

# St. James's Place UK plc

**Annual PRA Insurance Returns for the year ended  
31st December 2014**



**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 2014

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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 2014**

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>2014</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>	110024	136610
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	<b>12</b>	23896	7121
Capital resources available to cover long-term insurance business capital resources requirement (11+12)	<b>13</b>	133920	143731

**Guarantee fund**

Guarantee fund requirement	<b>21</b>	13683	13102
Excess (deficiency) of available capital resources to cover guarantee fund requirement	<b>22</b>	120237	130629

**Minimum capital requirement (MCR)**

Long-term insurance capital requirement	<b>31</b>	41049	39305
Resilience capital requirement	<b>32</b>	3229	2363
Base capital resources requirement	<b>33</b>	2902	3146
Individual minimum capital requirement	<b>34</b>	44278	41668
Capital requirements of regulated related undertakings	<b>35</b>		
Minimum capital requirement (34+35)	<b>36</b>	44278	41668
Excess (deficiency) of available capital resources to cover 50% of MCR	<b>37</b>	111780	122897
Excess (deficiency) of available capital resources to cover 75% of MCR	<b>38</b>	100711	112480

**Enhanced capital requirement**

With-profits insurance capital component	<b>39</b>		
Enhanced capital requirement	<b>40</b>	44278	41668

**Capital resources requirement (CRR)**

Capital resources requirement (greater of 36 and 40)	<b>41</b>	44278	41668
Excess (deficiency) of available capital resources to cover long-term insurance business CRR (13-41)	<b>42</b>	89642	102063

**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 2014**

	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>2014</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>		593128	593128	529616
Share premium account	<b>13</b>				
Positive valuation differences	<b>14</b>		4418	4418	105743
Fund for future appropriations	<b>15</b>				
Core tier one capital in related undertakings	<b>16</b>				
Core tier one capital (sum of 11 to 16)	<b>19</b>		707546	707546	745359

**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>		707546	707546	745359
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>		707546	707546	745359

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

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

Global business

 Financial year ended **31st December 2014**

	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>2014</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>			

**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 2014**

	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>2014</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>		707546	707546	745359
Inadmissible assets other than intangibles and own shares	<b>73</b>		573626	573626	601628
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>		133920	133920	143731

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

Available capital resources for guarantee fund requirement	<b>81</b>		133920	133920	143731
Available capital resources for 50% MCR requirement	<b>82</b>		133920	133920	143731
Available capital resources for 75% MCR requirement	<b>83</b>		133920	133920	143731

**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 2014**

Long-term insurance business

	Company registration number	GL/UK/CM	Period ended			units
			day	month	year	
R11	2628062	GL	31	12	2014	£000
			This financial year		Previous year	
			1		2	
Gross premiums written		11	9970		10403	
Premiums taxes and levies (included in line 11)		12				
Premiums written net of taxes and levies (11-12)		13	9970		10403	
Premiums for classes 11, 12 or 13 (included in line 13)		14				
Premiums for "actuarial health insurance" (included in line 13)		15	9970		10403	
<b>Sub-total A</b> (13 + 1/2 14 - 2/3 15)		16	3323		3468	
Gross premiums earned		21	9970		10403	
Premium taxes and levies (included in line 21)		22				
Premiums earned net of taxes and levies (21-22)		23	9970		10403	
Premiums for classes 11, 12 or 13 (included in line 23)		24				
Premiums for "actuarial health insurance" (included in line 23)		25	9970		10403	
<b>Sub-total H</b> (23 + 1/2 24 - 2/3 25)		26	3323		3468	
<b>Sub-total I</b> (higher of sub-total A and sub-total H)		30	3323		3468	
<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	598		624	
	Excess (if any) over 61.3M EURO x 0.02	33				
<b>Sub-total J</b> (32-33)		34	598		624	
Claims paid in period of 3 financial years		41	37494		36859	
Claims outstanding carried forward at the end of the 3 year period	For insurance business accounted for on an underwriting year basis	42	26616		22658	
	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	25705		24581	
	For insurance business accounted for on an accident year basis	45				
<b>Sub-total C</b> (41+42+43-44-45)		46	38405		34936	
Amounts recoverable from reinsurers in respect of claims included in Sub-total C		47	31354		28661	
<b>Sub-total D</b> (46-47)		48	7051		6275	
<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	299		312	
Provisions for claims outstanding (before discounting and net of reinsurance)		51	5690		5147	
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	505		488	
Greater of lines 50 and 53		54	505		488	

**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 2014**

Long-term insurance business

		Company registration number	GL/UK/CM	Period ended			units	
		R12	2628062	GL	31	12	2014	£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			37494		36859	
Claims outstanding carried forward at the end of the reference period	For insurance business accounted for on an underwriting year basis	22			26616		22658	
	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			25705		24581	
	For insurance business accounted for on an accident year basis	25						
Claims incurred in reference period (21+22+23-24-25)		26			38405		34936	
Claims incurred for classes 11, 12 or 13 (included in 26)		27						
Claims incurred for "actuarial health insurance" (included in 26)		28			38405		34936	
<b>Sub-total E</b> (26 + 1/2 27 - 2/3 28)		29			12802		11645	
<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			4267		3882	
Division of sub-total F (gross adjusted claims amount)	X 0.26	32			1109		1009	
	Excess (if any) over 42.9M EURO x 0.03	33						
<b>Sub-total G</b> (32 - 33)		39			1109		1009	
<b>Claims amount</b> Sub-total G x <b>reinsurance ratio</b> (11.49)		41			555		505	
Higher of <b>premiums amount</b> and <b>brought forward amount</b> (11.54)		42			505		488	
<b>General insurance capital requirement</b> (higher of lines 41 and 42)		43			555		505	



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

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

Global business

 Financial year ended **31st December 2014**

 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>2014</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
	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>	132100	60637
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 2014**

 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>2014</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>	16722	
	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>	74	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>	148896	107121
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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 2014**

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

R13	Company registration number	GL/UK/CM	Period ended			units	Category of assets
			day	month	year		
	<b>2628062</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2014</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>	

**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>	148896	107121
Admissible assets in excess of market and counterparty limits	<b>92</b>		
Inadmissible assets directly held	<b>93</b>		
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>		
Reinsurers' share of technical provisions excluded from line 89	<b>100</b>		
Other asset adjustments (may be negative)	<b>101</b>	(16722)	
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>	132174	107121

Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	<b>103</b>		
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**Analysis of admissible assets**
**Form 13  
(Sheet 1)**

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

Global business

 Financial year ended **31st December 2014**

 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>2014</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>	237080	251707
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>	34728
	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 2014**

 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>2014</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>		34316466		29707621

**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>	29737	16458
	Intermediaries	<b>72</b>	34968	52531
Salvage and subrogation recoveries		<b>73</b>		
Reinsurance	Accepted	<b>74</b>		
	Ceded	<b>75</b>	2554	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>	81197	125516
	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>	98197	45710
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	277
Deferred acquisition costs (general business only)	<b>85</b>		
Other prepayments and accrued income	<b>86</b>	25250	22297

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>	34860454	30256124
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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 2014**

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

R13	Company registration number	GL/UK/CM	Period ended			units	Category of assets
			day	month	year		
	<b>2628062</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2014</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>	34860454	30256124
Admissible assets in excess of market and counterparty limits	<b>92</b>		
Inadmissible assets directly held	<b>93</b>		
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>	563928	620085
Reinsurers' share of technical provisions excluded from line 89	<b>100</b>	80534	62260
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>	35504916	30938469
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 2014**

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>	34177611	29589567
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>	110024	136610
Long term insurance business fund carried forward (11 to 13)	<b>14</b>	34287635	29726177
Claims outstanding	Gross	<b>15</b>	69981
	Reinsurers' share	<b>16</b>	3941
	Net (15-16)	<b>17</b>	66040
Provisions	Taxation	<b>21</b>	100114
	Other risks and charges	<b>22</b>	78339
Deposits received from reinsurers	<b>23</b>		
Creditors	Direct insurance business	<b>31</b>	28441
	Reinsurance accepted	<b>32</b>	
	Reinsurance ceded	<b>33</b>	17071
Debenture loans	Secured	<b>34</b>	
	Unsecured	<b>35</b>	
Amounts owed to credit institutions	<b>36</b>		
Creditors	Taxation	<b>37</b>	307919
	Other	<b>38</b>	18391
Accruals and deferred income	<b>39</b>	34843	38491
Provision for "reasonably foreseeable adverse variations"	<b>41</b>		
Total other insurance and non-insurance liabilities (17 to 41)	<b>49</b>	572819	529947
Excess of the value of net admissible assets	<b>51</b>		
Total liabilities and margins	<b>59</b>	34860454	30256124
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	<b>61</b>	9455	65095
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	<b>62</b>	34216352	29629282
Total liabilities (11+12+49)	<b>71</b>	34750430	30119514
Increase to liabilities – DAC related	<b>72</b>	106246	120029
Reinsurers' share of technical provisions	<b>73</b>	80534	62260
Other adjustments to liabilities (may be negative)	<b>74</b>	(3248)	104171
Capital and reserves and fund for future appropriations	<b>75</b>	570954	532495
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>	35504916	30938469

**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 2014**

	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>2014</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>	125000	100000
	Other	<b>49</b>		
Accruals and deferred income		<b>51</b>		
Total (19 to 51)		<b>59</b>	125000	100000
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>	125000	100000

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>	(125000)	(100000)
Capital and reserves		<b>84</b>	132174	107121
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>	132174	107121



**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 2014**

		Company registration number	GL/UK/CM	Period ended			units	
		R16	2628062	GL	31	12	2014	£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			125000		59000	
Investment income	Income	14			30		24	
	Value re-adjustments on investments	15					46364	
	Gains on the realisation of investments	16			46402			
Investment charges	Investment management charges, including interest	17						
	Value re-adjustments on investments	18			46378			
	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						
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)		29			125054		105388	
Tax on profit or loss on ordinary activities		31			(16722)			
Profit or loss on ordinary activities after tax (29-31)		39			141776		105388	
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			141776		105388	
Dividends (paid or foreseeable)		51			125000		100000	
Profit or loss retained for the financial year (49-51)		59			16776		5388	

**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 2014**

Units **£000**

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

**Income**

Earned premiums	<b>11</b>	4494726	3823608
Investment income receivable before deduction of tax	<b>12</b>	886807	777676
Increase (decrease) in the value of non-linked assets brought into account	<b>13</b>	2239	141023
Increase (decrease) in the value of linked assets	<b>14</b>	1676371	3500749
Other income	<b>15</b>		2203
<b>Total income</b>	<b>19</b>	7060143	8245259

**Expenditure**

Claims incurred	<b>21</b>	1938181	1802776
Expenses payable	<b>22</b>	274520	296051
Interest payable before deduction of tax	<b>23</b>		
Taxation	<b>24</b>	140366	280379
Other expenditure	<b>25</b>	20618	13999
Transfer to (from) non technical account	<b>26</b>	125000	59000
<b>Total expenditure</b>	<b>29</b>	2498685	2452205

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>	4561458	5793054
Fund brought forward	<b>49</b>	29726177	23933123
Fund carried forward (39+49)	<b>59</b>	34287635	29726177

**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 2014**  
 Units **£000**

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

**Gross**

Regular premiums	11	33678	356845		390523	361220
Single premiums	12	1940332	2188544		4128876	3807464

**Reinsurance - external**

Regular premiums	13	24008	665		24673	45761
Single premiums	14					

**Reinsurance - intra-group**

Regular premiums	15					
Single premiums	16					299315

**Net of reinsurance**

Regular premiums	17	9670	356180		365850	315459
Single premiums	18	1940332	2188544		4128876	3508149

**Total**

Gross	19	1974010	2545389		4519399	4168684
Reinsurance	20	24008	665		24673	345076
Net	21	1950002	2544724		4494726	3823608

**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 2014**  
 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	95223	25552		120775	106248
Disability periodic payments	12	2202			2202	2332
Surrender or partial surrender	13	875762	763251		1639013	1638509
Annuity payments	14					
Lump sums on maturity	15	9288	187166		196454	152783
<b>Total</b>	<b>16</b>	<b>982475</b>	<b>975969</b>		<b>1958444</b>	<b>1899872</b>

**Reinsurance - external**

Death or disability lump sums	21	17160	1029		18189	15538
Disability periodic payments	22	1629			1629	1644
Surrender or partial surrender	23	445			445	578
Annuity payments	24					
Lump sums on maturity	25					
<b>Total</b>	<b>26</b>	<b>19234</b>	<b>1029</b>		<b>20263</b>	<b>17760</b>

**Reinsurance - intra-group**

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

**Net of reinsurance**

Death or disability lump sums	41	78063	24523		102586	90710
Disability periodic payments	42	573			573	688
Surrender or partial surrender	43	875317	763251		1638568	1558595
Annuity payments	44					
Lump sums on maturity	45	9288	187166		196454	152783
<b>Total</b>	<b>46</b>	<b>963241</b>	<b>974940</b>		<b>1938181</b>	<b>1802776</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 2014**  
 Units **£000**

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

**Gross**

Commission - acquisition	11	1013	(2006)	(993)	5931
Commission - other	12	62879	37299	100178	131490
Management - acquisition	13	30059	28708	58767	65165
Management - maintenance	14	55408	52917	108325	87763
Management - other	15	4216	4027	8243	5985
<b>Total</b>	<b>16</b>	<b>153575</b>	<b>120945</b>	<b>274520</b>	<b>296334</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
Commission - other	32				
Management - acquisition	33				
Management - maintenance	34				
Management - other	35				
<b>Total</b>	<b>36</b>				<b>283</b>

**Net of reinsurance**

Commission - acquisition	41	1013	(2006)	(993)	5648
Commission - other	42	62879	37299	100178	131490
Management - acquisition	43	30059	28708	58767	65165
Management - maintenance	44	55408	52917	108325	87763
Management - other	45	4216	4027	8243	5985
<b>Total</b>	<b>46</b>	<b>153575</b>	<b>120945</b>	<b>274520</b>	<b>296051</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 2014**

Units **£000**

	Financial year	Previous year
	1	2

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

Directly held assets (excluding collective investment schemes)	11	6117796	5093354
Directly held assets in collective investment schemes of connected companies	12	28337887	24709128
Directly held assets in other collective investment schemes	13	180635	137966
<b>Total assets (excluding cross investment) (11+12+13)</b>	<b>14</b>	<b>34636318</b>	<b>29940448</b>
Provision for tax on unrealised capital gains	15	100114	78339
Secured and unsecured loans	16		
Other liabilities	17	315119	228065
<b>Total net assets (14-15-16-17)</b>	<b>18</b>	<b>34221085</b>	<b>29634044</b>

**Directly held linked assets**

Value of directly held linked assets	21		
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**Total**

Value of directly held linked assets and units held (18+21)	31	34221085	29634044
Surplus units	32	5191	4954
Deficit units	33	458	192
<b>Net unit liability (31-32+33)</b>	<b>34</b>	<b>34216352</b>	<b>29629282</b>

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 2014**

Units **£000**

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

**Income**

Value of total creation of units	<b>11</b>	3566454	3383950
Investment income attributable to the funds before deduction of tax	<b>12</b>	514802	461983
Increase (decrease) in the value of investments in the financial year	<b>13</b>	2121359	3889177
Other income	<b>14</b>		
<b>Total income</b>	<b>19</b>	6202615	7735110

**Expenditure**

Value of total cancellation of units	<b>21</b>	786654	954132
Charges for management	<b>22</b>	505242	444466
Charges in respect of tax on investment income	<b>23</b>	50322	47270
Taxation on realised capital gains	<b>24</b>	66724	202402
Increase (decrease) in amount set aside for tax on capital gains not yet realised	<b>25</b>	21775	54908
Other expenditure	<b>26</b>	184857	149032
<b>Total expenditure</b>	<b>29</b>	1615574	1852210

Increase (decrease) in funds in financial year (19-29)	<b>39</b>	4587041	5882900
Internal linked fund brought forward	<b>49</b>	29634044	23751144
Internal linked funds carried forward (39+49)	<b>59</b>	34221085	29634044

**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 2014**

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>	5	13495		13500	12972
Single premium business	<b>12</b>	15819	34838		50657	48845
<b>Total</b>	<b>13</b>	15824	48333		64157	61817

**Amount of new regular premiums**

Direct insurance business	<b>21</b>	1188	103868		105056	87319
External reinsurance	<b>22</b>					
Intra-group reinsurance	<b>23</b>					
<b>Total</b>	<b>24</b>	1188	103868		105056	87319

**Amount of new single premiums**

Direct insurance business	<b>25</b>	1940332	2188544		4128876	3807464
External reinsurance	<b>26</b>					
Intra-group reinsurance	<b>27</b>					
<b>Total</b>	<b>28</b>	1940332	2188544		4128876	3807464



**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 2014**

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		52		
325	Level term assurance	4	3		
345	Accelerated critical illness (reviewable premiums)		1		
355	Stand-alone critical illness (reviewable premiums)	1	188		
365	Income protection non-profit (reviewable premiums)		76		
380	Miscellaneous protection rider		6		
700	Life property linked single premium			15819	1940332
710	Life property linked whole life regular premium		576		
775	Accelerated critical illness rider		87		
780	Stand-alone critical illness rider		163		
785	Income protection rider		36		

**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 2014**

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	12940	92419	31658	1635641
730	Individual pensions property linked - increments		8213		
735	Group money purchase pensions property linked	555	1778	345	6603
740	Group money purchase pensions property linked - increments		1198		
745	DWP National Insurance rebates property linked				42
750	Income drawdown property linked			2823	521892
755	Trustee investment plan			12	24366
790	Miscellaneous protection rider		260		

**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 2014**  
 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	35005	35005	646	1.60
UK listed equity shares	15				
Non-UK listed equity shares	16				
Unlisted equity shares	17				
Other assets	18	508983	508983	2282	0.31
<b>Total</b>	<b>19</b>	<b>543988</b>	<b>543988</b>	<b>2928</b>	<b>0.39</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 2014**  
 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>	35005	8.90	1.60	1.60
<b>Other variable interest securities</b>	<b>51</b>				
<b>Total (11+21+39+41+51)</b>	<b>61</b>	35005	8.90	1.60	1.60

**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 2014**  
 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>	67150		67150	52006
Form 52	<b>13</b>				
Form 53 - linked	<b>14</b>	16145811	18070541	34216352	29629282
Form 53 - non-linked	<b>15</b>	(24983)	(4317)	(29300)	(31231)
Form 54 - linked	<b>16</b>				
Form 54 - non-linked	<b>17</b>				
<b>Total</b>	<b>18</b>	16187978	18066224	34254202	29650057

**Reinsurance - external**

Form 51 - with-profits	<b>21</b>				
Form 51 - non-profit	<b>22</b>	61602		61602	47176
Form 52	<b>23</b>				
Form 53 - linked	<b>24</b>				
Form 53 - non-linked	<b>25</b>	13904	1085	14989	13314
Form 54 - linked	<b>26</b>				
Form 54 - non-linked	<b>27</b>				
<b>Total</b>	<b>28</b>	75506	1085	76591	60490

**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>				
Form 54 - linked	<b>36</b>				
Form 54 - non-linked	<b>37</b>				
<b>Total</b>	<b>38</b>				

**Net of reinsurance**

Form 51 - with-profits	<b>41</b>				
Form 51 - non-profit	<b>42</b>	5548		5548	4830
Form 52	<b>43</b>				
Form 53 - linked	<b>44</b>	16145811	18070541	34216352	29629282
Form 53 - non-linked	<b>45</b>	(38887)	(5402)	(44289)	(44545)
Form 54 - linked	<b>46</b>				
Form 54 - non-linked	<b>47</b>				
<b>Total</b>	<b>48</b>	16112472	18065139	34177611	29589567

**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 2014**

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	651	141918	4180	n/a	n/a	n/a	26864
325	Level term assurance	4061	776064	2691	n/a	n/a	n/a	9549
330	Decreasing term assurance	1225	104155	563	n/a	n/a	n/a	1053
335	Decreasing term assurance (rider benefits)	1443	99579	766	n/a	n/a	n/a	1070
345	Accelerated critical illness (reviewable premiums)	1678	188782	1211	n/a	n/a	n/a	3513
355	Stand-alone critical illness (reviewable premiums)	3063	411865	3503	n/a	n/a	n/a	7830
365	Income protection non-profit (reviewable premiums)	2644	54881	2065	n/a	n/a	n/a	2954
780	Stand-alone critical illness rider		70187		n/a	n/a	n/a	
785	Income protection rider		10069		n/a	n/a	n/a	
380	Miscellaneous protection rider		4198		n/a	n/a	n/a	
385	Income protection claims in payment				n/a	n/a	n/a	14317

**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 2014**

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		141918	4112	n/a	n/a	n/a	25979
325	Level term assurance		776064	2601	n/a	n/a	n/a	9304
330	Decreasing term assurance		104063	331	n/a	n/a	n/a	1003
335	Decreasing term assurance (rider benefits)		99115	642	n/a	n/a	n/a	1038
345	Accelerated critical illness (reviewable premiums)		188782	1052	n/a	n/a	n/a	3420
355	Stand-alone critical illness (reviewable premiums)		411821	3180	n/a	n/a	n/a	7720
365	Income protection non-profit (reviewable premiums)		54746	1772	n/a	n/a	n/a	2905
780	Stand-alone critical illness rider		70187		n/a	n/a	n/a	
785	Income protection rider		10069		n/a	n/a	n/a	
380	Miscellaneous protection rider		4198		n/a	n/a	n/a	
385	Income protection claims in payment				n/a	n/a	n/a	10233

**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 2014**

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	163720	16341227		16220480	15949218	(9519)	15939699
710	Life property linked whole life regular premium	5058	1241917	8931	49712	49712	(150)	49562
715	Life property linked endowment regular premium - savings	302	14036	418	14097	14097	12	14109
720	Life property linked endowment regular premium – target cash	3329	146565	3503	86920	86920	42	86962
775	Accelerated critical illness rider (reviewable)	2225	217185	1766	6793	6793	218	7011
780	Stand-alone critical illness rider (reviewable)	1104	161208	2088	3405	3405	1468	4873
785	Income protection rider (reviewable)	1274	27420	972	81	81	1934	2015
770	Term assurance rider	2479	166845	552	4034	4034	160	4194
775	Accelerated critical illness rider		74510					
785	Income protection rider		5866					
790	Miscellaneous protection rider		7540					
800	Income protection claims in payment						12403	12403
800	Additional reserves property linked				31551	31551	(31551)	



**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 2014**

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		1192197	4595			(76)	(76)
715	Life property linked endowment regular premium - savings			2				
720	Life property linked endowment regular premium – target cash		50293	359			7	7
775	Accelerated critical illness (reviewable)		210310	1411			195	195
780	Stand-alone critical illness (reviewable)		157994	1744			1460	1460
785	Income Protection Non-profit (reviewable)		27200	882			1892	1892
770	Level term assurance (life)		162695	455			151	151
775	Accelerated critical illness rider		74371					
785	Income protection rider		5727					
790	Miscellaneous protection rider		7401					
800	Income protection claims in payment						10275	10275

**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 2014**

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	328437	15122061	371552	15191116	14955019	(5057)	14949962
735	Group money purchase pensions property linked	13542	494064	18347	479535	474915	1291	476206
750	Income drawdown property linked	12323	1987669		1990341	1962135	(2667)	1959468
755	Trustee investment plan	1231			679483	678472	42	678514
800	Income protection claims in payment						904	904
770	Term assurance rider		194341					
790	Miscellaneous protection rider		11286					
800	Additional reserves property linked						1170	1170

**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 2014**

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			595			477	477
735	Group money purchase pensions property linked			46			26	26
800	Income protection claims in payment						582	582
770	Term assurance rider		150671					
790	Miscellaneous protection rider		7647					

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 2014**

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
Exempt Alternative Assets	14 - individual pension - other managed fund	232688	Accumulation	0.75	1.1962	1.2429	3.90
Exempt AXA Framlington Managed	12 - individual pension - balanced managed fund	1500061	Accumulation	0.75	1.6644	1.7298	3.93
Exempt Continental European	16 - individual pension - overseas equity	143608	Accumulation	0.75	8.3299	8.1168	(2.56)
Exempt Corporate Bond	14 - individual pension - other managed fund	305491	Accumulation	0.75	1.9029	1.9885	4.50
Exempt Diversified Income	15 - individual pension - UK equity	199141	Accumulation	0.75	1.2858	1.3043	1.44
Exempt Equity Income	15 - individual pension - UK equity	300230	Accumulation	0.75	1.4989	1.5238	1.66
Exempt Far East	16 - individual pension - overseas equity	560077	Accumulation	0.75	4.6997	5.1127	8.79
Exempt Global Emerging Markets	16 - individual pension - overseas equity	333666	Accumulation	0.75	1.2752	1.3355	4.73
Exempt Global Equity	16 - individual pension - overseas equity	2640671	Accumulation	0.75	8.5540	9.3506	9.31
Exempt Global Equity Income	16 - individual pension - overseas equity	235667	Accumulation	0.75	1.3595	1.4725	8.31
Exempt Global Managed	16 - individual pension - overseas equity	2015023	Accumulation	0.75	1.0000	2.0294	102.94
Exempt Greater European	16 - individual pension - overseas equity	142682	Accumulation	0.75	1.5711	1.6075	2.32
Exempt International Corporate Bond	14 - individual pension - other managed fund	423302	Accumulation	0.75	1.4200	1.4570	2.61
Exempt International Equity	16 - individual pension - overseas equity	1079084	Accumulation	0.75	2.9322	3.3090	12.85
Exempt Investment Grade Corporate Bond	14 - individual pension - other managed fund	236829	Accumulation	0.75	1.5877	1.7093	7.66
Exempt Money Market	13 - individual pension - defensive managed fund	202693	Accumulation	0.75	2.1135	2.1065	(0.33)
Exempt Multi Asset	14 - individual pension - other managed fund	260163	Accumulation	0.75	0.9216	0.9674	4.97
Exempt North American	16 - individual pension - overseas equity	260353	Accumulation	0.75	3.8363	4.6960	22.41
Exempt Property	17 - individual pension - property	447978	Accumulation	0.75	1.2740	1.4456	13.47
Exempt Schroder Managed	12 - individual pension - balanced managed fund	1651725	Accumulation	0.75	2.9803	3.1248	4.85
Exempt Strategic Managed	12 - individual pension - balanced managed fund	1861576	Accumulation	0.75	5.1257	5.2880	3.17
Exempt UK & General Progressive	15 - individual pension - UK equity	244240	Accumulation	0.75	1.4544	1.5042	3.42
Exempt UK & International Income	15 - individual pension - UK equity	299772	Accumulation	0.75	1.4588	1.5254	4.57
Exempt UK Equity	15 - individual pension - UK equity	516968	Accumulation	0.75	7.5566	8.1817	8.27
Exempt Worldwide Managed	16 - individual pension - overseas equity	1531463	Accumulation	0.75	1.4146	1.5714	11.08
Net Alternative Assets	04 - life - other managed fund	292004	Accumulation	1.50	1.1396	1.1706	2.72
Net Axa Framlington Managed	02 - life - balanced managed fund	844498	Accumulation	1.50	1.4862	1.5283	2.83
Net Continental European	06 - life - overseas equity	100598	Accumulation	1.50	5.4869	5.3398	(2.68)
Net Corporate Bond	04 - life - other managed fund	589927	Accumulation	1.50	1.5220	1.5628	2.68
Net Diversified Income	04 - life - other managed fund	508855	Accumulation	1.50	1.1691	1.1825	1.15
Net Equity Income	05 - life - UK equity	590400	Accumulation	1.50	1.1846	1.1993	1.24

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 2014**

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 Far East	06 - life - overseas equity	292947	Accumulation	1.50	3.5410	3.7788	6.72
Net Gilts	03 - life - defensive managed fund	125816	Accumulation	1.50	2.2842	2.3929	4.76
Net Global Emerging Markets	04 - life - other managed fund	159791	Accumulation	1.50	1.1703	1.2097	3.37
Net Global Equity	04 - life - other managed fund	1724869	Accumulation	1.50	5.0867	5.4468	7.08
Net Global Equity Income	04 - life - other managed fund	379716	Accumulation	1.50	1.2881	1.3748	6.73
Net Global Managed	04 - life - other managed fund	1150827	Accumulation	1.50	1.5693	1.7070	8.77
Net Income Distribution	04 - life - other managed fund	1614427	Income	1.50	0.9145	0.8929	(2.36)
Net International Corporate Bond	04 - life - other managed fund	634053	Accumulation	1.50	1.2847	1.3007	1.25
Net International Equity	04 - life - other managed fund	812529	Accumulation	1.50	2.3050	2.5320	9.85
Net Investment Grade Corporate Bond	04 - life - other managed fund	432020	Accumulation	1.50	1.4039	1.4763	5.16
Net Multi Asset	04 - life - other managed fund	420350	Accumulation	1.50	0.9061	0.9442	4.20
Net North American	06 - life - overseas equity	109025	Accumulation	1.50	2.4479	2.8685	17.18
Net Property	07 - life - property	772989	Accumulation	1.50	1.0189	1.1438	12.26
Net Schroder Managed	02 - life - balanced managed fund	976820	Accumulation	1.50	2.2325	2.3140	3.65
Net Strategic Managed	02 - life - balanced managed fund	1152841	Accumulation	1.50	3.4625	3.5403	2.25
Net UK & General Progressive	05 - life - UK equity	224802	Accumulation	1.50	1.3325	1.3662	2.53
Net UK & International Income	05 - life - UK equity	541849	Accumulation	1.50	1.3633	1.4130	3.65
Net UK Absolute Return	04 - life - other managed fund	131355	Accumulation	1.50	0.9536	1.0112	6.04
Net UK Equity	05 - life - UK equity	278662	Accumulation	1.50	5.1072	5.4719	7.14
Net Worldwide Managed	04 - life - other managed fund	865222	Accumulation	1.50	1.2492	1.3548	8.45

**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 2014**  
 Units **£000**

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

Fund carried forward	<b>11</b>	34287635	29726177
Bonus payments in anticipation of a surplus	<b>12</b>		
Transfer to non-technical account	<b>13</b>	125000	59000
Transfer to other funds / parts of funds	<b>14</b>		
Subtotal (11 to 14)	<b>15</b>	34412635	29785177
Mathematical reserves	<b>21</b>	34177611	29589567
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	<b>29</b>	235024	195610

**Composition of surplus**

Balance brought forward	<b>31</b>	136610	99105
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>	98414	96505
Total	<b>39</b>	235024	195610

**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>	125000	59000
Total distributed surplus (46+47)	<b>48</b>	125000	59000
Surplus carried forward	<b>49</b>	110024	136610
Total (48+49)	<b>59</b>	235024	195610

**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 2014**

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%	500	100	0.50		
Classes I (other), II and IX	13	0.15%	9056	1629		7	10
Classes I (other), II and IX	14	0.3%	1260120	(1250)		1890	2136
Classes III, VII and VIII	15	0.3%	2441943	675219	0.50	3663	3837
<b>Total</b>	<b>16</b>		<b>3711619</b>	<b>675698</b>		<b>5560</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					555	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%	42049	1305	0.85	357	264
Classes III, VII and VIII (investment risk)	33	1%	(13554)	(14918)	1.10	(149)	(148)
Classes III, VII and VIII (expenses fixed 5 yrs +)	34	1%					
Classes III, VII and VIII (other)	35	25%				32593	31024
Class IV (other)	36	1%	44392	9908	0.85	377	332
Class V	37	1%					
Class VI	38	1%					
<b>Total</b>	<b>39</b>					<b>33178</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%	42049	1305	0.85	1072	791
Classes III, VII and VIII (investment risk)	43	3%	(13554)	(14918)	1.10	(448)	(443)
Classes III, VII and VIII (expenses fixed 5 yrs +)	44	0%					
Classes III, VII and VIII (other)	45	0%	34212866	34181316			
Class IV (other)	46	3%	44392	9908	0.85	1132	997
Class V	47	0%					
Class VI	48	3%					
<b>Total</b>	<b>49</b>		<b>34285753</b>	<b>34177611</b>		<b>1756</b>	<b>1345</b>

<b>Long term insurance capital requirement</b>	<b>51</b>					<b>41049</b>	<b>39305</b>
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## ABSTRACT OF VALUATION REPORT

### 1 Introduction

- 1.1 Date of this actuarial investigation: 31 December 2014
- 1.2 Date of the previous valuation: 31 December 2013
- 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	2.6%	3.2%	0%	10%
Stand alone critical illness	3.6%	10.5%	(22)%	377%
Income protection	10.8%	7.0%	(56)%	0%

- 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 0.9% during 2014, 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</u> <u>31/12/2014 (£bn)</u>	<u>Investment</u> <u>Management Fee at</u> <u>31/12/2013</u>	<u>Investment</u> <u>Management Fee at</u> <u>31/12/2014</u>
Alternative Assets	0.52	0.18% pa	0.08% pa
Global Equity	4.37	0.27% pa	0.28% pa
Greater European	0.20	0.53% pa	0.51% pa
Income Distribution	1.61	0.45% pa	0.39% pa
International Corporate Bond	1.06	0.51% pa	0.48% pa
Strategic Managed	3.01	0.38% pa	0.33% pa
Multi Asset	0.68	0.68% pa	0.38% pa
UK Equity	0.80	0.45% pa	0.39% 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 0% 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-14</u>	<u>Dec-13</u>
<i>Conventional business:</i>		
Interest (net of tax)	1.7% per annum	2.5% per annum
<i>Unit-linked business:</i>		
Interest (gross of tax)	2% per annum	3.2% per annum
Interest (net of tax)	1.6% per annum	2.6% 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	0.76	1.18	0.79	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	5.84	3.263	5.836
55	7.221	15.9	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</u> <u>birthday</u>	<u>Expiry age 65: Deferred period</u>			
	<u>4 weeks</u>	<u>13 weeks</u>	<u>26</u> <u>week</u>	<u>52 weeks</u>
			<u>£</u>	
25	0.849	0.477	0.25	0.16
35	2.304	1.258	0.67	0.617
45	4.667	2.729	1.84	2.232
55	8.154	5.225	3.98	4.396

<u>Male age next</u> <u>birthday</u>	<u>Expiry age 60: Deferred period</u>			
	<u>4 weeks</u>	<u>13 weeks</u>	<u>26</u> <u>week</u>	<u>52 weeks</u>
			<u>£</u>	
25	0.808	0.449	0.23	0.15
35	2.088	1.127	0.6	0.547
45	3.816	2.197	1.47	1.762
55	4.588	2.804	2.05	2.109

<u>Male age next</u> <u>birthday</u>	<u>Expiry age 55: Deferred period</u>			
	<u>4 weeks</u>	<u>13 weeks</u>	<u>26</u> <u>week</u>	<u>52 weeks</u>
			<u>£</u>	
25	0.76	0.417	0.22	0.138
35	1.841	0.978	0.52	0.469
45	2.843	1.593	1.05	1.228
55	0.515	0.186	0.06	0

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	4

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	4.11	0.63
55	2.18	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	0.25	0.256
35	0.49	0.544
45	1.19	1.328
55	2.79	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	0.23
35	0.416	0.645
45	1.119	1.614
55	2.926	3.65

#### 4.6 Expense Assumptions

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

	<u>Dec-14</u>	<u>Dec-13</u>
	<u>Renewal</u>	<u>Renewal</u>
<b>Life business</b>		
Protection plans	£34.91	£34.49
Investment bonds	£22.39	£22.15
<b>Pension business</b>		
All pension plans	£43.84	£43.24

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 2014</u>	<u>December 2013</u>
Unit Growth (gross of tax and before management charges)	3.1% pa	4.40%
Unit Growth (net of tax and before management charges)	2.5% pa	3.50%
Expense Inflation	3.5% pa	3.70%
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	4.4% pa	4.7% pa

#### 4.8 Bonus Rates

Not applicable

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

<b><u>Product</u></b>		<u>Average lapse /surrender / paid-up rate</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%	3%	4%	6%

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>	<u>Drawdown contracts</u>
1	95.20%	94.10%	95.00%
2	95.90%	95.10%	95.60%
3	96.60%	96.00%	96.30%
4	97.40%	97.00%	97.10%
5	98.20%	98.00%	98.00%
6	99.10%	99.00%	99.00%
7	100.00%	100.00%	100.00%

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

The specified changes to the valuation methodology were implemented at the valuation on 31 December 2006. There have been no changes in this period.

## 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	£35.5m	£3.7m	£2.2m	£41.4m
Pension Business	£0.0m	£40.2m	£8.9m	£5.2m	£54.4m
Protection Business	£0.0m	£0.3m	£1.0m	£0.6m	£2.0m
All expenses attributable	N/A	N/A	N/A	N/A	N/A
Total	£0.0m	£76.1m	£13.6m	£8.0m	£97.7m

\* 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 2015 (£97.7m – see table in 6.1) are less than the actual level of expense reported for 2014 (£108.3m – see Line 14 of Form 43), since the level of expenses emerging from the projection of existing business is reduced by expected lapses during 2015.

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 £3,229,000.
- (b) the aggregate amount of the long term insurance liabilities increased by £5,538,000.
- (c) the aggregate amount of the assets allocated to match the liabilities increased by £2,310,000.

## 8 Other Special Reserves

A reserve of £1,410,974 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 Company has two 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 £12,012,000.

(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 £25,480,000 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 £7,479,000.
- (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 £46,618,000 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-profits policies.

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

**Financial year ended 31 December 2014**

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

We certify that:

- a) the return has been properly prepared in accordance with the requirements in IPRU (INS), GENPRU and INSPRU;
- b) we are satisfied that:
  - i. throughout the financial year, the insurer has complied in all material respects with the requirements in SYSC as well as the provisions of IPRU(INS), GENPRU and INSPRU;
  - ii. from the beginning of financial year in question until 18 June 2014, the insurer has complied in all material respects with the requirements of PRIN;
  - iii. from 19 June 2014 until the end of the financial year in question, the insurer has complied in all material respects with the Fundamental Rules; and
  - iv. it is reasonable to believe that the insurer has continued so to comply subsequently with the requirements of SYSC, the Fundamental Rules and the provisions of IPRU(INS), GENPRU and INSPRU and will continue so to comply in future;
- c) 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;
- d) 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;
- e) we have, in preparing the return, taken and paid due regard to -
  - i. advice from every actuary appointed by the insurer to perform the actuarial function in accordance with SUP 4.3.13R

- f) 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
- g) 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

26 March 2015

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

### **Global business**

#### **Financial year ended 31 December 2014**

#### **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 Prudential Regulation Authority under section 137G 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 pages 55 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 50 ('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 51 to 52.

#### **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. 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

26 March 2015



**ST. JAMES'S PLACE UK plc****Financial year ended 31 December 2014****NOTES TO THE RETURN****\*0301\*** Reconciliation of net admissible assets to total capital resources after deductions

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Admissible assets – other than long-term insurance	148,896	107,121
Admissible assets – long-term insurance	34,860,454	30,256,124
Mathematical reserves	(34,177,611)	(29,589,567)
Other insurance and non-insurance liabilities	(572,819)	(529,947)
Foreseeable dividend	(125,000)	(100,000)
Net admissible assets	<u>133,920</u>	<u>143,731</u>
Adjustments to capital resources	-	-
Total capital resources after deductions	<u><b>133,920</b></u>	<u><b>143,731</b></u>

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

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Deferred income	135,353	196,815
Tax on deferred income	(6,290)	(11,153)
Investment reserves	(13,569)	(11,155)
Deferred tax for transitional arrangement (on investment reserves)	2,780	3,128
Difference in valuation of policyholder liabilities	11,144	28,108
Foreseeable dividend	(125,000)	(100,000)
Total positive valuation difference	<u><b>4,418</b></u>	<u><b>105,743</b></u>

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

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Deferred acquisition costs	563,928	620,085
Tax on deferred acquisition costs	(106,246)	(120,029)
Deferred tax assets	115,944	101,572
Total inadmissible assets	<u><b>573,626</b></u>	<u><b>601,628</b></u>

## ST. JAMES'S PLACE UK plc

Financial year ended 31 December 2014

### 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)

	<u>2014</u>	<u>2013</u>
	<u>£000</u>	<u>£000</u>
Profit and loss account and other reserves – Form 3 line 12	593,128	529,616
Prior year profit and loss account and other reserves	(529,616)	(542,402)
Prior year foreseeable dividend	100,000	30,000
Decrease in deferred acquisition costs (net of tax)	42,374	25,671
Decrease in deferred income (net of tax)	(56,599)	(51,379)
(Increase)/decrease in net investment reserve	(2,762)	1,838
Decrease in contingent loan to SJP Reassurance (2009) Limited	-	143,974
Decrease)/(increase) in deferred tax asset movements not recognised	25,949	(25,692)
Other deferred tax differences	-	(840)
Net impact of change in allowance for future tax recoveries on policyholder liabilities	(40,563)	32,107
Tax on profit or loss on ordinary activities	(16,722)	-
Increase in surplus retained within the long-term insurance fund	26,587	(37,505)
Current year foreseeable dividend	(125,000)	(100,000)
Profit and loss retained – Form 16 line 59	<u>16,776</u>	<u>5,388</u>

\*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 2014

### NOTES TO THE RETURN

\*1312\* LTB: Exposure at the Year End to Large Counterparties

The exposure at the year end to large counterparties was £39,558,000 deposited with Lloyds Banking Group plc and £27,678,000 deposited with HSBC plc.

\*1318\* Other asset adjustments

This represents the debit balance in Form 13 Line 78 which is disclosed within liabilities in the Statutory Accounts.

\*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 £100,114,000 (2013: £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.

## ST. JAMES'S PLACE UK plc

Financial year ended 31 December 2014

### NOTES TO THE RETURN

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

	<u>2014</u>	<u>2013</u>
	<u>£000</u>	<u>£000</u>
Deferred income	(135,353)	(196,815)
Tax on deferred income	6,290	11,153
Investment reserves	13,569	11,155
Deferred tax assets	115,944	101,572
Deferred tax for transitional arrangement	(2,780)	(3,128)
Differences in valuation of contract liabilities	(11,144)	(28,108)
Differences in presentation of the debit balance in Form 13 Line 78	16,722	-
	<u>3,248</u>	<u>(104,171)</u>

\*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 line 25

Transaction costs of £20,618,000 (2013: £13,999,000) from the purchase and sale of investments been included in Form 40 line 25.

## ST. JAMES'S PLACE UK plc

Financial year ended 31 December 2014

### NOTES TO THE RETURN

#### \*4008\* Management Services

Administration services were provided during the year by Prudential UK Services Limited, International Financial Data Services Limited and Capita Life and Pensions Regulated Services Limited.

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

#### \*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 £45,615,000 (2013: £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 companies and charged £61,073,000 (2013: £57,246,000) to St. James's Place UK plc in respect of its proportion of the goods and services incurred by the group.

In respect of the St. James's Place managed unit trusts all are related parties by virtue of St. James's Place UK plc life and pension funds investing into the unit trusts and by being related parties of the St. James's Place plc. During the year the total value of net transactions with related unit trusts was £3.2 billion (2013: £3.3 billion) and the total net asset value as at 31 December 2014 was £48.3 billion (2013: £40.6 billion).

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

Listed investments are included at bid-market value. 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.

## ST. JAMES'S PLACE UK plc

Financial year ended 31 December 2014

### NOTES TO THE RETURN

\*4402\* Derivative Contracts/Rights and Liabilities

The aggregate value of rights of derivative contracts held for internal linked funds was an asset of £2,106,000 at the year end (2013: asset of £3,743,000).

\*4502\* Other Income and Expenditure

The entry in Form 45 line 26 represents the following:

	<u>2014</u>	<u>2013</u>
	<u>£000</u>	<u>£000</u>
Distributions made	164,239	135,033
Investment transaction costs	20,618	13,999
Total other expenditure	<u>184,857</u>	<u>149,032</u>

\*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 2014**

**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 2014**

**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>Controller of St. James's Place Wealth Management Group plc</b>		
St. James's Place plc	100%	100%