respect of related companies and any other fundamental uncertainties.

\*1405\* Amounts shown in Form 14 line 74 of the reconciliation to the financial statements

	2013	2012
	£'000	£'000
Deferred income	(196,815)	(264,282)
Tax on deferred income	11,153	27,241
Investment reserves	11,155	9,865
Deferred tax assets	101,572	98,555
Other deferred tax differences	-	(840)
Deferred tax for transitional arrangement	(3,128)	
Differences in valuation of contract liabilities	(28,108)	(18,676)
	—————	—————
	(104,171)	(148,137)
	=====	=====

## ST. JAMES'S PLACE UK plc

Financial year ended 31 December 2013

### NOTES TO THE RETURN

\*1501\* Provision for reasonably foreseeable adverse variations (F15 L61)

The company was not party to any contract at any time during the year which could require a provision for adverse variations.

\*1502\* Additional information in relation to IPRU (INS) Appendix 9.1 paragraph 13 (1)

There were no charges over assets, potential capital gains tax liabilities, contingent liabilities, guarantees, indemnities or other contractual commitments effected other than in the normal course of business and in respect of related companies and any other fundamental uncertainties.

\*1507\* Other adjustments

This represents a foreseeable dividend recognised in Form 15 Line 83 which does not meet the requirements for disclosure in the Statutory Accounts.

\*1601\* Basis of foreign currency conversion

Income and expenditure in foreign currencies have been brought into account at the rates ruling at the dates of the transaction.

\*1700\* Omission of form

Form 17 has been omitted because all entries (including comparatives) would be blank.

\*4002\* Amounts included in Form 40 lines 15 and 25

Interest of £2,203,000 received from the Company's insurance dependants has been included in Form 40 line 15. Transaction costs of £13,999,000 from the purchase and sale of investments been included in Form 40 line 25.

\*4008\* Management Services

Administration services were provided throughout the year by Prudential UK Services Limited and Capita Life and Pensions Regulated Services Limited.

The internal linked funds are managed by: INVESCO Asset Management Limited (INVESCO); Schroder Investment Management Limited (Schroders); Wellington Management Company LLP; Aristotle Capital Management LLC; Aberdeen Asset Managers Limited; AXA Investment Managers (UK) Limited; Orchard Street Investment Management LLP; S.W. Mitchell Capital LLP; Svenska Handelsbanken Fonder AB (Swedish); Oldfield Partners LLP; RWC Partners Limited; Artemis Investment Management LLP; Artisan Partners Limited Partnership; BlackRock Advisers (UK) Limited; BlackRock Investment Management (UK) Limited; Babson Capital Europe Limited; Burgundy Asset Management Limited; J O Hambro Capital Management Limited; First State Investment Management (UK) Limited; Majedie Asset Management Limited; Sands Capital Management LLC; Tweedy, Browne Company LLC; Loomis, Sayles & Company L.P.; Pimco Europe Limited; Magellan Asset Management Limited; Select Equity Inc; and Edgepoint Investment Group Inc.

## ST. JAMES'S PLACE UK plc

Financial year ended 31 December 2013

### NOTES TO THE RETURN

**\*4009\*** Disclosure of material connected-party transactions in relation to IPRU (INS) 9.39

St. James's Place Wealth Management plc, a fellow subsidiary, acts as an intermediary in the provision of financial services products and charged a distribution allowance of £41,359,000 to St. James's Place UK plc in respect of its role as introducer of its appointed representatives for the provision of life and pension products.

St. James's Place Management Services Limited, a fellow subsidiary, acts as the provider of management services to other group companies and charged £57,246,000 to St. James's Place UK plc in respect of its proportion of the goods and services incurred by the group.

St. James's Place Reassurance (2009) Limited, an intra group ISPV, had £299,315,000 premiums and £79,336,000 claims reassured to it by St. James's Place UK plc, which are reflected in Forms 41 and 42, respectively.

In respect of the St. James's Place managed unit trusts that are held as investments in the St. James's Place life and pension funds, there was income recognised of £3,385.5 million (2012: income £1,899.8 million) and the total value of transactions with these was £10,281.9 million (2012: £10,350.6 million).

**\*4101\*** Composition of reinsurance – intra-group single premiums

The entry in Form 41 line 16 includes a recapture amount of £203,025,000 for the termination of the ISPV reinsurance arrangement with St. James's Place Reassurance (2009) Limited.

**\*4401\*** Basis for determining Asset Value

Listed investments are included at bid-market value. Units in unit trusts are included at published bid prices. Investment properties are included at market value. Deposits are included at cost. Derivatives are included at fair value. Other assets and liabilities are included at amortised cost.

**\*4402\*** Derivative Contracts/Rights and Liabilities

The aggregate value of rights of derivative contracts held for internal linked funds was an asset of £3,743,000 at the year end (2012: asset of £16,504,000).

**\*4502\*** Other Income and Expenditure

The entry in Form 45 line 14 represents commission received by the fund for underwriting IPOs.

The entry in Form 45 line 26 represents the following:

	2013	2012
	£'000	£'000
Distributions made	135,037	109,436
Investment transaction costs	13,999	11,487
	—————	—————
Total other expenditure	149,036	120,923
	=====	=====

**ST. JAMES'S PLACE UK plc**

**Financial year ended 31 December 2013**

**NOTES TO THE RETURN**

\*4701\* There were no new direct group schemes.

\*5104\* Details of approximations used to apportion between product codes

For decreasing term assurance and rider benefits, the split of reinsurance premiums and benefits has been calculated pro-rata on the basis of the underlying gross premium split. No other approximations were required.

\*5304\* Details of approximations used to apportion between product codes

For decreasing term assurance and rider benefits, the split of reinsurance premiums and benefits has been calculated pro-rata on the basis of the underlying gross premium split. No other approximations were required.

\*5700\* Omission of form

Form 57 has been omitted as the non-linked mathematical reserves do not exceed £100 million.

**ST. JAMES'S PLACE UK plc**

**Financial year ended 31 December 2013**

**ADDITIONAL INFORMATION ON DERIVATIVE AND QUASI-DERIVATIVE  
CONTRACTS (IPRU (INS) RULE 9.29)**

Shareholder Assets (Category 01)

The relevant information required by rule 9.29 (1) (a) to 9.29 (1) (i) is shown below:

- The use of derivatives was not permitted during the financial period.

Policyholder Assets (Category 10)

The relevant information required by rule 9.29 (1) (a) to 9.29 (1) (i) is shown below:

- The use of derivatives in the property linked funds is permitted as long as they satisfy the requirements of Appendix 3.2 and rule 3.7. The company's investment guidelines state that derivative contracts are used only for the purposes of reduction of investment risks or efficient portfolio management. The guidelines state that the company will at all times comply with relevant legislation and Guidance Notes and specifies that derivative contracts entered into will be capable of being readily closed out. Each fund management agreement specifies limits upon the use of derivatives within that fund. Derivatives used are listed on a regulated market or transacted with an approved counterparty. For non property linked funds the use of derivatives was not permitted during the financial period.
- Rule 9.29 (1) (b) (c) (h) (i) does not apply as the use of such derivatives is not permitted.

**ST. JAMES'S PLACE UK plc**

**Financial year ended 31 December 2013**

**ADDITIONAL INFORMATION ON CONTROLLERS (IPRU (INS) RULE 9.30)**

The following persons have been controllers during the financial year and had the following % shareholding and % voting power at the year end:

	<u><b>% Shareholding</b></u>	<u><b>% Voting Power</b></u>
<b>Controller of St. James's Place UK plc</b>		
St. James's Place Wealth Management Group plc	100%	100%
<b>Controllers of St. James's Place Wealth Management Group plc</b>		
St James's Place plc	100%	100%